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UNITED STATES
PATENT AND TRADEMARK OFFICE
BEFORE THE ADMINISTRATIVE LAW JUDGE
OF THE DEPARTMENT OF COMMERCE

U.S. PATENT & TRADEMARK OFFICE

HARRY I. MOATZ,)
Director, Office of)
Enrollment and Discipline)
v.)
GEORGE E. KERSEY)
Respondent.)

Proceeding No. 00-07

Spencer T. Nissen
Administrative Law Judge, EPA¹

INITIAL DECISION

Appearances:

For The Director: William R. Covey, Esq.
Mark Nagumo, Esq.
Marshall Honeyman, Esq.
Office of Enrollment and Discipline
U.S. Patent and Trademark Office
Arlington, VA

For Respondent: George E. Kersey, Esq.
Pro Se
Framingham, MA

Background

This is a disciplinary action initiated by the Director, Enrollment and Discipline ("Director" or "OED"), U.S. Patent and Trademark Office ("USPTO") pursuant to 35 U.S.C. § 32 and 37 C.F.R. § 10.134. At all times relevant to these proceedings, the Respondent, George E. Kersey, was registered to practice before the USPTO, Registration No. 20,136, and has engaged in the prosecution of patent applications before the USPTO. Therefore, Respondent is subject to the

¹ Administrative Law Judges of the United States Environmental Protection Agency are authorized to hear cases pending before the United States Department of Commerce, Patent and Trademark Office, pursuant to an Interagency Agreement effective for a period beginning March 22, 1999.

rules governing the practice of patent and trademark law before the USPTO and the PTO Code of Professional Responsibility. 37 C.F.R. § 10.1 et seq.

On August 8, 2000, the Director issued a Complaint and Notice of Proceedings seeking entry of an order suspending the Respondent from practice before the USPTO pursuant to 37 C.F.R. § 10.130(a) or excluding him from practice before the USPTO. The complaint contained four counts: Count 1 alleged that during his employment by the U.S. Air Force from March 6, 1995, through October 12 [2] 1995, Kersey continued to represent investor clients before the USPTO in violation of Federal conflict of interest rules prohibiting such conduct; Count 2 alleged that on September 10, 1999, the Supreme Judicial Court of Massachusetts entered an order suspending Kersey from the practice of law and that Kersey failed to report this suspension to the Director in a timely manner as required by 37 C.F.R. § 10.23; Count 3 alleged that on February 4, 2000, the United States Court of Appeals for the District of Columbia Circuit issued an order suspending Kersey from the practice of law and that Kersey failed to report this suspension to the Director in a timely manner as required by 37 C.F.R. § 10.23;² and Count 4 alleged that Kersey failed to furnish information requested by the Director and to cooperate in an investigation of the violations alleged in Count 1 as required by 37 C.F.R. §§ 10.23(c)(16) and 10.131(b).³

Kersey submitted an answer denying the violations alleged in the complaint under date of September 6, 2000.

Prehearing proceedings included the exchange of prehearing statements and information as required by Rule 10.152(e) and an order of the ALJ; an order denying Kersey's motion for dismissal because of the alleged inaccuracy of the certificate of service accompanying the Director's prehearing exchange; and an order denying Kersey's motion for discovery and for dismissal on the ground of laches and equitable estoppel.⁴ For the reasons hereinafter appearing, it is concluded that violations alleged in Count 1, occurring prior to August 8, 1995, are barred by the statute of limitations (28 U.S.C. § 2462) and that, because of extenuating circumstances, Mr.

²Paragraphs 2.3 c of Count 2 and 3.3 c. of Count 3 of the complaint erroneously allege that Kersey had been disbarred by the Supreme Judicial Court of Massachusetts and the United States Court of Appeals for the District of Columbia Circuit, respectively. The complaint was amended at the hearing so as to strike the word "disbarred" where it appeared in the mentioned paragraphs and to substitute the word "suspended" (Tr. 75, 76).

³The Committee on Discipline constituted under 37 C.F.R. § 10.4 met on July 27, 2000, and determined that there was probable cause to bring the charges alleged in each count of the complaint (Determination of Probable Cause, D's Exh 22). Although Kersey contends that this determination is defective because the evidence considered is not set forth, the determination is analogous to a grand jury indictment which stands or falls based on the evidence presented at trial rather than on evidence presented to the grand jury.

⁴Kersey has renewed these motions and arguments on post-hearing brief. The motions are without merit and are again denied.

Kersey will be reprimanded in accordance with 37 C.F.R. § 10.134(a) rather than suspended for those violations established by the Director which are not time-barred.

A hearing on this matter was held in Boston, Massachusetts on February 13 and 14, 2001. Based upon the entire record including the proposed findings, conclusions and briefs of the parties, I make the following:

Findings of Fact⁵

1. Respondent, George E. Kersey, was admitted to practice before the U.S. Patent and Trademark Office in 1960, Registration No. 20,136. Mr. Kersey has a masters degree in electrical engineering from MIT and is admitted to the bars of New York, New Hampshire, New Jersey, Massachusetts and the District of Columbia.
2. Mr. Kersey's extensive experience includes employment as a patent attorney by Bell Telephone Laboratories, the person in charge of patent litigation for Western Electric Company, an associate and/or principal in patent law firms in Boston and New York and manager of the Patent Department of the Dennison Manufacturing Company (Board of Bar Overseers, Report of The Hearing Committee: Bar Counsel v. George E. Kersey, KER205; Post-trial Brief, dated April 11, 2001 at 1). Upon reaching the age of 62, he was terminated by Dennison in accordance with company policy to terminate managers and executives at that age. Thereafter, he was employed by a firm called "Chronar" until it went into bankruptcy in 1991 and from that time until 1995, he was engaged in private practice including practice before the PTO.
3. On March 6, 1995, Mr. Kersey was employed as a Patent Adviser-Electronic Engineering by the U.S. Air Force, stationed at Murphy Federal Center, Waltham, Massachusetts (Notification of Personnel Action, Director's, D's, Exh 7). His civil service status was "Career Conditional" subject to a one-year probationary period.
4. Mr. Kersey was terminated for cause effective October 2, 1995.(D's Exhs. 8, 9, & 10). The cause was alleged unexcused absences from work and tardiness in work attendance.
5. Mr. William G. Auton, a supervisory patent advisor employed by the U.S. Air Force and Mr. Kersey's supervisor at the time of Kersey's employment by the Air Force, testified that he had no problems with Mr. Kersey and that Kersey was a "great pleasure to work with" (Tr. 136). Auton explained that "we" had an Acting Chief [Intellectual Property Division, Mr. Stanton Collier] who was giving Mr.

⁵Proposed findings not accepted are either rejected or considered unnecessary to the decision.

Kersey an inordinate amount of supervision and scrutinizing his work product, finding what Auton considered to be minor errors. In further testimony, Mr Auton described Mr. Kersey as the most qualified person “..... ever [to be employed by] the office” and as “the most gifted and qualified attorney I think our office has ever seen.” (Tr. 184; 211).

6. A termination memorandum, dated September 22, 1995, directed to Mr. Kersey refers to “counseling sessions” on August 23, 24 and 31, 1995, wherein Mr. Auton counseled Kersey concerning alleged prolonged and unexcused absences from the office during duty hours (Tr. 137-39; D’s Exh 9). Although the memorandum was written and signed by Auton, Auton testified that he was directed by Collier to take steps to remove Kersey (Tr. 145, 201). The memorandum refers to Kersey’s work productivity, that is, failure to meet the standard of filing two patent applications per month, and practices, which Collier, but not Auton, found to be unacceptable. The memorandum also refers to a session on September 19, 1995, wherein Kersey was counseled by Auton and Collier to proofread his work, to attain a 2.00 monthly average of points for cases filed at the Patent Office, to take only ½ hour lunch breaks and to refrain from unexcused absences from the office. Mr. Kersey was informed that it had been determined that his continued employment [by the Air force] was not in the best interest of the federal service and that his termination would be effective at 1600 hours on September 29, 1995. Mr. Kersey elected to have his termination reviewed and by a memorandum, dated October 2, 1995, signed by Col. Brian L. Kessler, Staff Judge Advocate, Electronic Systems Center, Kersey’s termination was sustained, being effective at 1600 hours that date (D’s Exh 10).
7. Mr. Auton testified that Kersey’s production level was initially satisfactory, but was below the standard of two patent applications a month at the time of his termination (Tr. 143-44). On cross-examination, however, he acknowledged that Collier had insisted on giving him (Auton) three-quarters of a point for a patent application that had actually been completed by Kersey, thus hurting Kersey’s [reported] productivity (Tr.205). Additionally, Auton confirmed that Collier took Kersey’s printer away and then refused to allow Kersey to use the printer in his (Collier’s) office (Tr. 211). Auton also confirmed that Kersey’s initial performance rating was entirely satisfactory and that Collier had a practice of what Auton termed “quibbling”, kicking back attorney work- product, including Auton’s, for trivial and superficial matters (Tr. 201-02, 204). Mr. Auton indicated that this practice intensified for potential candidates to succeed Jesse Erlich, who had retired as Chief [of the Intellectual Property Division] (Tr 203, 205). Auton testified that Erlich had recommended Kersey as the chief candidate for Erlich’s replacement and, although he (Auton) was also a candidate, Kersey’s credentials were far superior to his own (Tr. 200).
8. A memorandum to Mr. Auton, signed by Mr. Collier, dated September 8, 1995 (D’s Exh 23, KER016), indicates that one of the alleged deficiencies in Kersey’s

work concerned the filing of an application for a patent and petitions prepared by Kersey for continuations under what Mr. Auton referred to as "Rule 47" where the signatures of inventors [assigning the invention to the Air Force] could not be obtained (Tr. 154-55; D's Exh 23, KER018). According to Collier's memorandum, the second petition stating that [the named inventor could not be located] despite a "... diligent search.." was inaccurate, the missing inventor being available at an E-mail address and in fact only 20 minutes away. These unnecessary extensions allegedly cost the Air Force \$680 in additional filing fees. Mr. Auton disagreed with Collier, because he considered that Kersey had made a diligent effort to contact [the missing inventor] (Tr. 155, 211-12).

