BEFORE THE UNDER SECRETARY OF COMMERCE FOR INTELLECTUAL PROPERTY AND DIRECTOR OF THE UNITED STATES PATENT AND TRADEMARK OFFICE

In the Matter of	)	
	)	
Edwin D. Schindler,	)	Proceeding No. D2019-43
	)	
Appellant.	)	
	)	

FINAL ORDER

On December, 22, 2023 Edwin D. Schindler ("Appellant") filed a pleading entitled "Respondent Edwin D. Schindler's Combined Motion For Reconsideration, Pursuant To 37 C.F.R. §11.56(c), Or, In The Alternative, For Remand To The Administrative Law Judge And Stay Of Proceedings." ("Request" or "Request for Reconsideration"). The Request followed the USPTO Director's Final Order on Appellant's hearing appeal, dated December 5, 2023. That Final Order affirmed the Initial Decision of the ALJ that Appellant violated the USPTO's disciplinary rules and suspended Appellant from practice before the USPTO in patent, trademark, and other nonpatent matters for not less than 2 years. For the reasons set forth below, Appellant's Request for Reconsideration is denied.

I. PROCEDURAL BACKGROUND

The OED Director issued a Complaint and Notice of Proceedings against Appellant under 35 U.S.C. §§ 2(b)(2)(D), 32, and 37 C.F.R. §§ 11.32, 11.34, 11.39 on July 10, 2019 (A.25-64).[1] The Complaint alleged three Counts of misconduct including assisting in the unauthorized practice of law (Count I), improperly dividing fees without client consent (Count II), and failure to communicate with clients (Count III). (*Id*). The OED Director requested that Appellant be

[1] References to specific pages in the Administrative Record are designated as "A._".

excluded or suspended from practice before the USPTO in patent, trademark, and other non-patent matters. (A.61). Appellant filed his "Answer to Complaint and Notice of Proceeding Under 35 U.S.C. § 32" ("Answer") on August 9, 2019 and raised various defenses and counterclaims. (A.73-187).

Following a hearing, the ALJ issued the Initial Decision on September 24, 2021. The ALJ concluded Appellant engaged in misconduct as set forth in the Complaint. (A.17). The ALJ thoroughly considered the factors under 37 C.F.R. § 11.54(b) and concluded that Appellant should be suspended from practice before the USPTO in patent, trademark, and non-patent matters for not less than two (2) years. (A.20). Although the Initial Decision was issued in 2021, transmittal of the Initial Decision was delayed until 2023, as documented by the ALJ in a memorandum dated June 8, 2023. (A.1939).

Appellant filed an appeal of the ALJ's Initial Decision on June 20, 2023, arguing that he should not have been found to have engaged in misconduct and he should not have been sanctioned by the ALJ. However, on December 5, 2023, the USPTO Director denied Appellant's appeal. This Request for Reconsideration followed.

II. LEGAL STANDARD

Following a final decision of the USPTO Director, either party may make a single request for reconsideration or modification of the decision by the USPTO Director if such request is filed within twenty days from the date of entry of the decision. *See* 37 C.F.R. § 11.56(c). The provisions governing reconsideration state:

> "No request for reconsideration or modification shall be granted unless the request is based on newly discovered evidence or error of law or fact, and the requestor must demonstrate that any newly discovered evidence could not have been discovered any earlier by due diligence."
> *Id*.

The standard of review governing requests under § 11.56(c) are not defined beyond what appears in the text of the regulation. However, although the Federal Rules of Civil Procedure are not applicable in administrative proceedings,[2] courts have at times looked to them for useful guidance in judging actions taken by the USPTO.[3] The standard of review used by federal courts for motions to alter or amend a judgment under Rules 59(e) and 60 of the Federal Rules of Civil Procedure are most similar to requests for reconsideration filed pursuant to § 11.56(c). Because of that, the standard set forth in those rules has been previously utilized by the USPTO in analyzing reconsideration requests. *See In re Walpert*, Proceeding No. D2018-07 (USPTO Apr. 29, 2021); *In re Faro*, Proceeding No. D2015-27 (USPTO Feb. 9, 2018); *In re Denison*, Proceeding No. D2016-01 (USPTO Oct. 25, 2017); *In re Piccone*, Proceeding No. D2015-06 (USPTO Feb. 9, 2018); *See in re Kroll,* Proceeding No. D2014-14 (USPTO May 18, 2016); *In re Bang-er Shia*, Proceeding No. D2014-31 (USPTO Aug. 1, 2016). Accordingly, those authorities are referenced and utilized here to analyze Appellant's Request for Reconsideration.

