UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE DIRECTOR OF THE
UNITED STATES PATENT ANDTRADEMARK OFFICE

In the Matter of:	)	
	)	
Paul S. Levine,	)	Proceeding No. D2015-21
	)	
Respondent.	)	
	)	

FINAL ORDER PURSUANT TO 37 C.F.R. § 11.24

Pursuant to 37 C.F.R. § 11.24, the Director of the United States Patent and Trademark Office ("USPTO" or "Office") hereby orders the suspension of Paul S. Levine ("Respondent") for violation of 37 C.F.R. § 11.804(h). This reciprocal discipline is based on discipline imposed on Respondent by the State of California.

I. Background

Respondent was admitted to the practice of law in California in 1982 (Bar#102787). (Exhibit 8, at 1). As a licensed attorney in good standing in California, Respondent was authorized to practice before the Office in trademark and non-patent matters. *See* 37 C.F.R. § 11.14(a). Respondent was engaged in practice before the Office in trademark matters at all times relevant to these proceedings. (Exhibit 3, at 1-2; Exhibit 8, at 2-3).

A. California Discipline Proceeding

On September 4, 2014, the Supreme Court of California issued an order in *In re Paul Samuel Levine*, S219307, suspending Respondent on consent from the practice of law in California for two years. (Exhibit 1). The execution of that suspension was stayed and Respondent was placed on probation for two years, with Respondent actually suspended

from the practice of law for the first 60 days of probation. (*Id.*). In addition, the Supreme Court of California directed Respondent to take and pass the Multistate Professional Responsibility Examination within one year of the September 4, 2014 Order. (*Id.*). This Supreme Court of California order was based upon a State Bar Court of California Hearing Department Stipulation of Facts, Conclusions of Law, and Disposition and Order Approving Actual Suspension in Case Number 13-O-10977 of April 24, 2014. (Exhibit 2).

The discipline in California stemmed from Respondent's involvement with two clients, "1" and "2." (Exhibit 2, at 7). Respondent had a legal relationship with Client 2 when Client 1 hired him to draft an agreement between Clients 1 and 2 for the production of a film. (*Id.*). Respondent represented both parties to the agreement without providing them with a written disclosure as required by California Rules of Professional Conduct 3-310(B)(2) (prohibiting attorney with a previous relationship with a party in same matter that would substantially affect representation from accepting or continuing representation of a client without providing written disclosure to client). (*Id.*). A dispute arose between Clients 1 and 2 during the production of the film. (*Id.*). Client 1 hired a new attorney and pursued arbitration against Client 2. (*Id.*). Respondent continued to represent Client 2 until he withdrew after the arbitrator ordered briefing on the issue of whether Respondent could continue to represent Client 2. (*Id.*). The failure to withdraw from representing Client 2 violated Rule 3-700(B)(2) (mandating attorney withdraw from representing client when he or she knows or should know representation will result in violation of "these rules or of the State Bar Act"). (*Id.* at 8).

B. USPTO Reciprocal Discipline Proceeding

On July 1, 2015, the Director of the Office of Enrollment and Discipline of the USPTO ("OED Director") caused a Complaint for Reciprocal Discipline Pursuant to 37 C.F.R. § 11.24 ("OED Complaint") to be mailed to Respondent by certified mail (receipt number 70140510000044247373). (Exhibit 3). The OED Director requested that the USPTO Director impose reciprocal discipline upon Respondent for violating 37 C.F.R. § 11.804(h) by being suspended on ethical grounds by a duly constituted authority of a State. (*Id.*) The OED Director also caused to be mailed on July 1, 2015, a Request for Notice and Order Pursuant to 37 C.F.R. § 11.24 asking that the USPTO Director serve a Notice and Order on Respondent. (Exhibit 4).

On July 15, 2015, the Deputy General Counsel for General Law, on behalf of the USPTO Director, issued a Notice and Order Pursuant to 37 C.F.R. § 11.24 giving Respondent 40 days to file a response "containing all information that Respondent believes is sufficient to establish a genuine issue of material fact that the imposition of discipline identical to that imposed" by the Supreme Court of California in *In re Paul Samuel Levine,* S219307, would be unwarranted based upon any of the grounds permissible under 37 C.F.R. § 11.24(d)(1). (Exhibit 5).