9. At the time of Kersey's termination, Mr. Collier, who had signed the memorandum, dated September 8, 1995, referred to in the preceding finding as "Deputy Chief of the Intellectual Property Division", had instituted a very rigid time and attendance policy, limiting lunch breaks to no more than 30 minutes and permitting no unexcused absences (Tr. 145, 222-23). Although Mr. Auton testified that the policy was not uniformly applied to all employees, he complied with the policy by eating lunch at his desk (Tr. 204, 223). According to Mr. Kersey, he applied for unemployment compensation after his termination and his claim was ultimately denied [the termination for cause being sustained] by an unemployment compensation appellate tribunal of the State of Massachusetts, because he had taken an extra ten minutes for lunch.⁶
10. Some time after Mr. Kersey's employment by the Air Force was terminated, response documents concerning patent applications (Application Serial No.07/754,568 Belich and Application Serial No.08/290,136 Paradis) were discovered on the computer he used while employed by the Air Force (Tr. 152-53). The former document (Belich) is entitled "New Complete Appeal Brief", appears to be dated 06/28/94, and relates to a patent application "Suspension of Musical Instruments" originally filed by Kersey on September 4, 1991 (Tr. 179; D's Exh 23, KER009; Exh 1A). The second document is a blank certificate of mailing and the first page of an undated response to a PTO rejection on March 15, 1995, of certain claims under Application No.08/290,136, J. Paradis, which relates to a flow control device and which was originally filed by Kersey on August 15, 1994 (D's Exh 23, KER012-13). This document refers to the shortened statutory period set for response due to expire 06/15/95 and it might be inferred that it was filed with the PTO prior to that date. There is no evidence of mailing, however, and it is

⁶ Tr. 246-47. Kersey's claim for unemployment benefits was filed with the Massachusetts Department of Employment and Training and his petition for judicial review of the denial and his petition for judicial review of his termination were dismissed because the petitions were filed after the statutory or regulatory period for the filing of such actions. Kersey v. Widnall, 1998 U.S. Dist. LEXIS 4120 (D.C. Mass. 1998), affirmed sub nom. Kersey v U.S. Air Force, 1998 App LEXIS 31213 (1st Cir., 1998).

noted, that this response document is not included in Exhibit 2, which purports to be the complete PTO file concerning a different, but apparently closely related application, Application No.08/290,133, entitled "Control of Fluid Flow", Joseph R. Paradis, also filed on August 15, 1994, and which resulted in the issuance of Patent No. 5,453,097 on September 26, 1995.

11. Thereafter, Auton on May 16, 1996, at Collier's direction, mailed a "Complaint" to the U.S. PTO, OED, requesting an investigation of Kersey's activities on behalf of private parties while employed by the Air Force (D's Exh 23, KER004-006). Although the Complaint was signed only by Auton, the form transmitting the Complaint was also signed by Collier (D's Exh 23, KER002). The Complaint asserted that 18 U.S.C. §§ 203, 205 and 207 as well as Patent Office Rule 10.10(d) prohibit government employees from practicing before the PTO for compensation on behalf of private parties. The fact is that neither the cited criminal statutes nor Patent Office rules expressly prohibit government employees, other than practitioners who are employees of the Patent Office, from practicing before the Patent Office on behalf of private parties and the accuracy of the foregoing statement is a matter of interpretation which is considered infra findings 21-23.⁷
12. Although Mr. Auton has written a letter to Mr. Kersey, dated November 7, 2000 (R's Exh FF), which states, among other things, that he (Auton) has no personal knowledge of who put the responses to non-federal patent matters on Kersey's [Air Force] computer, he readily agreed that Kersey had been permitted to use his own software [to improve productivity] and that it would be sensible to include therein a sample of Kersey's prior work as a template for the preparation of future documents (Tr.206, 208). Auton indicated that he would have called Kersey to find out if Kersey had an explanation for the non-federal patent documents found on his Air Force computer, but that he was overruled by Collier (Tr. 208-09).
13. The Complaint submitted by Auton also cited as possible unethical conduct by Kersey the petition he filed concerning a missing inventor (finding 8), which was allegedly inaccurate and an apparent violation of Patent Office Rule 10.23(b)(4). The cited rule, 37 C.F.R. § 10.23(b)(4), prohibits conduct involving dishonesty, fraud, deceit, or misrepresentation and there is no apparent basis for its implication here in the absence of evidence that the petition filed by Kersey had no basis in fact and that Kersey was aware of that fact.
14. Although the Patent Office response document entitled "New Complete Appeal Brief" attached to the Complaint to the PTO was filed by Kersey prior to his

⁷ The PTO Rule, 37 C.F.R. § 10.10(d), provides: Practice before the Office by Government employees is subject to any applicable conflict of interest laws, regulations or codes of professional responsibility.

employment by the Air Force, other documents concerning these patent applications were allegedly filed by Kersey during the period of his employment by the Air Force. For example, the complaint alleges at paragraph 1.2 that during his employment by the Air Force Kersey represented inventor clients Mario Belich and Thomas Tonon jointly in Application No.07/754,568 [07/754,588] and a continuation in part of the same application, No. 08/454,017. It appears that the initial application 07/754,568, filed 9/04/91 was deemed to be abandoned on April 20, 1994, for non-response to a notice of rejection and that a revised application was filed (Thomas S. Tonon, inventor applicant) on May 30, 1995, which was amended on April 8, 1996, and that this application resulted in the issuance of Patent No. 5,596,158 on January 21, 1997 (D's Exhs 1A and 1B). It is noted, however, that in a letter to the PTO, dated December 3, 1999 (finding 46), Kersey asserted that this application was prepared by Thomas S. Tonon and that he (Kersey) prosecuted the application beginning December 18, 1995, after he was terminated by the Air Force. Kersey's statement in this respect is supported at least in part by a response document, dated December 18, 1995 (Exh 1B). There is no certificate of mailing or other document indicating that Application No. 08/454,017 was mailed or otherwise filed with the PTO by Kersey. It should also be noted that the Declaration of Patent Application signed by Thomas S. Tonon, apparently on 03/07/95, relates only to Application No. 07/754,568, which was initially filed on 09/04/91. An Examiner's Amendment, dated 6/25/96, states that the parent application should be identified as 07/754,588 (Exh 1B).

15. The complaint also alleged that during the period of his Air Force employment, Kersey represented Joseph Paradis in Application No. 08/290,133, Control of Fluid Flow. Documents in the record reflect that on March 3, 1995, prior to his employment by the Air Force, Kersey mailed a response to the Patent Office rejection of certain claims of this application, requesting the cancellation of identified claims and the substitution of other claims, and that on June 16, 1995, Kersey mailed to the PTO a form "Issue Fee Transmittal" authorizing the then due fee of \$605 to be charged to a designated account and that this application resulted in the issuance of Patent Number 5,453,097 on September 26, 1995 (Exhs 2, 2A and 2B).
16. Mr. Auton agreed with Kersey that certain actions were purely administrative and did not constitute prosecution of patent applications or practice before the PTO, e.g., certificates of mailing, payment of an issue fee and forwarding form documents such as cover sheets for formal drawings (Tr.201-02, 203, 227). Mr. Auton's testimony in this regard has not been contradicted and it may represent PTO practice. If this is so, however, it does not appear to comport with Kersey's actual practice or 37 C.F.R. § 10.18 which on its face requires all documents filed in the PTO, except for those required to be signed by an applicant or party, to be

personally signed by a practitioner.⁸ Moreover, it is noted that a form letter from the TEM Patent Company, a firm that apparently specializes in the preparation of drawings for patents and patent applications, which bears a stamp indicating receipt at the PTO on July 5, 1995, and which states that in accordance with your instructions we have substituted a new set of drawings for those now on file concerning the J. Paradis application, bears Mr. Kersey's name, address and what purports to be his signature (Exh 2C).

17. Another client allegedly represented by Kersey during the period of his employment by the Air Force was Teresa M. Drelick, as to Application No. 08/393,356, which relates to a Gulf Club Swing Training Device (D's Exh 3). This application was filed on February 23, 1995, and the first action by the PTO was a rejection on 9/05/95, which required a response, which Kersey met by mailing an amendment to the application on November 30, 1995 (Id., Tr. 215). While these actions by Kersey as to the mentioned application were prior and subsequent to his employment by the Air Force, the Director's position is that, upon his employment by the Air Force, he was required by Rule 10.40(b) to withdraw from employment by all private applicants before the PTO.⁹ This application eventually resulted in the issuance of Patent No. 5,868,632 on February 9, 1999.
18. The fourth application referred to in paragraph 1.2 of the complaint is Karen Cannon, Application No. 08/488,728 filed on June 8, 1995, which relates to Treatment of Ulcers (D's Exh 4, Exh 4B; Tr. 215, 230). The face page of this application bears a certificate of mailing signed by George E. Kersey and, while the Verified Statement and the Declaration For Patent Application bear the typed name of Karen A. Cannon, neither of these documents bears her signature. The Contents page of Exhibit 4 indicates that the first Patent Office action on this application was a notice of missing signature on August 1, 1995, which required a

⁸Section 10.18 is entitled: Signature and certificate for correspondence filed in the Patent and Trademark Office, and provides in pertinent part: (a) For all documents filed in the Office in patent, trademark, and other non-patent matters, except for correspondence that is required to be signed by the applicant or party, each piece of correspondence filed by a practitioner in the Patent and Trademark Office must bear a signature, personally signed by such practitioner, in compliance with § 1.4(d)(1) of this chapter. Insofar as pertinent here, § 1.4(d)(1) requires that each piece of correspondence filed in an application, patent file, trademark registration file, or other proceeding in the Office which requires a person's signature must be an original.

⁹Section 10.40 of the regulation governing practice before the PTO is entitled "Withdrawal from employment" and § 10.40(b), entitled "Mandatory withdrawal" provides that a practitioner representing a client before the Office shall withdraw from employment if: ".....(2) The practitioner knows or it is obvious that the practitioner's continued employment will result in violation of a Disciplinary Rule;"

response by 9/11/95 (September 11, 1995). Mr. Kersey mailed a "Notice To File Missing Parts of Application[,] Filing Date Granted" on September 7, 1995, which was received by the PTO on September 11, 1995 (Exh 4A). On the same date, Kersey mailed a "Declaration For Patent Application". Serial No. 08/488,728, which was also received by the PTO on September 11, 1995 (Exh 4D). Mr. Auton agreed with Kersey that there was no power of attorney on Exhibit 4D [4B] and that the only thing Kersey signed [during his Air Force employment] were the "certificate(s) of mailing" (Tr. 236). A notice of abandonment of this patent application was issued on March 27, 1997.

19. Another inventor client referred to in paragraph 1.2 of the complaint, which Kersey allegedly represented while employed by the Air Force, is Reginald Tobias, Application No. 08/223,225. This application was filed by Kersey on April 5, 1994, relates to Multiplex Spectroscopy and, notwithstanding that a notice of Final Rejection was mailed on February 16, 1995, ultimately resulted in the issuance of Patent No. 5,483,133 on January 9, 1996 (Tr. 216:D's Exh 5). Kersey prepared and mailed on June 16, 1995, a "Supplemental Response To Final Office Action" concerning Application No. 08/223,225 and mailed an "Issue Fee Transmittal" authorizing a charge to a designated account for the then due filing fee of \$605 on September 18, 1995 (Exhs 5A & 5B).
20. The final inventor client, referred to in paragraph 1.2 of the complaint, which Kersey allegedly represented while employed by the Air Force, is David Leahy, Application No. 08/344,942 which relates to the Controlled Pourability of Fluids. This application was filed by Kersey on November 25, 1994 and, even though the Contents page lists a "PTO Grant" on January 28, 1997, apparently has not resulted in the issuance of a patent to the date of the PTO official's certification (October 17, 2000) (D's Exh 6). Mr. Kersey mailed a "Response To Requirement For Restriction" on September 19, 1995, which refers to a "Restriction" issued by the PTO on September 13, 1995, which was received by the PTO on September 21, 1995 (Exh 6A; Tr.216, 234). The "response", which the Contents sheet refers to as, and which Mr. Auton explained is, an "Election", also bears a stamp "Received October 17, 1995, Group 310"(Tr. 235). The latter date apparently signifies receipt of the application by the group within PTO which was to process the application and is not in conflict with the September 21, 1995, date the application was received by the PTO.
21. The complaint alleges, inter alia, that after commencing his employment by the Air Force, Kersey continued to represent his inventor clients [before the PTO] despite federal conflict of interest laws (e.g., 18 U.S.C. §§ 203, 205 and 207) forbidding government employees from engaging in such practices, that he did not withdraw from employment [by private clients] as is required when it became or should have become obvious that his continued employment was improper and that he did not request permission from the PTO in accordance with Rule 10.40 to withdraw as representative of named clients as to the patent applications referred

to above. Among other Disciplinary Rules. Kersey's conduct allegedly violated Rule 10.23(c)(20) by knowingly practicing as a government employee in a manner contrary to federal conflict of interest laws and Rule 10.40(b)(2) by failing to withdraw from employment as to the representation of clients before the PTO when such employment would result in the violation of a Disciplinary Rule (supra note 9).