Federal courts have viewed the standard of review for Rules 59(c) and 60 as narrow and limited to only circumstances involving new evidence, or to correct errors of law or fact. *See Hutchinson v. Staton*, 994 F.2d 1076, 1081 (4th Cir. 1993). Any new evidence submitted must not have been available before the issuance of the final decision. *See Boryan v. United States*, 884 F.2d 767, 771-72 (4th Cir. 1989) ("Evidence that is available to a party prior to entry of judgment, therefore, is not a basis for granting a motion for reconsideration as a matter of law.") (citing *Frederick S. Wyle Pro. Corp. v. Texaco, Inc.*, 764 F.2d 604, 609 (9th Cir. 1985)). Furthermore, it is long-settled that requests for reconsideration are not a vehicle to state a party's

[2] *See Bender v. Dudas*, 2006 WL 89831, at *23 (D.D.C. Jan. 13, 2006), *aff'd*, 490 F.3d 1361 (Fed. Cir. 2007).
[3] *See Gerritsen v. Shirai*, 979 F.2d 1524, 1532 (Fed. Cir. 1992).

disagreement with a final judgment. *See Hutchinson*, 994 F.2d at 1082 ("mere disagreement does not support a Rule 59(e) motion"); *Arthur v. King*, 500 F.3d 1335, 1343 (11th Cir. 2007), *cert. denied*, 552 U.S. 1040 (2007) (stating that a Rule 59(e) motion cannot be used to relitigate old matters, raise argument or present evidence that could have been raised prior to the entry of judgment). A request for reconsideration should not be used to rehash "arguments previously presented" or to submit evidence that should have been previously submitted. *Wadley v. Park at Landmark, LP,* 2007 WL 1071960, at *2 (E.D. Va. 2007) (citing *Hutchinson*, 994 F.2d at 1081-82); *Above the Belt, Inc. v. Mel Bohannan Roofing, Inc.*, 99 F.R.D. 99, 101 (E.D. Va. 1983) (holding improper a motion for reconsideration "to ask the Court to rethink what the Court had already thought through—rightly or wrongly"); *Durkin v. Taylor*, 444 F. Supp. 879, 889 (E.D. Va. 1977) (stating that Rule 59(e) is not intended to give "an unhappy litigant one additional chance to sway the judge"). Instead, reconsideration is appropriate where, for example, "the Court has patently misunderstood a party, or has made a decision outside the adversarial issues presented to the Court by the parties, or has made an error not of reasoning but of apprehension." *Above the Belt, Inc.*, 99 F.R.D. at 101; *United States v. Ali*, 2014 WL 5790996, at *3 (D. Md. 2014).

Requests for reconsideration are permitted but they are seldom granted. These types of motions are extraordinary remedies reserved only for extraordinary circumstances. *See Dowell v. State Farm Fire & Cas. Auto. Ins. Co.*, 993 F.2d 46, 48 (4th Cir. 1993) (limiting relief under Rule 60(b)(6) to "extraordinary circumstances"); *Projects Mgmt. Co. v. DynCorp Int'l, LLC*, 17 F. Supp. 3d 539, 541 (E.D. Va. 2014), *aff'd*, 584 F. App'x 121 (4th Cir. 2014) (reconsideration of a judgment after its entry is an "extraordinary remedy which should be used sparingly") (quoting *Pac. Ins. Co. v. Am. Nat'l Fire Ins. Co.*, 148 F.3d 396, 403 (4th Cir. 1998)); *see also*

Netscape Commc'ns Corp. v. ValueClick, Inc., 704 F. Supp. 2d 544, 546 (E.D. Va. 2010)). Consequently, the standard for granting a Request for Reconsideration under § 11.56(c) is very high and are granted sparingly and only in extraordinary circumstances. For the reasons discussed below, Appellant's Request for Reconsideration is denied.