On August 27, 2015, Respondent filed a Response to the Notice and Order. (Exhibit 6). Respondent stated that he did not object to the imposition of reciprocal discipline so long as he is deemed to have been suspended from practice before the Office during the sixty day period of his actual suspension in California, from October 4, 2014, through December 4, 2014. (*Id.*). Responded stated that he did not practice before the Office during that time period and that no additional time suspension should be imposed upon him by the USPTO. (*Id.*).

On October 6, 2015, the General Counsel for the USPTO Director, on behalf of the

USPTO Director, issued an Order requiring the OED Director to respond to Respondent's August 27, 2015 Response to the Notice and Order. (Exhibit 7).

On October 28, 2015, the OED Director provided a Reply to Respondent's August 27, 2015 Response to Notice and Order. (Exhibit 8). This Reply argued that Respondent's request to have reciprocal discipline imposed *nunc pro tunc* should be rejected as he failed to comply with the requirements a practitioner must satisfy before reciprocal discipline may be imposed *nunc pro tunc* that are contained in 37 C.F.R. § 11.24(f). (*Id.*). The Respondent, in turn, provided a Response to the OED Director's Reply in a letter dated November 8, 2015. (Exhibit 9). In this Response, Respondent requests that reciprocal discipline be imposed *nunc pro tunc*. (*Id.*). The Respondent contends that while ignorance of the law is usually no excuse, his ignorance of the requirements of 37 C.F.R. § 11.1 *et seq.*, is excusable. (*Id.*). Respondent also argues that he substantially complied with the spirit of 37 C.F.R. § 11.1 *et seq.*, by not practicing before the Office or other court during the period of the actual suspension imposed upon him by the Supreme Court of California. (*Id.*).

II. Legal Standard

Pursuant to 37 C.F.R. § 11.24(d), and in accordance with *Selling v. Radford*, 243 U.S. 46 (1917), the USPTO has codified standards for imposing reciprocal discipline based on a state's disciplinary adjudication. Under *Selling*, state discipline creates a federal-level presumption that imposition of reciprocal discipline is proper, unless an independent review of the record reveals: (1) a want of due process; (2) an infirmity of proof of the misconduct; or (3) that grave injustice would result from the imposition of reciprocal discipline. *Selling*, 243 U.S. at 51. Federal courts have generally "concluded that in reciprocal discipline cases, it is the respondent attorney's burden to demonstrate, by clear and convincing evidence, that

one of the *Selling* elements precludes reciprocal discipline." *In re Kramer,* 282 F.3d 721, 724 (9th Cir. 2002); *see also In re Friedman*, 51 F.3d 20, 22 (2d Cir. 1995). "This standard is narrow, for '[a Federal court, or here the USPTO Director, is] not sitting as a court of review to discover error in the [hearing judge's] or the [state] courts' proceedings.'" *In re Zdravkovich*, 634 F.3d 574, 578 (D.C. Cir. 2011) (second and third alterations in original) (quoting *In re Sibley*, 564 F.3d 1335, 1341 (D.C. Cir. 2009)).

The USPTO's regulation governing reciprocal discipline, 37 C.F.R. § 11.24(d)(1), mirrors the standard set forth in *Selling*:

> [T]he USPTO Director shall consider any timely filed response and shall impose the identical public censure, public reprimand, probation, disbarment, suspension, or disciplinary disqualification unless the practitioner clearly and convincingly demonstrates, and the USPTO Director finds there is a genuine issue of material fact that:
> (i) The procedure elsewhere was so lacking in notice or opportunity to be heard as to constitute a deprivation of due process;
> (ii) There was such infirmity of proof establishing the conduct as to give rise to the clear conviction that the Office could not, consistently with its duty, accept as final the conclusion on that subject;
> (iii) The imposition of the same public censure, public reprimand, probation, disbarment, suspension or disciplinary disqualification by the Office would result in a grave injustice; or
> (iv) Any argument that the practitioner was not publicly censured, publicly reprimanded, placed on probation, disbarred, suspended or disciplinarily disqualified.

To prevent the imposition of reciprocal discipline, Respondent is required to demonstrate that there is a genuine issue of material fact as to one of these criteria by clear and convincing evidence. *See* 37 C.F.R. § 11.24(d)(1). Respondent appears to be arguing that imposing reciprocal discipline upon him would constitute a grave injustice (37 C.F.R. § 11.24(d)(1)(iii)) unless that discipline were imposed *nunc pro tunc*.