22. Mr. Harry Moatz, Director of Enrollment and Discipline at the PTO, testified that a private patent practitioner, who became employed by the federal government, was expected to withdraw as to every application [for a patent] he filed on behalf of private parties (Tr. 33,34, 37). He based this conclusion on a 1949 opinion of the Attorney General which he understood equated an application for a patent to a claim against the government.¹⁰ While Mr. Moatz's understanding of the Attorney General's opinion is inaccurate (supra, note 10), his position that government employees are prohibited from representing private parties for compensation, or prosecuting patent applications for private parties, before the PTO is correct. This is because 18 U.S.C. § 203, one of the statutes which replaced 18 U.S.C. § 281, essentially prohibits officers or employees of the federal government from directly or indirectly receiving compensation for representational services other than as provided by law for the proper discharge of official duties in any proceeding before any department or agency in which the United States is a party or has a direct and substantial interest. This language tracks that of former 18 U.S.C. § 281 and the reasoning of the Attorney General interpreting that statute should be equally applicable to Section 203.¹¹

¹⁰ Id.; Tr. 56, 57. The referenced opinion by Acting Attorney General Peyton Ford (Vol.41, No.4, July 18, 1949) involved an interpretation of since repealed 18 U.S.C. § 281 which [upon conviction] provides for fines and/or imprisonment for delegates, members of congress, heads of departments, or other officers or employees of the United States who directly or indirectly receive or agree to receive any compensation for any services rendered or to be rendered by himself or another in relation to any proceeding, contract, claim, controversy, charge, accusation, arrest, or other matter in which the United States is a party or directly or indirectly interested, before any department, court martial, officer, or any civil, military or naval commission. The opinion points out that the grant of a patent is a matter of great public interest and is in effect the grant of a monopoly for the prescribed period which may be enforced against others including the United States. The opinion concludes that the United States is a party or directly or indirectly interested in proceedings involving the filing and prosecution before the Patent Office of applications for patents. Therefore, participation in such proceedings by government employees on behalf of private parties for compensation is proscribed by 18 U.S.C. § 281.

¹¹ Notwithstanding that the complaint (¶¶ 1.3 and 1.7c.) refers to federal conflict of interest laws, e.g., 18 U.S.C. §§ 203, 205, and 207, as forbidding Kersey from representing private inventor-clients before the PTO while he was employed by the Air Force, the Director

23. Section 205 of Title 18 U.S.C. essentially proscribes officers or employees of the government from acting as agent or attorney for the prosecution of any claim against the United States or from receiving any gratuity or any share or interest in any such claim, in consideration of assistance in the prosecution of any such claim and prohibits government employees from acting as agent or attorney for anyone before any department or agency concerning any covered matter in which the United States is a party or has a direct and substantial interest. "Covered matter" includes an application.¹² Practitioners who are employees of the PTO are prohibited from prosecuting or aiding in any manner [with or without compensation] the prosecution of any patent application before the Office (Rule 10.10(c)).
24. Mr. Kersey testified that he never knowingly violated any rule concerning conflict of interest (Tr. 245). He explained that, although he was admitted as a patent attorney in 1960, his first experience with the [disciplinary rules] of 37 CFR was in connection with this case.¹³ He asserted that during his "conditional", actually "probationary", employment with the Air Force these matters were never called to

asserts that it is unnecessary to decide if Kersey's actions constitute a violation of 18 U.S.C. §§ 203 or 205 because such matters are beyond the scope of the complaint and the ALJ's jurisdiction (Post-Trial Brief at 16, note 5). While it is obvious that the ALJ does not have jurisdiction to impose criminal sanctions, it should be equally obvious that he is required to consider evidence of violations of criminal statutes in determining or recommending disciplinary action.

¹² The statute, 18 U.S.C. § 205, provides: (h) For the purpose of this section, the term "covered matter" means any judicial or other proceeding, application, request for a ruling or other determination, contract, claim, controversy, investigation, charge, accusation, arrest, or other particular matter.

¹³ It is noted, however, that a Data Sheet-Register of Patent Attorneys and Agents, dated February 24, 1994, filled out and signed by Mr. Kersey (D's Exh. 23, KER001), in connection with the question of whether the practitioner was an employee of the U.S. Government provides: Please Note: U.S. Government employees are not available to accept private clients or to represent other than their agency before the U.S. Patent and Trademark Office. 18 U.S.C. § 205; 37 CFR §§ 10.10(c) and (d). Mr. Kersey was not an employee of the federal government at the time and would have no occasion to pay particular attention to the note. Moreover, although 18 U.S.C. § 205 prohibits officers or employees of the United States from acting as agent or attorney for anyone before any department or agency concerning any covered matter (covered matter includes an application) in which the United States is a party or has a direct and substantial interest, the primary thrust of Section 205 is the prohibition on officers or employees of the United States acting as agent or attorney in the prosecution of claims against the United States. This may be the source of the confusion as to whether an application for a patent is a claim, or the equivalent of a claim, against the United States.

his attention. In other testimony he stated that he never knowingly did anything that was considered a conflict of interest as explained by his supervisor and the people with whom he worked during the short period of his Air Force employment (Tr. 250). Kersey, however, acknowledged that Mr. Auton in a preliminary [orientation] session had gone over [the importance of] avoiding conflicts of interest and that it was made clear this would include not prosecuting patent applications [for private parties] in the Patent Office (Tr.245).

25. Mr. Auton testified that the Air Force with some limitations permitted its civilian attorneys to engage in private practice (Tr. 177). The first limitation was that the private practice had to be requested and approved by the attorney's supervisor; secondly, the outside practice could not result in any conflict of interest [with the attorney's duties as an employee of the Air Force] and thirdly, they were not allowed to engage in outside (private) patent practice. He was responsible for informing those whom he supervised of these restrictions and his practice was to inform new employees at their orientation on the first day that, while outside work was permitted, it had to be requested and approved (Tr. 178, 181-82). A copy of AFMC Form 317, Notice And Request For Approval of Off-Duty Employment, for this purpose is in the record (D's Exh 23, KER021).
26. The Complaint regarding Kersey mailed to the Patent Office by Mr. Auton on May 16, 1996, states that Mr. Kersey was requested to complete AFMC Form 317 at least twice, but that he did not do so (Exh 23 at KER005). Mr. Auton explained that the first request to "complete the form" probably would have been on the day of Kersey's orientation [March 6, 1995] and that the final request would have been in mid-September as a reminder as they approached the time (October) for filing financial disclosure forms that, if you had outside employment, you must complete [the request for off-duty employment] form (Tr. 186-87). Mr. Kersey was terminated before financial disclosure filings were due (Tr. 183-84).
27. Concerning the prohibition on practitioners employed by the government engaging in private patent practice, Mr. Auton agreed with Kersey that there was no [direct] conflict between [Kersey's duty to] the Air Force and the patent applications prosecuted by Kersey for private parties shown by this record (Tr.196-97). He (Auton) expressed doubt as to the reason such practice created a conflict [of interest], and indicated that he would like to be more educated on the rationale behind the Attorney General's opinion. He testified somewhat inconsistently that attorneys [as experienced] as Mr. Kersey were assumed to know of the restriction and, on the other hand, that they needed a reminder as it might not occur to them that "outside practice" was prohibited.(Tr.184). Although he had to be aware that Kersey was a private patent practitioner at the time of his employment by the Air Force, Mr. Auton testified implausibly that he was unaware that Kersey had any "outside employment" or private patent applications pending before the Patent Office (Tr 187, 222). Realistically, Kersey could hardly be expected to request permission from the PTO to withdraw as attorney for pending inventor applicants

until he was notified that his application for employment by the Air Force had been accepted and the record fails to disclose either when he applied for employment by the Air Force or when he was informed that his application had been accepted.

28. In 1991, Mr Kersey and his wife, Joan Kersey, resided in Vermont, and on November 14, 1991, the Vermont Family Court, Orange County, entered a final order (decree) of divorce in the case of Joan H. Kersey, Plaintiff v. George E. Kersey, Defendant, based on a complaint filed by Mrs. Kersey in May 1991.¹⁴ It appears that on September 11, 1991, the Family Court heard a motion for contempt against Mr. Kersey and on September 26, 1991, found him in contempt for willful violation of an order of the court, dated August 27, 1991 (Report of Hearing Committee, supra note 14). Although the contents of the order of August 27, 1991, are not in the record, it appears that on June 18, 1991, the court had entered an order requiring Kersey to pay temporary maintenance to his wife. Mr. Kersey testified that he simply did not have the funds to pay the monies requested.¹⁵ The court ordered Kersey to pay his wife attorney's fees and costs incurred as a consequence of his willful acts of contempt. The court also decreed that certain stock certificates in Kersey's name were now owned by his wife. Mr. Kersey testified that this contempt motion was resolved by the court issuing a decree that these amounts [past due maintenance, attorney's fees] would be paid out of Kersey's share of the marital estate (Tr. 252).
29. The divorce decree included an order that each year for the next ten years defendant disclose by February 15 his gross income for the prior year and that on or before March 1, he pay as maintenance/alimony one-fourth of his gross income for the prior year. On July 7, 1992, the Family Court held a second contempt hearing based on allegations by Kersey's ex-wife that he had failed to disclose his gross income [for 1991] by February 15, 1992, and had failed to pay 25% of his

¹⁴ Unless otherwise noted, findings concerning Mr. Kersey's divorce and the contempt findings by the Vermont Family Court are taken from the Statement of Bar Counsel before the Board On Professional Responsibility, District of Columbia Court of Appeals (D's Exh 23, KER 183-92) and its attachments, Order of term Suspension by the Supreme Judicial Court of Massachusetts, In Re: George E. Kersey (KER194-98) and the Report of the Hearing Committee, Board of Bar Overseers, Supreme Judicial Court of Massachusetts, Bar Counsel, Petitioner, v. George E. Kersey, Respondent ((KER199-209).