III. DECISION

A. Appellant Has Not Satisfied the Requirements for Granting Reconsideration Under 37 C.F.R. § 11.56(c).

The standard for granting reconsideration under 37 C.F.R. § 11.56(c) is that "[n]o request for reconsideration or modification shall be granted unless the request is based on newly discovered evidence or error of law or fact. . . ." As detailed below, Appellant's Request completely fails to satisfy this standard. Appellant does not argue, and there is not a single reference to any "newly discovered evidence" in his Request. That being the case, a grant of reconsideration rests solely on Appellant's ability to show and error of law or fact and he fails to make such a showing.

1. Appellant's Challenge to the Standard for Reviewing Requests for Reconsideration Have no Merit.

Appellant spends nearly eight pages of his request objecting to the USPTO Director's longstanding practice of viewing motions to amend or alter a judgment under Federal Rules of Civil Procedure 59(e) and 60 as analogs to requests for reconsideration under 37 C.F.R. § 11.56(c). *See* Request for Reconsideration, at 1-8. In sum, Appellant argues that only the words of § 11.56(c) should be applied to Requests for Reconsideration and argues that referencing the Federal Rules provides additional "hurdles" to, and do not mirror the language in, § 11.56(c) and claims that practitioners have no notice that the Federal Rules will be so utilized in reviewing Requests for Reconsideration.

First, there is nothing inappropriate about the USPTO Director looking to analogous federal rules to assist in the interpretation of the USPTO regulations, a practice which the Federal Circuit

has also found useful. *See Gerritsen v. Shirai*, 979 F.2d at 1532(looking to Federal Rule of Civil Procedure for comparison in judging the USPTO action). Appellant's cited authority, which generally concerns strict applicability of the federal rules to disciplinary proceedings, does not prohibit referencing Federal Rules and does not negate *Gerritsen* or the USPTO's disciplinary precedent. Further, the USPTO is not applying the Federal Rules to the exclusion of 11.56(c). As stated in prior precedent, Federal Rules 59(e) and 60 are most consistent with §11.56(c) and are utilized as further guidance for analyzing requests for reconsideration. *See supra* pp. 3-5. This is because, similar to § 11.56(c), both Rule 59(e) and Rule 60 rely on new evidence or errors of law or fact as a basis for granting Requests for Reconsideration. Thus, there is no inconsistency with § 11.56(c) or additional hurdles placed on Appellant. Further, to the extent that Appellant argues that practitioners have no notice of the USPTO's reference to the Federal Rules, that claim has no merit. Appellant's Request for Reconsideration inherently acknowledges that such notice is available to practitioners and, as such, he had such notice. Further, he was counsel of record for at least one other Request for Reconsideration in which the USPTO stated its practice to consult with Rules 59(e) and 60. *See in re Kroll,* Proceeding No. D2014-14 (Appellant as counsel on request for reconsideration that references Rules 59(e) and 60).

Not having proffered any authority that would prohibit the USPTO's looking to analogous federal rules to assist in the interpretation of the USPTO regulations, having not shown that precedent is inconsistent with § 11.56(c), and failing to show he was deprived notice of this practice, his challenge to the USPTO's standard of review is rejected.

2. Appellant Waived Challenge to Delay of Proceedings.

Appellant next claims that reconsideration is warranted due to "the USPTO's many years delay in issuing the initial decision" in violation of the Administrative Procedures Act. *See*

Request for Reconsideration, at 8-13. However, as noted by the OED Director, Appellant has waived this argument and, as a result, cannot raise it for the first time on reconsideration.

Reconsideration, to include the alternative request for remand based on delay, is limited to issues actually decided in the decision of which reconsideration is sought. "Arguments not raised or developed during the appeal are waived on reconsideration." *In re Correll*, Proceeding No. D2018-12 at 8 (USPTO Jul. 26, 2021) (Order on Reconsideration) (internal citation omitted); *see also In re Walpert*, Proceeding No. D2018-07 at 11 (Order on Reconsideration); *Smithkline Beecham Corp. v. Apotex Corp.*, 439 F.3d 1312, 1319-20 (Fed. Cir. 2006). A review of Appellant's underlying filings conclusively shows that Appellant never raised, mentioned, or argued the issue of delay in his initial appeal or his Reply brief to the USPTO Director. *See generally* Appellant's Appeal Brief; Appellant's Reply Brief. Similarly, his appellate briefings did not request remand to the ALJ for any issue. *See id.* Having not raised these issues on appeal, Appellant may not raise them for the first time at the reconsideration stage. Accordingly, Appellant has waived these issues. *See Correll*, *supra* at 8; *Walpert*, *supra* at 11.