The imposition of reciprocal discipline *nunc pro tunc* is discussed in 37 C.F.R. § 11.24(f), which states:

> Upon request by the practitioner, reciprocal discipline may be imposed *nunc pro tunc* only if the practitioner promptly notified the OED Director of his or her censure, public reprimand, probation, disbarment, suspension or disciplinary disqualification in another jurisdiction, and establishes by clear and convincing evidence that the practitioner voluntarily ceased all activities related to practice before the Office and complied with all provisions of § 11.58. The effective date of any public censure, public reprimand, probation, suspension, disbarment or disciplinary disqualification imposed *nunc pro tunc* shall be the date the practitioner voluntarily ceased all activities related to practice before the Office and complied with all provisions of § 11.58.

To be eligible for the imposition of reciprocal discipline *nunc pro tunc*, Respondent must 1) have promptly notified the OED Director of the discipline imposed upon him by the Supreme Court of California and 2) establish by clear and convincing evidence that he voluntarily ceased all activities related to practice before the Office and complied with all provisions of 37 C.F.R. § 11.58.

As discussed below, the Office finds that Respondent has not shown by clear and convincing evidence that there is a genuine issue of material fact with regard to any of the standards set forth in 37 C.F.R. § 11.24(d)(1). The Office also finds that Respondent did not comply with the eligibility requirements for imposition of reciprocal discipline *nunc pro tunc* set forth in 37 C.F.R. § 11.24(f) as he did not promptly notify the OED Director of the discipline imposed upon him by the Supreme Court of California and has not established by clear and convincing evidence that he voluntarily ceased all activities related to practice before the Office and complied with all the provisions of 37 C.F.R. §11.58.

III. Analysis

A state-imposed discipline creates a federal-level presumption that imposition of reciprocal discipline is proper. *See Selling, supra.* A respondent may also seek to defeat that presumption by showing by clear and convincing evidence that there is a genuine issue of material fact as to whether imposition of reciprocal discipline would result in a "grave injustice"

under 37 C.F.R. § 11.24(d)(1)(iii).

Respondent has not shown by clear and convincing evidence that there is a genuine issue of material fact that a reciprocal suspension would be a grave injustice. The grave injustice analysis focuses on whether the severity of the punishment "fits" the misconduct. *See In re Thav*, 852 F. Supp. 2d 857, 861-62 (E.D. Mich. 2012); *see also In re Kramer*, 282 F.3d at 727 (on challenge to imposition of reciprocal discipline "we inquire only whether the punishment imposed by [the first] court was so ill-fitted to an attorney's adjudicated misconduct that reciprocal disbarment would result in grave injustice"); *In re Attorney Discipline Matter,* 98 F.3d 1082, 1088 (8th Cir. 1996) (no grave injustice where disbarment imposed by the state court "was within the appropriate range of sanctions"); *In re Benjamin*, 870 F. Supp. 41, 44 (N.D.N.Y. 1994) (public censure within range of penalties for misconduct and thus censure was not a grave injustice).

Respondent appears to argue that failing to impose reciprocal discipline upon him *nunc pro tunc* would constitute a grave injustice. This argument misses the point of the grave injustice analysis, which is concerned only with whether the discipline imposed by the first court, in this case the Supreme Court of California, falls within the appropriate range of sanctions, and not with the timing of the imposition of reciprocal discipline. The Respondent has not claimed, however, that the discipline imposed by the Supreme Court of California was inappropriate, nor do the facts support that conclusion. This would be a relevant argument to make under a grave injustice analysis, but Respondent does not make it, and indeed cannot do so. Respondent entered into a voluntary stipulation with the State Bar of California. (Exhibit 2). In that stipulation, Respondent indicated his agreement with its terms and conditions, which included the specific discipline ultimately imposed upon

him by the Supreme Court of California. (*Id.* at 4, 11). As Respondent has not identified any concerns with the discipline imposed by the Supreme Court of California, a discipline the terms of which he agreed to, Respondent has not shown by clear and convincing evidence that there is a genuine issue of material fact that imposition of reciprocal discipline would be a grave injustice. *See, e.g., In re Thav*, 852 F.Supp. at 861-862; *In re Kramer*, 282 F.3d at 727.