¹⁵ Tr. 252. Kersey has asserted that in 1991 he was 64 with no pension, no IRA and no savings, that his earnings had been managed by his wife, who obtained an order for temporary maintenance "way beyond what he could pay" and that at that time his wife not only had all of his financial records, but also his stock certificates (Request by Respondent, George E. Kersey, for Extension of Time to Complete Respondent's Prehearing Statement and Preliminary Response, dated October 20, 2000, at 7).

gross income to her by March 1, 1992, as required by the Court's order. Kersey appeared, arguing that he was in compliance because certain disbursements, such as filing fees, on behalf of clients, when reimbursed by the clients, were not gross income (Tr. 252-53). Nevertheless, the Court found that he was in contempt in that, having the ability to do so, he had "willfully and contumaciously" failed to disclose his gross 1991 income by February 15, 1992, and had failed to pay 25% of that income to his ex-wife by March 1, 1992. Kersey was manacled, arrested and committed to the custody of the Vermont Commissioner of Corrections until he purged himself of contempt by the payment of \$4,677.68. Kersey was able to pay that sum, purge his contempt and secure his release from custody only by borrowing from friends, which he obtained upon the understanding that there would be no more loans.

30. Thereafter, Mr. Kersey's ex-wife filed a motion for "Relief From Judgment" and on October 7, 1992, the court issued an amended order, which provided, among other things, that Kersey owed his ex-wife \$14,095 in past due maintenance and \$12,311.86 in attorneys fees incurred by his ex-wife as a result of his non-compliance with the court's order, and that these sums were to be paid from his share of the proceeds of the sale of certain real estate [apparently the Kersey house]. Additionally, Respondent was ordered to execute transfer documents for shares of Boeing, GTE Corporation and Chrysler Corporation stock by October 15, 1992. Respondent was ordered to pay maintenance alimony to his ex-wife for a period of ten years (through December 2000) in the amount of 25% of the gross receipts from his work for the preceding calendar year. Regardless of his gross receipts, the minimum amount to be paid was \$1,100 per month. Because Respondent had failed to provide records and to pay 25% of his gross receipts, he was ordered to provide complete records of gross receipts each year to his ex-wife's attorney by April 15 of each succeeding year and to provide his ex-wife with a copy of his 1990 tax return.
31. On November 11, 1992, Kersey's ex-wife filed a third motion for contempt, the court issued a show cause order on December 15, 1992, and scheduled a hearing for January 12, 1993, at which Kersey failed to appear.¹⁶ Thereafter, the court

¹⁶ Order issued by the Vermont Family Court, April 20, 1993 (Exh B of Respondent's First Supplement to Prehearing Statement, dated October 23, 2000), which, although not in evidence, is a public record of which official notice is taken. Likewise, Exhibit A of that submission by Mr. Kersey is an official transcript of a hearing held in Orange Family Court on February 15, 2000, wherein Ms. Kersey appeared pro se and Mr. Kersey was permitted to appear telephonically. Neither party has filed an objection in response to the ALJ's letter, dated October 4, 2001, notifying the parties that he intended to take official notice of the referenced documents. The Director has, however, filed a motion to strike as untimely arguments made by Kersey in a letter, dated October 12, 2001, which, inter alia, informed the ALJ that he had no objection to the ALJ taking official notice of the documents referred to in his October 4 letter

issued a mittimus order (warrant for Kersey's arrest) on February 1, 1993, and a contempt order on February 2, 1993. Kersey testified that he was reluctant to appear, because of what happened earlier [his previous incarceration] (Tr 253). At Kersey's request, the hearing was rescheduled to April 20, 1993, and the orders of February 1 and 2, 1993, stayed. When Kersey failed to appear at the April 20 hearing, the stays were vacated and the orders were reinstated. In addition, Kersey was ordered to provide transfer documents transferring 83 shares of Boeing stock to plaintiff by May 1, 1993; to execute by May 1, 1993, IRS Form 4506 authorizing the Internal Revenue Service to provide copies of his tax returns to plaintiff's attorney for 1990 and all subsequent years; and to provide plaintiff, by May 1, 1993, the names of all banks or other financial institutions where he has maintained accounts at any time during 1990 and subsequently, and authorizations for the banks or financial institutions to disclose information concerning his accounts to plaintiff. Kersey was ordered to pay plaintiff attorney's fees in the amount of \$1,069.87, by May 1, 1993. The fourth motion for contempt by Kersey's ex-wife for failure to make the March 1 payment was withdrawn as moot, the payment having been made in late March 1993.

32. On February 15, 2000, the Orange Family Court held a hearing on the complaint by Kersey's ex-wife that she had not received all of the information required by the court's order, dated April 20, 1993 (note 16, supra). Mr. Kersey, who was permitted to appear by telephone, has repeatedly cited the transcript of this hearing, which is officially noticed, as evidence that he was in full compliance with the court's order. The court found it necessary, however, to remind him that he had a continuing obligation to disclose the names of banks and other financial institutions at which he maintained accounts and to authorize these institutions to disclose information concerning those accounts to plaintiff (Orange County Tr. 11, 12). While it appeared that Mr. Kersey had made the payment of \$1,089.67 in attorney's fees and expenses directed in the April 20, 1993 order directly to Mrs. Kersey's attorney, he acknowledged that he was untimely as to some of the required [account information] filings. He maintained, however, that he had complied as best as he could. He pointed out that it was a 1993 order, that he had interpreted it to mean "up to 1993" and that accounts from 1990 to 1993 had been

(Motion to Strike, dated October 26, 2001). In the mentioned letter, Kersey argues, inter alia, that the ALJ should consider action in a recent case, Harry I. Moatz, Director, Office of Enrollment and Discipline v. Robert Lang Nathans, Respondent, which allegedly involved a charge of violation of federal conflict of laws (e.g. 18 U.S.C. § 205) by the filing of a non-government patent application by a government employee. Kersey asserts that the complaint was dismissed based upon the argument that in order to find a violation of 18 U.S.C. § 205, there had to be a claim against the government. The Director denies knowledge of any such case and asserts that he has not filed a complaint against any such person (Motion to Strike at 3). Kersey's argument is considered infra, note 27. For the reasons appearing infra note 20, the motion to strike is without merit and will be denied.

disclosed. The court then informed Kersey that his interpretation did not control, that the court was satisfied he remained in noncompliance with the court's order and that Kersey's request to have the mittimus lifted would be denied (Id.13). The hearing was terminated.

33. Bar Counsel filed a petition against George E. Kersey with the Board of Bar Overseers of the Supreme Judicial Court of Massachusetts on January 8, 1997, alleging that by failing to comply with orders of the Vermont Family Court in connection with his divorce on three occasions, one of which had not been purged, Kersey had engaged in conduct prejudicial to the administration of justice and that adversely reflects on his fitness to practice law in violation of Canon One, DR 1-102(A)(5) and(6), and [that he had] disregarded the ruling of a tribunal in violation of Canon Seven, DR 7-106(A).¹⁷ Kersey answered and testified at two subsequent hearings before the Hearing Committee of the Board of Bar Overseers, characterized as "mitigation only." Bar Counsel relied solely on the orders of the Vermont Family Court, which have been described above, and certain other exhibits. The Hearing Committee concluded in a report, filed at a date not clear from the record, that Kersey had failed to purge himself of contempt and that the warrant for his arrest remained outstanding. As a conclusion of law, the Committee ruled that Kersey had violated Canons One and Seven as alleged in Bar Counsel's complaint.
34. As mitigation, the Committee noted that Kersey had no prior disciplinary history, that since 1991 he had a small private practice dealing with some patent and employment cases and that his income was significantly less than it was prior to 1991. It also noted that Kersey had continued to make regular maintenance payments to his former wife, although not in the minimum \$1,100 per month required by the court's amended order. While stating that Kersey had failed to take the necessary steps to purge himself of contempt [before the Vermont Family Court], the Committee mentioned Kersey's assertion that he had sent a check for \$100 as a filing fee to appeal the January 1993 order, but that an appeal was not docketed nor was his money returned. The Committee observed that there was no evidence that Kersey had attempted to pursue either the appeal or the return of his

¹⁷Canon 1 of the ABA Model Code of Professional Responsibility provides that: "A Lawyer Should Assist in Maintaining the Integrity and Competence of the legal Profession" and Disciplinary Rules, DR-1-102 under that heading, entitled "Misconduct", provide in pertinent part that" (A) A lawyer shall not.... (5) Engage in conduct that is prejudicial to the administration of justice. (6) Engage in any other conduct that adversely reflects on his fitness to practice law." Canon 7 is entitled "A Lawyer Should Represent a Client Zealously Within the Bounds of the Law" and DR 7-106 is entitled "Trial Conduct" and provides in pertinent part: (A) A lawyer shall not disregard or advise his client to disregard a standing rule of a tribunal or a ruling made in the course of a proceeding, but he may take appropriate steps in good faith to test the validity of such rule or ruling.

money. Similarly, the Committee noted that Kersey's ex-wife had sold the real estate, but had not provided any proceeds to Kersey nor had he brought the matter to the attention of the court. It appears, however, that Kersey's share of the proceeds of the real estate sale was "eaten up" by arrears in maintenance and attorney's fees (finding 30).

35. In 1994, at the request of Bar Counsel, Kersey paid an attorney in Vermont \$1,000 to resolve the outstanding contempt adjudication or to appeal or modify the support order. ¹⁸The attorney later requested additional funds in order to proceed further, but Kersey declined to pay him anymore money and, according to the Committee, made no further efforts to present his claims to the court or to resolve the matter. See, however, finding 32. In view of these findings, the Committee rejected Kersey's necessity defense as invalid, emphasizing that his remedy was to challenge or seek to modify the order of the Vermont Family Court not to violate it. The Committee recommended that Kersey be suspended for one month.
36. Bar Counsel appealed, contending that the suspension should be for a three-month period and Kersey appealed, contending that the evidence is insufficient to warrant a finding of violations of Canons One and Seven; (2) that a term suspension is more stringent discipline than was imposed in comparable cases which resulted in reprimands; (3) that precedents relied upon by the hearing committee are so factually dissimilar that they should not be considered; (4) that the outstanding arrest warrant provides him with an impossibility defense; and (5) the Vermont Court has deprived him of due process because he cannot return to Vermont to purge the contempt without risk of arrest. An Appeal Panel of the Board of Bar Overseers considered the matter and rendered a report which was filed on May 12, 1999 (D's Exh 14). By an Order Of Term Suspension, entered September 10,

¹⁸Bar Counsel (Massachusetts) had apparently been informed of ethics complaints against Kersey as early as May of 1994. A letter to Mr. Kersey from the Office of Bar Counsel, The Board On Professional Responsibility, D.C. Court of Appeals, dated June 2, 1994, Re: Kersey/Whittington, Docket No. 262-94 (R's Exh A-1), informed Kersey that it was seeking information concerning allegations as to his conduct contained in the enclosure. Kersey was requested to respond by June 13, 1994. The enclosure is a portion of a letter, the signature page is missing, dated May 19, 1994, from the Vermont law firm of Brooks McNally Whittington Platto & Vitt to Leslie G. Black, Esq., Chair, Judicial Conduct Board [Vermont] Re: Ethics complaints against George E. Kersey. The letter refers to a Report of the Judicial Conduct Board concerning the Complaint of Joan Kersey and states that the writer is making ethical complaints against George E. Kersey to the governing authorities of the bars of Massachusetts, New Hampshire, New York, New Jersey, the District of Columbia and the U.S. Patent & Trademark Office. Because the writer of the letter is unclear as to the propriety of his forwarding the Report of the Judicial Conduct Board to the named officials, the letter requests that the Board forward its Report to the six governing organizations at stated addresses which includes the OED at the USPTO.