In addition to the foregoing, Appellant's arguments concerning the delay in issuing the Initial Decision also fail on the merits for the reasons stated in the January 5, 2024, OED Director's Opposition ("Opposition"). *See* Opposition, at 6. Specifically, and contrary to Appellant's assertions, 37 C.F.R. § 11.39(d) plainly allows that Initial Decisions may be issued outside a 9-month timeframe. And here, the ALJ issued the decision in 2021[4], but it was the transmittal of the Initial Decision that was delayed until 2023. The ALJ documented the delayed transmittal in his Memorandum dated June 8, 2023 in compliance with § 11.39(d) ("The hearing officer may, however, issue an initial decision more than nine months after a complaint is filed if there exist

[4] It is noted that this period of time coincided with the Coronavirus pandemic.

circumstances, in his or her opinion, that preclude issuance of an initial decision within nine months of the filing of the complaint.")

3. Appellant's Challenge to 37 C.F.R. § 11.5 is Waived and Has no Merit.

Appellant next argues that the 37 C.F.R. § 11.5 definition of what constitutes "practice before the Office" is so overbroad that it fails to provide adequate notice of either the conduct that is alleged to violate the rule or what the rule means. *See* Request for Reconsideration, at 14-17. Thus, according to Appellant, the rule as stated is void for vagueness. *Id.* at 16. Further, he claims that he is being treated differently from the class of practitioners who are disciplined and who receive timely initial decisions, thus violating his equal protection rights. *Id.* at 17.

Although Appellant did raise challenges to § 11.5 during the appeal on the basis that it was generally overbroad, he raised no arguments that § 11.5 was void for vagueness during his appeal and instead raises it for the first time in his request for reconsideration. Thus, as noted above, that argument is waived. *See supra*., at 7 (discussion of waiver).

Even if Appellant's arguments concerning delay were not waived, Appellant's challenge fails on the merits as there is no error of law or fact with how the ALJ applied § 11.5 to find misconduct. The plain language of §11.5 directly and unequivocally address Appellant's misconduct here. There is no need to address Appellant's arguments concerning the "but is not limited to" language identified in the § 11.5 because the ALJ relied on Appellant's conduct that is specifically stated in § 11.5 to conclude that he assisted Mr. Kroll's unauthorized practice of law in violation of 37 C.F.R. § 11.505. Specifically, the ALJ found that Mr. Kroll's conduct included "communicating with and advising . . . client[s] concerning matters pending or contemplated to be presented before the Office" and "consulting with or giving advice to a client

in contemplation of filing documents with the Office." (A.10-11 (citing and quoting § 11.5(b)). Thus, there is no error of law or fact and no basis to permit reconsideration.

On the issue of the Equal Protection Clause, the argument is also waived as it is raised for the first time on reconsideration. *See supra*., at 7 (discussion of waiver). Additionally, this argument is entirely without merit and does not constitute an error of law for reasons stated in the OED Director's Opposition. *See* Opposition, at 7, n.5. He makes no attempt to develop this argument or demonstrate his disparate treatment, including that he cites to no other comparators who have been treated differently.

4. Appellant's Challenge to Hearsay Evidence Is Insufficient to Grant Reconsideration.

Appellant next summarily argues that the ALJ erred by accepting hearsay evidence and in denying him the opportunity to cross-examine witnesses. *See* Request for Reconsideration, at 17-18. However, in making this argument, Appellant points to no error of law or fact in this determination. Nor does he address or argue the authority set forth in the Final Order permitting the introduction of hearsay evidence in the USPTO disciplinary proceedings. Rather, he simply restates the argument he previously made in his appeal and reply briefs. This argument wholly fails to constitute an error of law and is an insufficient basis to permit reconsideration. And, as already stated, a request for reconsideration should not be used to rehash "arguments previously presented" or to submit evidence that should have been previously submitted. *See Wadley,* 2007 WL 1071960, at *2 (citing *Hutchinson*, 994 F.2d at 1081-82).