In addition, Respondent's request for imposition of reciprocal discipline *nunc pro tunc* has not complied with the *nunc pro tunc* eligibility requirements contained in 37 C.F.R. § 11.24(f). Respondent acknowledges that he did not comply with all of these requirements. For example, the Respondent did not notify the OED Director promptly of the discipline imposed by the Supreme Court of California. (Exhibit 6, at 1) ("I did not know that I was nevertheless obligated to report my actual suspension to the Trademark Office, *per* 37 CFR § 11.24. I apologize for my ignorance and my failure to comply with this requirement."). Respondent also admits he did not contact his trademark clients to advise them of his suspension as required by 37 C.F.R. §11.58(b)(1)(ii). (*Id.* at 2) ("I also did not know about 37 CFR § 11.24, and therefore did not advise my clients about, my actual suspension, in each of the then-pending trademark applications."); *see also* 37 C.F.R. § 11.24(f).

Respondent first argues that ignorance of the requirements for imposition of discipline *nunc pro tunc* was excusable because the contents of 37 C.F.R. § 11.1 *et seq.*, especially including 37 C.F.R. §§ 11.24 and 58, are not well known. The principle is well established, however, that ignorance of a law or regulation, particularly by an attorney, is not an excuse for failing to comply with it. *See, e.g., Office of Disciplinary Counsel v. Au*,

113 P.3d 203, 216 (Haw. 2005); *Attorney Grievance Comm'n v. Hall*, 969 A.2d 953, 968-69 (Md. Court of Appeals 2009) (noting "it is well settled that an attorney's ignorance of his ethical duties is not a defense in a disciplinary proceeding"); *Murphy v. Cambridge Integrated Servs. Grp, Inc.*, 2012 WL 1150820, at *3 (D. Md. 2012) (failure of attorney to notify court of discipline by State of Virginia not excused by ignorance of Maryland Local Rules).

Respondent also supports his request to have reciprocal discipline imposed *nunc pro tunc* by claiming he substantially complied with the spirit of 37 C.F.R. § 11.1 *et seq.*, by not practicing before the Office or any other court or tribunal during the time he served the actual 60-day suspension imposed by the Supreme Court of California. (Exhibit 9). Respondent does not provide any legal authority to support this argument, and the language of 37 C.F.R. §11.24(f) explicitly requires that all of its provisions, to include complying with all provisions of 37 C.F.R. § 11.58, must be satisfied entirely, not just substantially, before a practitioner would be eligible to have reciprocal discipline imposed *nunc pro tunc*. In addition, the record here does not even support Respondent's claim of substantial compliance with the provisions of 37 C.F.R. § 11.24(f). As already stated, *supra*, Respondent failed to notify the OED Director promptly of the suspension imposed upon him by the Supreme Court of California and he did not contact his trademark clients to advise them of his suspension. (Exhibit 8, at 2-3; Exhibit 9). Respondent also does not claim, or provide any evidence, that he filed a notice of withdrawal for pending trademark applications as required by 37 C.F.R. 11.58(b)(1)(i). (Exhibit 8, at 3; Exhibit 9).

In sum, Respondent has not shown by clear and convincing evidence that there is a genuine issue of material fact as to whether imposition of reciprocal discipline would be a

grave injustice. Further, Respondent has not satisfied the requirements to be eligible for the imposition of reciprocal discipline *nunc pro tunc* as he did not promptly notify the OED Director of the discipline imposed upon him by the Supreme Court of California and did not establish, by clear and convincing evidence, that he voluntarily ceased all activities related to practice before the Office and complied with all provisions of 37 C.F.R. § 11.58.