1999. George E. Kersey was suspended from the practice of law in the Commonwealth of Massachusetts by a single Justice of the Supreme Judicial Court for Suffolk County for a period of three months. The suspension was effective 30 days after the date of entry of the order and, although Supreme Judicial Court Rule 4:01. Bar Discipline (Section 18) provides that a lawyer who has been suspended for a period of six months or less pursuant to disciplinary proceedings shall be reinstated at the end of the period of suspension by the filing of an affidavit.¹⁹ the order expressly provided that a petition for reinstatement shall not be accepted until such time as the lawyer (Kersey) has purged himself of contempt in the Vermont courts. Upon Kersey's appeal, this order was affirmed by the full court, In Re Kersey, 432 Mass.1020, 733 N.E. 2d 545 (Mass. 2000). The court found Kersey's contention that the contempt finding by the Vermont court where he was not admitted to practice [and thus not an officer of that court] was less serious than a contempt finding by a Massachusetts' court did not merit discussion.²⁰ Kersey subsequently filed a Petition For Writ of Certiorari with the Supreme Court (R's Exh CC), which was denied, 2001 U.S. LEXIS 820 (2001).

37. Asked on cross-examination the relevance of, assuming arguendo, failure to comply with an [order] of a divorce court with fitness to practice before the PTO and the relevance of a domestic dispute involving the payment of alimony to

¹⁹Section 18 "Reinstatement" of Supreme Judicial Court Rule 4:01. Bar Discipline. provides in pertinent part: (1) Eligibility for Reinstatement-Short-term Suspensions. (a) A lawyer who has been suspended for six months or less pursuant to disciplinary proceedings shall be reinstated at the end of the period of suspension by filing with the court and bar counsel an affidavit stating that the lawyer (i) has fully complied with the requirements of the suspension order; (ii) has paid any required fees and costs; and (iii) has repaid the Client's Security Board any funds awarded on account of the lawyer's misconduct.

²⁰ This is to be contrasted with the holding of the Supreme Court of New York, Appellate Division, In the Matter of George E. Kersey, an attorney and counselor at law. Grievance Committee. Petitioner v. George E. Kersey, Respondent, 729 N.Y.S. 2d 780, 2001 N.Y.App. Div. LEXIS 8410 (September 10, 2001), which relied principally on the fact that the events underlying the Massachusetts' discipline did not arise from respondent's practice of law in ruling that the discipline in New York would be limited to a public censure. The court also noted Kersey's efforts to resolve his legal problems in Vermont, which were given little or no consideration by the Massachusetts' court. Kersey's assertions that New York imposed only a censure and that New Jersey imposed only a reprimand are among arguments at which the Director's Motion to Strike. supra note 16. is directed. Because at least the order of the New York court, which was entered subsequent to the close of the briefing period herein, is readily available on the Internet, and because the Director has had ample opportunity to and, indeed, has replied to Kersey's arguments, asserting that his citations and arguments are untimely and irrelevant, the motion to strike is without merit and is denied.

protecting the public. Mr. Moatz replied that the issue was not the underlying case per se, but the failure to comply with a court order and, if a respondent would not comply with a court order, how could he [as Director of OED] know that there would be compliance with the rules of the Office (Tr.67, 68,72, 73). He emphasized his duty to protect the public under such circumstances. In this regard, counsel in his opening statement and Mr. Moatz in his testimony emphasized that the gravamen of Counts 2 and 3 was Kersey's failure to notify the Director of the suspensions so that the Director would be aware of the proceedings and [could act] to protect the patent bar [public] (Tr. 12, 13, 85). Although the PTO rules do not expressly incorporate the rule on Reciprocal Discipline (infra note 21), Mr. Moatz testified that OED's normal practice was to seek the same discipline [as was imposed by the other jurisdiction] (Tr. 92)

38. Count 3, Paragraph 3.1 alleges that on February 4, 2000, the United States Court of Appeals for the District of Columbia Circuit ("D.C. Circuit") issued an order suspending Kersey from the practice of law. In fact, the order issued by the D.C. Circuit on that date suspended Kersey from the practice of law before the D.C. Circuit for a period of three months from the date of the order (KER027). This order was based on the order of term suspension issued by the Supreme Judicial Court of Massachusetts for Suffolk County and was in accordance with the Circuit Rules for the United States Court of Appeals for the District of Columbia Circuit, Appendix 2, Rules of Disciplinary Enforcement for the United States Circuit Rules for the D.C. Circuit, which provide with respect to reciprocal discipline in effect that the identical discipline [imposed by the other jurisdiction] shall be imposed unless the court is able to find, e.g., that the misconduct involved warrants substantially different discipline.²¹

39. On October 26, 1999, the D.C. Court of Appeals, based upon the Massachusetts'

²¹Rule IV, "Discipline Imposed By Other Courts Or Agencies", of Appendix 2 of the Circuit Rules of the D.C. Circuit, appear to be crafted from Rule 21 of the ABA Model Rules for Lawyer Disciplinary Enforcement entitled "Reciprocal Discipline." Rule IV provides: in pertinent part: (c) After consideration of the response called for by paragraph (a) above [order to show cause] or after expiration of the time specified in the order, this Court shall impose the identical discipline unless the attorney demonstrates, or the this Court is satisfied that: (1) The procedure was so lacking in notice or opportunity to be heard as to constitute a deprivation of due process; or (2) There was such an infirmity of proof establishing the misconduct as to give rise to the clear conviction that third Court could not, consistent with its duty, accept as final the conclusion on the subject; or (3) The imposition of the same discipline by this Court would result in grave injustice; or (4) The misconduct established warrants substantially different discipline. When this Court determines that any of those elements exist, it shall enter such order as it deems appropriate. Supreme Judicial Court Rule 4:01, Bar Discipline, § 16 "Reciprocal Discipline" is for practical purposes identical.

suspension, suspended Kersey from the practice of law in the District of Columbia pending final disposition of this proceeding (BDN No. 262-94, D's Exh 12). Kersey objected to the admission of the court's order, because it was not final and more tellingly, because it was not referred to in the complaint (Tr.69, 70, 72). Bar Counsel was ordered to inform the Board on Professional Responsibility of his position regarding reciprocal discipline within 30 days of the date of the order and the Board on Professional Responsibility was directed to promptly thereafter recommend to the Court whether identical, greater or lesser discipline should be imposed as reciprocal discipline. Thereafter, the Board recommended that Kersey be suspended for three months and that he demonstrate fitness to practice law prior to reinstatement, if he has not been summarily reinstated in Massachusetts.²² Although on brief, the Director cites the mentioned order of the D.C. Court of Appeals as the basis for his contention that Kersey was properly suspended [from the practice of law] in the District of Columbia (Post-Trial Reply Brief at 8), he has not moved to amend the complaint so as to include proceedings before the D.C. Court of Appeals as a basis for the requested suspension. Kersey did not participate in the proceedings before the District of Columbia Board on Professional Responsibility or except to the Board's recommendation, perhaps because such proceedings were not referred to in the complaint, and because the order has become final, it would be prejudicial to allow the Director to amend the complaint at this time to rely on the order issued by the D.C. Court of Appeals. Kersey's position is that he is admitted to the Bars of New Hampshire, New Jersey and New York and that he does not need to apply for reinstatement in Massachusetts [in order to be eligible for and to continue to practice before the PTO].²³

40. Count 4 alleges that Kersey, in response to four identical Requirements for

²² In re George E. Kersey, Bar No.344499 (March 9, 2001), The Washington Lawyer (June 2001) at 10. Kersey did not participate in the proceedings before the Board on Professional Responsibility or except to the Board's recommendation and on June 28, 2001, the District of Columbia Court of Appeals entered an order suspending Kersey from the practice of law for three months with reinstatement conditioned on proof of fitness to practice. In Re George E. Kersey, 775 A.2d. 1106; 2001 D.C. App. LEXIS 186.

²³ Tr.48. The Director asserts that Kersey is still listed as "suspended" by the Supreme Judicial Court of Massachusetts. Because Supreme Judicial Court Rule 4:01, Bar Discipline, Section 18 "Reinstatement" requires that the affidavit specified by § 18(1)(a) be filed within three months after the original term of suspension has expired (§ 18(1)(d)), this assertion appears correct notwithstanding that Kersey was seemingly initially entitled to be reinstated by filing an affidavit [that he had purged himself of contempt in the Vermont courts] and paying any required fees. The sanction imposed by the court was a three-month suspension and Kersey's failure to file the affidavit does not convert the suspension into one indefinite in length for the purpose of the Reciprocal Discipline rule.

Information from OED. failed to furnish a requested statement, failed to answer any of four questions posed and failed to furnish any of the documents requested, thus violating his obligations under 37 C.F.R. §§ 10.23(b)(1), 10.23(b)(6), 10.23(c)(16), 10.24, and 10.131(b). The Requirements for Information arose when, in the fall of 1999, OED undertook to investigate the Complaint concerning Kersey received from Mr. Auton of the Air Force in May of 1996. The first Requirement for Information, a letter to Mr. Kersey, dated October 13, 1999, signed by Andrew Roberts, staff attorney, referred to the communication received from Mr. Auton concerning Kersey's employment by the Air Force during the period March 6, 1995, through October 2, 1995, and stated that a copy of that communication was enclosed (D's Exh 15). The letter referred to allegations in the enclosed materials that Kersey had engaged in practice before the PTO on behalf of private individuals while employed by the Air Force and stated that an investigation was warranted into whether he had violated one or more of the Disciplinary Rules of the PTO Code of Professional Responsibility, including but not limited to 37 C.F.R. §§ 10.10 and 10.20.²⁴ Kersey was requested to provide a statement as to his position concerning the allegations that he had engaged in practice before the PTO on behalf of private individuals while employed by the Air Force and to provide any other information which he considered might be relevant or helpful. In addition, Kersey was requested to state whether, how and by whom he was informed that, while employed by the Air Force, his practice before the PTO was restricted to carrying out official Air Force duties; to state whether the attorney work product (copy enclosed) bearing Serial No.07/754,568 represents work he performed while employed by the Air Force in connection with Serial No.07/554,588 on behalf of Thomas S. Tonon; to state whether and why he filed U.S. Patent Application No.08/454,017 on behalf of Thomas S. Tonon, on May 30, 1995, while employed by the Air Force; and to state the case number of his claim, seeking a determination by the State of Massachusetts ordering the Air Force to pay him unemployment benefits and to provide any documents evidencing the determination of the State of Massachusetts concerning the referenced claim. Kersey was reminded of his obligation under 37 C.F.R. §§ 10.131(b) and 10.23(c)(16) to cooperate in an investigation and was requested to provide the information within 30 days of the date of the letter.