Though Appellant cites to 5 U.S.C. § 556(d) of the Administrative Procedures Act which provides that "[a] party is entitled to present his case or defense by oral or documentary evidence, to submit rebuttal evidence, and to conduct such cross-examination as may be required for a full and true disclosure of the facts" this argument was not previously made. Given that

Appellant is raising this argument for the first time on appeal, it is waived. *See supra*. at 7 (discussion of waiver). But, alternatively, it is noted that Appellant fully participated in the underlying state disciplinary proceedings. He cross-examined at least one witness. He listed other potential witnesses for the hearing, including clients, but did not request any subpoenas or otherwise call them to testify. A.1661; A.9946 (Appellant resting without calling any witnesses). Any failure to call witnesses rests entirely with himself and does not create an error of law or fact that would justify reconsideration.

5. There Are No Exceptional Circumstances Justifying A Stay of Discipline.

Review of the final decision by the USPTO Director in a disciplinary case may be had by a petition filed in accordance with 35 U.S.C. 32. 37 CFR § 11.57(a). Any such petition shall be filed within 30 days after the date of the final decision. *id*. "Except as provided for in § 11.56(c), an order for discipline in a final decision will not be stayed except on proof of exceptional circumstances." 37 C.F.R. §11.57(c). Here, Appellant argues that any suspension should be stayed pending resolution of any review by the Eastern District of Virginia. *See* Request for Reconsideration, at 19.

Appellant makes no argument of "exceptional circumstances" under § 11.57(c). Instead, he recites a standard akin to the one applied in federal courts when considering petitions for a temporary restraining Order. *See* Request for Reconsideration, at 19-24. This standard, however, is not applicable to questions of a stay under § 11.57(c). To the extent that Appellant is relying on these arguments as a showing of "exceptional circumstances", those arguments are rejected for the reasons stated in the OED Director's Opposition. Specifically, Appellant continues to rely in his timeliness argument as evidence of his likelihood to succeed on the merits. *See id*., 20-21. However, as already noted, since he failed to timely raise this issue of delay, that argument has

been waived. *See supra*., at 7 (discussion of waiver). It is also wholly without any merit since the USPTO rules permit decisions outside a 9-month window and the ALJ appropriately noted the delay in transmitting the Initial Decision in his June 8, 2023 memorandum. (A.1939). Thus, contrary to his argument, Appellant is unlikely to succeed on the merits. Next, any injury he suffers from a lack of stay is not irreparable or exceptional as every suspended practitioner suffers the same potential injury to reputation, business, and finances. Contrary to his opinion, *see* Request for Reconsideration, at 21-22, there is nothing unique or special to Appellant as to these things. In contrast, allowing a suspended practitioner to practice while under court review could harm the USPTO and potential clients. Finally, public interest counsels in favor of a stay since he was found to have violated his duty to the public and his clients and allowing him to continue practicing could put additional clients at risk.

In sum, there is nothing special or exceptional about Appellant's situation that other suspended or excluded practitioners do not also experience. Having not provided any proof of the exceptional circumstances required by 37 C.F.R. § 11.57(c) for the imposition of a stay of his suspension, that request is denied.

IV. CONCLUSION

Having considered Appellant's Request for Reconsideration of Director's Final Order dated December 5, 2023, as well as the other pleadings, it is **ORDERED** that Appellant's Request for Reconsideration is **DENIED**.

APPEAL RIGHTS

Appellant is notified that he is entitled to seek judicial review on the record in the U.S. District Court for the Eastern District of Virginia under 35 U.S.C. § 32 "within thirty (30) days after the date of the order recording the Director's action." *See* E.D.Va. Local Civil Rule 83.5.

IT IS SO ORDERED.

Users, Berdan, David

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Date: 2024.01.18 16:35:17 -05'00'

David Berdan
General Counsel
Office of the General Counsel
United States Patent and Trademark Office

Date

on delegated authority by

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

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that the foregoing Final Order (Reconsideration) and Order (Renewed Motion) were sent to the parties below, in the manner indicated:

Via Email to Respondent:

Mr. Edwin Schindler
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Respondent

Via E-mail to the OED Director:

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Date

United States Patent and Trademark Office