ORDER

ACCORDINGLY, it is hereby **ORDERED** that:

1. Respondent be (a) suspended from practice before the Office in trademark and non-patent law before the USPTO for a period of two (2) years commencing on the date of the Final Order, (b) required to take and pass the Multistate Professional Responsibility Examination within the time period of September 4, 2014 to one year after the date of the signing of this Final Order and provide proof of passage to OED upon request by OED, and (c) placed on probation for two years starting on the date of the Final Order ;

2. Respondent shall serve sixty days (60) of the suspension, with the remaining period of the suspension stayed during the period of probation;

3. The provisions of 37 C.F.R. § 11.60(a)-(d) with respect to the requirement to file a petition for reinstatement after Respondent serves sixty (60) days of the suspension are waived pursuant to 37 C.F.R. § 11.3(a)[1];

4. The provision of 37 C.F.R. 11.60(g) is waived pursuant to 37 C.F.R. 11.3(a);

5. Regarding Respondent's probation:

[1] The waivers pursuant to 37 C.F.R. § 11.3(a) in this Final Order are based on, and limited to, the facts of this particular case.

i. In the event that the OED Director is of the opinion that the Respondent, during the probationary period failed to comply with any provision of this Final Order the OED Director shall:

    1. issue to Respondent an Order to Show Cause why the USPTO Director should not order that Respondent be immediately disciplined for failure to comply with any provision of this Final Order;
    2. send the Order to Show Cause to Respondent at the last address of record Respondent furnished to the OED Director pursuant to 37 C.F.R. § 11.11(a), and
    3. grant Respondent fifteen (15) days to respond to the Order to Show Cause; and

ii. In the event that after the fifteen (15) period for response and consideration of the response, if any, the OED Director continues to be of the opinion that Respondent, during the probationary period, failed to comply with any provision of this Final Order, the OED Director shall:

    1. deliver to the USPTO Director: (i) the Order to Show Cause, (ii) Respondent's response to the Order to Show Cause, if any, and (iii) argument and evidence supporting the OED Director's conclusion that Respondent failed to comply with a provision(s) of this Final Order, and
    2. request that the USPTO Director immediately suspend Respondent for an appropriate period of time for failing to comply with a provision(s) of the Final Order;

6. In the event that the USPTO Director enters an order pursuant to the preceding paragraph disciplining Respondent, and Respondent seeks a review of such order, any such review of the order shall not operate to postpone or otherwise hold in abeyance the discipline;

7. The OED Director publish the following Notice in the Official Gazette:

Notice of Suspension

This notice concerns Paul S. Levine of Venice, California, who is only authorized to practice before the Office in trademark and non-patent law. In a reciprocal disciplinary proceeding, the Director of the United States Patent and Trademark Office ("USPTO") has ordered that Mr. Levine be suspended for two years from the practice of trademark and non-patent law before the Office. Mr. Levine shall serve a two year probation commencing on the date of the Final Order. Mr. Levine shall serve sixty (60) days of the suspension; the remaining period of the suspension is stayed during the period of probation. Mr. Levine must also take and pass the Multistate Professional Responsibility Examination. This action is based on Mr. Levine's violation of 37 C.F.R. § 11.804(h), predicated upon being suspended on consent from the practice of law on ethical grounds by a duly constituted authority of a State. Mr. Levine is not authorized to practice before the Office in patent matters.

The Supreme Court of California suspended Mr. Levine after he accepted employment from Client 1 to draft an agreement when he had a preexisting professional relationship with the other party to the agreement, Client 2. Mr. Levine represented both Client 1 and Client 2 in the drafting, until a conflict arose and Client 1 hired a new attorney. Mr. Levine continued to represent Client 2 in arbitration against Client 1, until the arbitrator raised the conflict of interest issue. At that point, Mr. Levine withdrew from the representation. Mr. Levine violated California Rules of Professional Conduct 3-310(B)(2) and 3-700(B)(2), governing conflict of interest and withdrawal from representation.

This action is taken pursuant to the provisions of 35 U.S.C. § 32 and 37 C.F.R. § 11.24. Disciplinary decisions are available for public review at the Office of Enrollment and Discipline's FOIA Reading Room, located at: http://e-foia.uspto.gov/Foia/OEDReadingRoom.jsp.

8. The OED Director give notice pursuant to 37 C.F.R. § 11.59 of the public discipline and the reasons for the discipline to disciplinary enforcement agencies in the state(s) where Respondent is admitted to practice, to courts where Respondent is known to be admitted, and to the public;

9. Respondent shall comply with the duties enumerated in 37 C.F.R. § 11.58.

8/1/16
Date

Sarah Harris
General Counsel
United States Patent and Trademark Office

on behalf of

Michelle K. Lee
Under Secretary of Commerce for Intellectual Property and
Director of the United States Patent and Trademark Office

cc:

OED Director

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