41. By an undated certified letter, return receipt requested, received in the OED on October 26, 1999, Kersey acknowledged receipt of the Requirement for Information, but asserted that neither the communication from Mr. Auton nor materials regarding practice before the PTO on behalf of private parties were

²⁴Section 10.10 is entitled "Restrictions on practice in patent cases", and § 10.10(a) provides in pertinent part: that only practitioners who are registered under § 10.6 will be permitted to prosecute patent applications of others before the Office. The PTO Code of Professional Responsibility, which is principally based on the ABA Model Rules of Professional Conduct, commences at § 10.20.

enclosed (D's Exh 16). Kersey requested that he be provided with a copy of the referenced communication from Mr. Auton, a copy of the materials allegedly representing attorney work product concerning Serial No. 07/754,568 on behalf of Thomas S. Tonon and designation of the specific provisions of the PTO Code of Professional Responsibility which were believed applicable.

42. By a letter, dated November 2, 1999, labeled "Second Requirement for Information," OED acknowledged receipt of Kersey's undated response to its first requirement for information, specifically stating that the communication from William G. Auton regarding Mr. Kersey's employment by the Air Force and Serial No. 07/754,588 "Suspension of Musical Instruments", wherein George E. Kersey was the attorney of record, and attorney work product relating to Serial No.07/754,568 were enclosed.²⁵ Kersey was again reminded of his obligation to cooperate in the investigation and asked the same questions and to provide the same documents as in the initial requirement for information.
43. By a certified letter, return receipt requested, dated November 5, 1999, Kersey acknowledged receipt of Requirement for Information, dated November 2, 1999, and again stated that the enclosures were not provided (D's Exh 18). Kersey requested that he be provided with those documents so that he could appropriately respond. Thereupon, OED sent Kersey an undated "Third Requirement For Information", which in the questions asked and the documents requested is identical to the Second Requirement (D's Exh 19). Kersey acknowledged receipt of this Requirement and the enclosures by a letter, sent regular mail, dated November 26, 1999 (D's Exh 20). He inquired whether the communication from Mr. Auton referenced in the Requirement concerning his employment by the Air Force was the "Complaint" mailed May 16, 1996 and stated that in the meantime, he would review these materials and respond as soon as his review was complete.
44. Kersey has provided copies of the envelopes by which the "First" and "Third" Requirements for Information were mailed to him. The first envelope bearing a

²⁵ D's Exh.17. In response to Kersey's inquiry as to whether there was a typographical error in the reference to Serial No. 07/754,588 rather than Serial No. 07/754,568, the letter stated that there was no typographical error and that Question 2 properly referred to Serial No.07/754,588, "Suspension of Musical Instruments," wherein George E. Kersey is the attorney of record. While the complaint alleges that Kersey jointly represented inventor clients Mario Belich and Thomas Tonon jointly in Application No.07/754,588 and a continuation in part of the same application, 08/454,017, the Declaration of Patent Application, signed by Thomas S. Tonon, refers only to Application No.07/754,568 (finding 14). Application No. 08/454,017 reflects that the reference to Application No. 07/754,568 has been lined out in ink and Application No .07/754,588 substituted therefor.

metered stamp of October 14, 1999, is a copy of the front of a standard business size envelope which does not contain a legible address (R's Exh DD). It is clear, however, that it bears a return address of U.S. Department of Commerce, OED US, PTO, that it was sent certified, return receipt requested and that it bears stamps "Personal Confidential." The second envelope is a copy of the front of an envelope designed for legal size documents, bears a metered stamped date of November 19, 1999, a sticker showing Mr. Kersey's name and address, was sent certified return receipt requested and bears at least a "Confidential" stamp (R's Exh EE). Of interest is the fact that metered postage for the first envelope appears to be \$2.90, while that for the second is at least \$4.00 but less than \$4.10, as figures beyond "04.0" were apparently cut off in copying. Kersey's reason for introducing copies of the envelopes was to demonstrate that the enclosures to the Requirements for Information would not fit within a standard size envelope (Tr.122, 259-60).

45. Mr. Roberts testified that he had called to the attention of a staff member Mr. Kersey's assertion that he did not receive the enclosures with the first Requirement for Information, that he (Roberts) personally made the copies [of the enclosures] for the second Requirement and asked the staff member to ensure that Mr. Kersey received the enclosures (Tr. 109, 125-26). Roberts acknowledged, however, that he did not see the staff member place the documents into an envelope. When he received Kersey's letter, dated November 5, 1999 (D's Exh 18), which again stated that the enclosures were not received, Mr. Roberts personally made the copies, brought them to the staff member and hovered over him while he put it all together with the third Requirement (Tr. 111-12). This is the Requirement that Kersey acknowledged receiving by letter, dated November 26, 1999 (finding 43).
46. Kersey undertook to respond to the Third Requirement for Information by a letter, dated December 3, 1999 (R's Exh B). This is Kersey's unsigned file copy of a letter, which he testified that he personally mailed [regular mail] (Tr. 260-61), while Mr. Roberts testified that the first time he had seen the letter was at the hearing (Tr. 116). Roberts further testified that he never received a statement of Kersey's position as to Auton's allegations, answers to the questions posed or any documents from Mr. Kersey (Tr. 113-14). In the December 3rd letter, Kersey denied ever being informed that, while employed by the Air Force, his practice before the PTO would be confined to carrying out official Air Force duties. He asserted that he was hired as a probationary patent adviser who had all of his work supervised and that any communication to the PTO reflecting his technical advice had to be sent out over the signature of his supervisor. Additionally, he pointed out that the Air Force Patents Section has a form which is required to be filed in case of any other activities involving a conflict of interest. He stated that he never filled out any such form, because he was never involved in any matter involving a conflict of interest and he did not believe the form applied to a probationary employee who could be fired at any time, which, of course, did happen to him.

47. With regard to Question 2 of the OED Requirement for Information, Kersey stated in the December 3 letter that he does not recall ever filing attorney work product No. 07/754,568 for which he alleges that a copy was not enclosed [with the OED Requirement]. See, however, finding 14. Kersey further stated that any such document which he may have filed was not done on Air Force time and was not in conflict with any probationary advice that he may have given to [received from] Auton. Regarding Question 3, whether he had filed U.S. Patent Application No.08/454,017 on behalf of Thomas S. Tonon, on May 30,1995, while employed by the Air Force. Kersey stated that this document was prepared by the inventor, Mr. Tonon, but he (Kersey) prosecuted [the application] beginning December 18, 1995, after he was terminated by the Air Force. The record does show that on December 18, 1995, Kersey filed a response to a claim rejection which had been issued on August 18, 1995. As indicated (finding 14), there is no evidence that this application was mailed to or otherwise filed with the PTO by Kersey. In any event, he asserted that there is no conflict between this application for "Suspension of Musical Instruments" and the technical advice that he gave to his supervisor at the Air Force, Mr. Auton.
48. Regarding Question 4, in the December 3 letter. Kersey denied seeking a determination by the State of Massachusetts ordering the Air Force to pay unemployment compensation. He asserted, however, that after he was terminated by the Air Force, he did make a claim for unemployment compensation with the Commonwealth of Massachusetts and that, when his claim was granted, the Air Force appealed and eventually prevailed upon the ground that he had taken 20 minutes for lunch beyond the allowed time of 30 minutes. At the hearing, Mr. Kersey testified that the extra lunch time for which he was terminated was ten minutes (finding 9). The letter stated that I have [not] retained any document showing the determination of the State of Massachusetts concerning his claim for unemployment benefits.
49. Because Mr. Roberts testified that he did not receive Kersey's response to the Requirements for Information, a fourth Requirement for Information was sent to Kersey on January 11, 2000 (Tr. 111; D's Exh 21). Questions asked and information requested were identical to that in the previous Requirements. The enclosures were not included, because Mr. Kersey had previously acknowledged receipt of those documents. This certified letter, return receipt requested was returned as unclaimed in February of 2000 after three attempts at delivery (Tr. 113; D's Exh 21).
50. Mr. Kersey's contention that the OED complaint is barred by laches and estoppel is based upon the period between the receipt of the Air Force Complaint in May of 1966 and October of 1999 when OED undertook to investigate the complaint by sending the first Requirement for Information to Kersey. Mr. Moatz testified that when they receive a complaint, a file is established and, if it is within PTO jurisdiction, it is assigned to an attorney for investigation (Tr. 29, 30). No

disciplinary action is taken until the accused is given an opportunity to respond and/or explain (Tr. 30, 31, 32). He stated that a file on Kersey was established upon receipt of the Air Force Complaint in 1996 and attributed the delay in investigating the Complaint to the fact his office was understaffed (Tr.40. 62. 64). He was unaware of District of Columbia Bar Counsel's letter to Kersey, dated June 2, 1994, and of its enclosure, the letter from the Vermont law firm Brooks McNally Whittington Platto & Vitt (supra note 18) concerning ethics complaints against Kersey in connection with his divorce (Tr. 88), and there is no evidence this complaint was forwarded to OED.

51. In his motion for dismissal upon the grounds of laches and equitable estoppel, Kersey has asserted that statutes of limitations are inapplicable for the purpose of defeating a claim of laches and that the five- year statute of limitations (28 U.S.C. § 2462) applies only to criminal penalties and forfeitures.²⁶ While this assertion is repeated on post-hearing brief, he also states erroneously that the violations of professional conduct alleged in Counts 1-3 were called to the attention of OED by the attorney representing his ex-wife in 1994, so that even "...if the period of limitations is five years, on that basis alone Counts I-III [1-3] should be barred" (Post-Trial Brief at 23). Count 1 concerns Kersey's alleged representation of private parties before the PTO while employed by the Air Force from March 6, 1995, to October 2, 1995, and it is obvious that this conduct could not have been called to the attention of OED in 1994. As indicated infra, however, it has been held that proceedings to suspend or disbar a practitioner are civil penalties subject to the five-year limitation in 28 U.S.C. § 2462, and there is no doubt that some of the events alleged as a basis for Count 1 occurred more than five years prior to the filing of the complaint on August 8, 2000.

Conclusions

1. Although Respondent's employment by the Air Force terminated for cause on October 2, 1995, the alleged causes were insubstantial and contrived. This conclusion is relevant to Kersey's fitness to practice before the PTO.
2. The Director has established by clear and convincing evidence that Kersey continued to represent private parties before the PTO as to some, but not all, of the patent applications referred to in the complaint, while employed by the U.S. Air

²⁶ Id.16, 17. The statute, 28 U.S.C. § 2462, provides: Except as otherwise provided by an Act of Congress, an action, suit, or proceeding for the enforcement of any civil fine, penalty, or forfeiture, pecuniary or otherwise, shall not be entertained unless commenced within five years from the date the claim first accrued if, within the same period, the offender or the property is found within the United States in order that proper service may be made thereon.

Force in contravention of federal conflict of laws. i.e., 18 U.S.C. § 203 and 205.²⁷ He thus violated a Disciplinary Rule, 37 C.F.R. § 10.23(c)(20), by knowing practice contrary to applicable federal conflict of interest laws or regulations. These violations are encompassed within Kersey's failure to withdraw from employment by private applicants before the PTO as required by 37 C.F.R. § 10.40(b)(2), when the practitioner knows or it is obvious that continued employment will result in violation of a Disciplinary Rule. Extenuating circumstances include the short period of his Air Force employment, the fact that no direct conflict between his Air Force duties and his activities before the PTO on behalf of private parties has been shown and the length of time that has elapsed since the violations occurred. Moreover, as noted below, the statute of limitations, 28 U.S.C. § 2462 (supra note 26), precludes the Director from penalizing Kersey in any manner for violations which occurred more than five years prior to the filing of the complaint on August 8, 2000.

3. Clear and convincing evidence establishes that Kersey was suspended from the practice of law for three months by the Supreme Judicial Court of Massachusetts and from the practice of law for three months before the D.C. Circuit by the United States Court of Appeals for the D.C. Circuit based upon the suspension in Massachusetts. These suspensions placed Kersey in violation of PTO Disciplinary Rule 10.23, which provides, inter alia, that no practitioner shall violate a Disciplinary Rule and that conduct which constitutes a violation of the cited rule includes, but is not limited to, suspension or disbarment from practice as an attorney or agent based on ethical grounds by any duly constituted authority of a State or the United States.²⁸ In accordance with Rule 10.20(b), Disciplinary Rules are mandatory in character and set forth the minimum level of conduct below which no practitioner can fall without being subject to disciplinary action.²⁹ Disciplinary

²⁷ The contention that 18 U.S.C. §§ 203, 205 proscribe only representational services by employees of the United States in connection with monetary claims is contrary to the plain language of the statutes and is rejected (findings 21-23). The decisions cited by Kersey, U.S. v. Bergson, 119 F. Supp. 459 (D.D.C.1954) and U.S. 679.19 Acres of Land, 113 F. Supp. 590 (D.N.D.,1953) involve since repealed 18 U.S.C. §§ 283 & 284 which prohibit government employees or former government employees from prosecuting or assisting in the prosecution of claims against the government and are inapposite.

²⁸ Rule 10.23 is entitled "Misconduct" and provides in pertinent part that: (b) A practitioner shall not: (1) Violate a disciplinary Rule. ... (c) Conduct which constitutes a violation of paragraphs (a) or (b) of this section includes, but is not limited to:..... (5) Suspension or disbarment from practice as an attorney or agent on ethical grounds by any duly constituted authority of a State or the United States....

²⁹ Section 10.20 of the PTO Rules is entitled "Canons and Disciplinary Rules" and § 10.20 (b) provides in part: Disciplinary Rules are set out in §§ 10.22-24, 10-31-40.... Disciplinary

action can, of course, include a reprimand, which is being issued here.³⁰ Moreover, the gravamen of the offense here, as explained by counsel in his opening statement and Mr. Moatz in his testimony is Kersey's obligation to notify the Director of the suspensions in accordance with Rules 10.23(c)(14) and 10.24 (finding 37). Here, the Director learned of Kersey's suspensions in Massachusetts and in the District of Columbia from other sources.

4. Clear and convincing evidence establish the allegations of Count 4 to the extent that Kersey wilfully refused to reveal or report knowledge or evidence of his suspensions by the Supreme Judicial Court of Massachusetts and by the U.S. Court of Appeals for the D.C. Circuit in violation of 37 C.F.R. § 10.24. This violation overlaps and duplicates the failure to report to the Director his suspensions as alleged in Counts 2 and 3. Kersey is being sanctioned for this violation by the reprimand issued herein. The Director has, however, failed to carry his burden of persuasion that Kersey failed cooperate in an investigation as required by 37 C.F.R. § 10.131(b). To that extent, this count will be dismissed.
5. Although the Director continues to insist that Kersey should be suspended for a two-year period, this period of suspension is far more severe than indicated by the Reciprocal Discipline Rule (supra note 21) and more severe than that imposed by any court which has considered the matter. Moreover, Kersey has no prior disciplinary history and the Director has not shown that this suspension is necessary to protect the public. It is recognized that the Director can and does point to an additional fact that was not before the Supreme Judicial Court of Massachusetts or the courts considering reciprocal discipline, the U.S. Court of Appeals for the D.C. Circuit and the Appellate Division of the New York Supreme Court, that is, that Kersey continued to represent private clients before the PTO while employed by the Air Force in violation of applicable federal conflict of interest laws (Rule 10.23(c)(20)). The violations in that respect shown by this record, however, occurred more than five years ago in very a limited number of cases and, because of the statute of limitations, the period for which Kersey may be sanctioned is limited to the period August 8, 1995, until the termination of his Air Force employment on October 2, 1995. Moreover, even if It be considered that the Reciprocal Discipline rule is mandatory, it is concluded that because of extenuating circumstances, Kersey is with an exception to the rule, i.e. substantially different discipline [before

Rules are mandatory in character and state the minimum level of conduct before which no practitioner can fall without being subject to disciplinary action.

³⁰ Rule 10.130, entitled "Reprimand, suspension or exclusion, provides in pertinent part: (a) The commissioner may, after notice and opportunity for a hearing, (1) reprimand or (2) suspend or exclude, either generally or in any particular case, any individual, attorney, or agent shown to be incompetent or disreputable, who is guilty of gross misconduct, or who violates a Disciplinary Rule.

the Director]. In accordance with Rule 10.130(a), Kersey will be reprimanded for continuing to represent private patent applicants before the PTO during the period August 3, 1995, until the termination of his employment by the Air Force on October 2, 1995, and failing to report to the Director his suspensions from the practice of law by the Supreme Judicial Court of Massachusetts and the U.S. Court of Appeals for the D.C. Circuit.

Discussion

1. The Reasons for Kersey's Termination For Cause By The Air Force Were Insubstantial and Contrived

Kersey's assertion that he was terminated by the Air force, because he took an extra ten or 20 minutes for lunch, need not be accepted in toto in order to conclude that his termination was not performance or character related. See, e.g., Mr. Auton's testimony that he had no problems with Mr. Kersey, that Collier had insisted on giving him (Auton) credit for work that had actually been completed by Kersey and that Collier had taken Kersey's printer away, while at the same time refusing to allow Kersey to use the printer in his (Collier's) office (findings 5-8). Additionally, Collier was giving Kersey an inordinate amount of supervision, scrutinizing his work product for trivial and insubstantial errors, which practice intensified after Mr. Erlich, who retired as Chief of the Intellectual Property Division, recommended Kersey as the principal candidate for his replacement. These findings together with the fact that Auton was directed by Collier to take action to remove Kersey amply support the conclusion that the reasons for Kersey's termination by the Air Force were insubstantial and contrived in order to eliminate a rival for the Chief of the Division's position. This conclusion tends to refute the allegation in ¶ 1.7 a. of the complaint that Kersey engaged in gross and disreputable conduct in violation of 35 U.S.C. § 32 and 37 C.F.R. § 10.23(a).

2. The Director has established by clear and convincing evidence that Kersey continued to represent private parties before the PTO while employed by the U.S. Air Force as to four of the applications referred to in the Complaint, in contravention of Federal Conflict Of Interest Laws, i.e., 18 U.S.C. §§ 203 and 205 And 37 C.F.R. § 10.40. The first of the patent application response documents found on Kersey's Air Force computer after his termination was a response document, New Complete Appeal Brief, dated 06/28/94, over eight months before the commencement of his employment by the Air Force, concerning the application of Belich, Serial No.07/554,568, originally filed on 9/04/91 (finding 14). Therefore, this document does not establish that Kersey represented private clients before the PTO while employed by the Air Force. This application appears to have been abandoned in 1994 and Application, Serial No. 07/754,588, Thomas S. Tonon substituted therefor. Although the continuation of that application, No.08/454,017, was filed with the PTO on May 30,1995, and shows that George E. Kersey was appointed as the attorney to prosecute the application, there is no certificate of mailing attached to the application nor does it bear Kersey's signature.

In short, the record not show that he participated in the mentioned filing or in the prosecution of that application while employed by the Air Force (finding 14). Therefore, the Director has not established by clear and convincing evidence that Kersey represented Mr. Tonon as to the mentioned application while employed by the Air Force.

The second document found on the computer used by Kersey during his Air Force employment is an undated response document relating to Application No.08/290.136, J. Paradis, originally filed on August 15, 1994, which involves a "flow control device". The response document states that the period for the response to the PTO rejection of certain claims of this application expires 06/15/95 and it might be inferred that the response was mailed or filed by Kersey with the PTO prior to that date (finding 10). Such inferences have no place, however, in a disciplinary proceeding in which the Director is obligated to prove his case by clear and convincing evidence (Rule 10.149). Although this application appears to be closely related, it is not identical to Application No.08/290.133, Joseph R. Paradis, Control Of Fluid Flow, also filed on August 15, 1994, and there is no evidence in the record that the response document or any other document involving Application No.08/290.136 was mailed to or otherwise filed with the PTO by Kersey. Accordingly, this document does not provide clear and convincing evidence that Kersey represented private parties before the PTO or practiced before the PTO involving private parties while employed by the Air Force. Moreover, the reason these documents were on Kersey's Air Force computer is readily explained by the fact that Kersey was permitted to use his own software to improve productivity (finding 12).

Regarding Application No.08/290.133, which was initially filed on August 15, 1994, Kersey's response to the PTO rejection of certain claims was mailed on March 3, 1995, prior to his employment by the Air Force. The only documents involving this application filed by Kersey with the PTO during his employment by the Air Force shown by this record were an Issue Fee Transmittal, dated June 15, 1995, a Certificate of Mailing, dated June 16, 1995 and an undated cover sheet for corrected drawings bearing a PTO mail room date stamp of July 5, 1995 (finding 15). According to Mr. Auton, none of the listed filings constitute "practice" before the PTO.³¹ This does not end the matter, however, because the prohibitions in 18 U.S.C. §§ 203, 205 are on officers or employees of the United States providing "representational services" or acting as "agent or attorney" as to matters in which the United States has a direct and substantial interest and, in the absence of a withdrawal by Kersey, which required permission of the PTO, it may be presumed that the representation of private parties continued. Because "representation" is seemingly the essence of the "practice [of law]" or inseparable therefrom, the listing of "(k)nowing practice by Government employees contrary to Federal conflict of interest laws..." in Section 10.23(c)(20) as among conduct proscribed by Sections 10.23(a) and (b), e.g.,

³¹ Finding 16. "Practice" is not defined in 37 C.F.R. § 10.1 and "practitioner" is defined simply by reference to persons registered to practice before the Office in patent cases, i.e., an agent or attorney (37 C.F.R. § 10.1(r)).

Section 10.23(b)(1), a practitioner shall not “(v)iolate a Disciplinary Rule”, encompasses representational activities. The mentioned activities were, however, prior to August 8, 1995, and thus beyond the five year period for which sanctions may be imposed as set forth in § 2462. Moreover, the patent issued on September 26, 1995, and Kersey’s obligation to withdraw from employment by private applicant-inventors does not extend beyond the issue date of the patent.

Kersey’s actions regarding Application No.08/393,356, Gulf Club Swing Training Device, Teresa M. Drelick, were both prior and subsequent to his employment, the application being filed on February 23, 1995, and Kersey mailing a response to a PTO rejection on November 30, 1995.(finding 17). Kersey’s obligation to withdraw from employment by Ms. Drelick as to this application extended through the period of his Air Force employment, i.e., from March 6, 1995, through October 2, 1995. The period within the statute of limitations for which he may be sanctioned thus extends from August 8, 1995, through October 2, 1995.

Regarding Application No. 08/488,728, Treatment of Ulcers, Karen A. Cannon, which was filed on June 8, 1995, Kersey signed a certificate of mailing for this application on the mentioned date, a certificate of mailing for the Notice To File Missing Parts Of Application Filing Date Granted on September 7, 1995 and a Declaration For Patent Application also on September 7, 1995 (finding 18). These activities with the possible exception of the certificates of mailing clearly constitute “practice” before the PTO and only the original filing of the application was beyond the statutory period for which sanctions may be imposed.

Regarding Application No.08/223,325, Multiplex Spectroscopy, Reginald Tobias, originally filed by Kersey on April 5, 1994, Kersey prepared a “Supplemental Response To Final Office Action,” which was mailed on June 16, 1995, and an Issue Fee Transmittal, which was mailed on September 18, 1995 (finding 19). As to Application No.08/344,942, Controlled Pourability of Fluids, David J. Leahy, filed by Kersey on November 25, 1994, Kersey mailed a Response To Requirement for Restriction on September 21, 1995 (finding 20). The period for which Kersey is subject to sanctions for failure to comply with his obligation to withdraw from employment as to these applications extends from August 8, 1995, to and including October 2, 1995.

The foregoing activities are considered to constitute “representation” and thus “practice” contrary to applicable federal conflict of interest laws or regulations of the Department. In this regard, while Mr. Kersey testified that he never knowingly violated any rule concerning conflict of interest, he acknowledged that Mr. Auton had informed him of the importance of avoiding conflicts of interest and that this included not prosecuting patent applications for private parties before the PTO (findings 24 and 25). Additionally, in his December 3 letter, Mr. Kersey acknowledged that he was aware of a form involving conflicts of interest [AFMC Form 317, the form for approval off-duty employment], but that he did not fill out [and file] the form, because he not believe it applied to a probationary employee who could be fired at any time, which, of course, he was (finding 46).

While Mr. Kersey’s belief in the above regard is incorrect, his position is at least

understandable. It should be noted that Mr. Auton agreed with Kersey that there was no [direct] conflicts of interest between the patent applications Kersey prosecuted for private parties and the Air Force [his Air Force duties] (finding 27). Moreover, there is no evidence that the PTO filings for private parties were performed on government time.

Statute of Limitations

On post-hearing brief, the Director asserts that the acts committed by Kersey began in 1995 and continued through 1999, and thus “ (t)he complaint against Mr. Kersey was timely filed prior to the expiration of the statutory five-year period” (Post-Trial Reply Brief at 3). This assertion lumps separate violations alleged in the complaint onto one continuing violation for the purpose of applying the statute of limitations and simply will not do. While it is obvious that the violations alleged in Counts 2, 3, and 4 involved failures to notify the Director and/ or acts or refusals to act by Respondent that occurred well within five years from August 8, 2000, the date of issuance of the complaint, it is equally obvious that some of the filings with the PTO alleged as a basis for Count 1 occurred more than five years prior to August 8, 2000. Moreover, even if Kersey’s obligation under § 10.40(b)(2) to withdraw from employment by private applicants before the PTO be regarded as continuing for the duration of his employment by the Air Force, he may not be penalized for violations occurring more than five years prior to the issuance of the complaint.

In 3M Company v. Browner, 17 F.3d 1453, (D.C. Cir.1994), the court held that 28 U.S.C. § 2462 was a general statute of limitations applicable to the entire government in civil penalty cases and that administrative penalty assessment proceedings under the Toxic Substances Control Act, 15 U.S.C. § 2515(a), were proceedings for the enforcement of a penalty to which § 2462 applied. The court also held that the statute began to run from the date of the violation, rejecting any “discovery rule”, i.e., that the statute begins to run only when regulatory or enforcement officials discover the violation, or any notion that difficulties in enforcement have any bearing on the operation of the statute.³² The court held that EPA may not assess civil penalties for violations of TSCA which occurred more than five years prior to the commencement of the proceeding. This holding makes untenable any contention here that the statute did not begin to run until the PTO received the “Complaint” from the Air Force in May of 1966 raising the likelihood that Kersey represented private clients before the PTO while employed by the Air Force.

In Johnson v. Securities and Exchange Commission, 87 F.3d 484, (D.C. Cir. 1996), the court held that an SEC proceeding resulting in a censure and a six-month suspension of a securities industry supervisor was a “sanction” imposed by the government for unlawful or proscribed conduct and thus a proceeding for the enforcement of a penalty within the meaning of § 2462. Because the violations, an alleged failure to properly supervise an account representative who stole money from his customer’s accounts, occurred more than five years prior to the commencement of the action, the court vacated the SEC’s order imposing sanctions on the respondent. Accord, Proffitt v FDIC, 200 F.3d 855 (D.C. Cir.2000)

³²A possible exception is the doctrine of “fraudulent concealment” which has no application here.

Applying these principles here, it would seem to be clear that the causes of action for any filings by Kersey with the PTO on behalf of private parties while employed by the Air Force prior to August 8, 1995, accrued more than five years before the filing of the complaint and thus may not be the subject of the instant disciplinary proceeding.³³ A possible exception to this conclusion is the “continuing violation” doctrine under which the complaint filed on August 8, 2000, would be within the statutory period. Under this view, Kersey was obligated to withdraw from employment as to all patent applications for private parties pending before the PTO on March 6, 1995, the date his employment by the Air Force commenced, and this obligation continued until his Air Force employment was terminated on October 2, 1995. In 3M, supra, the court referred to the continuing violation doctrine, expressed skepticism as to its applicability in that case, but found it unnecessary to address the matter. There, the ALJ, relying on the fact that TSCA § 15(a) provides in part that each day a violation continues constitutes a separate violation, held that the failure to file pre-manufacture notices was a continuing violation and thus, even if § 2462 applied, violations occurring more than five years prior to the filing of the complaint were not time-barred.

In Lazarus, Inc., TSCA Appeal No. 95-2, 7 E.A.D. 318, 1997 EPA App LEXIS 27 (EAB, 1997) the EAB held, inter alia, that among continuing obligations for the authorized use of PCB transformers was the requirement to register the transformers with the local fire department and that the mere fact the initial failure to register occurred more than five years prior to the filing of the complaint did not mean that the statute of limitations precluded the Agency from assessing a penalty for the violation. Although Lazarus did not address the issue, it is clear, however, that the penalty assessment may not include violations occurring more than five years prior to the filing of the complaint 3M, supra.

3. Kersey’s Suspensions From the Practice of Law By the Supreme Judicial Court of Massachusetts and the U.S. Court of Appeals for the D.C. Circuit

Kersey’s suspension from the practice of law by the Supreme Judicial Court of Massachusetts for Suffolk County for a three-month period beginning 30 days after the entry of the order on September 10, 1999, was based on the fact that Kersey had been held in contempt for failure to comply with orders of the Vermont Family Court and had failed to purge himself of contempt from the most recent order (findings 35 and 36). In accordance with the recommendation of both the Hearing Committee and the Appeal Panel, the order expressly provided that Kersey could not petition for reinstatement until such time as he had purged himself of contempt in the Vermont courts. Requiring Kersey to “petition” for reinstatement appears to be contrary to the Court’s Rule 4:01, Bar Discipline, Section 18 “Reinstatement”, which provides that a lawyer suspended for six months or less pursuant to disciplinary proceedings shall be reinstated at the expiration of the period of suspension by filing with court and bar counsel an affidavit (supra note 19). Although Kersey did not file the affidavit within three months after the expiration of the period of suspension as required by Rule 4:01, Section 18(d) and thus the right to

³³ This conclusion is not affected by the fact that Rule XI, Disciplinary Proceedings, of the District of Columbia Bar Rules provides at § 1(c) “Disciplinary proceedings against an attorney shall not be subject to any period of limitation.”

“automatic reinstatement” did not apply.³⁴ neither the U.S. Court of Appeals for the D.C. Circuit nor the Appellate Division of the Supreme Court of New York were persuaded that the cited provision of the Massachusetts’ rule converted the suspension into an indefinite time period for the purpose of applying the Reciprocal Discipline rule. On Kersey’s appeal, this order was upheld in its entirety by the full court.

The court recognized that the level of discipline imposed was not to be markedly disparate from that imposed in comparable cases and, distinguishing a case, Private Reprimand No. PR-92-37, 8 Mass. Atty’Rep.334 (1992), where an attorney had been found in willful contempt of a child support order, but had received only a private reprimand, apparently because while the disciplinary proceeding was pending, the attorney had paid a substantial portion of arrears, stated that respondent in this case has made no such attempt to comply. Kersey alleges that this statement is false and completely contrary to the record (Post-Trial Brief at 6) and it does appear that the court failed to recognize Kersey’s substantial compliance, i.e., the maintenance payments made to his ex-wife or the account information, albeit apparently not complete, provided to his ex-wife’s attorney, or, as stated by the Appellate Division of the New York Supreme Court, his efforts “to resolve his legal problems in Vermont” (supra note 20). Be that as it may, the doctrine of collateral estoppel normally precludes re-litigating matters of fact and of law which have been actually decided in another forum having jurisdiction over the matter at issue.³⁵ Here, however, official notice has been taken of the transcript of the hearing held by the Vermont Family Court on February 15, 2000, which it does not appear was before the Supreme Judicial Court of Massachusetts. It is worthy of note that during the mentioned hearing no issue was taken with Kersey’s compliance with court orders as to maintenance and payment of attorney’s fees and that the sole reason for the court’s refusal to lift the mittimus was Kersey’s failure to promptly disclose account information for periods subsequent to 1993. Under these circumstances and in view of the fact that the Vermont Family Court’s order expired by its terms on December 31, 2000, it is concluded that the two-year suspension requested by the Director, which is clearly outside the bounds of any sanction required by application of the Reciprocal Discipline rules, has not been shown to be necessary to protect the public.

³⁴ Section 18 “Reinstatement” provides in pertinent part: (1) Eligibility for Reinstatement-Short-term Suspension

(d) The right to automatic reinstatement under this subsection (1) shall not apply to any lawyer who fails to file the required affidavit within three months after the original period of suspension has expired. In such a case the lawyer must file a petition for reinstatement under paragraph (2) of this section.

³⁵ See, e.g., Committee v. Feinman, 239 F.3d 498 (2nd Cir, 2001). The “collateral estoppel” rule is encompassed within Rule 21 of the ABA Model Rules for Lawyer Disciplinary Enforcement, which provides in part: E. **Conclusiveness of Adjudication in Other Jurisdiction.** In all other aspects, a final adjudication in another jurisdiction that a lawyer has been guilty of misconduct shall establish conclusively the misconduct for purposes of a disciplinary proceeding in this state.

As alleged in the complaint, on February 4, 2000, the United States Court of Appeals for the District of Columbia Circuit issued an order suspending Kersey from the practice of law before that court for a period of three months from the date of the order. The suspension was based on the order of term suspension issued by the Supreme Judicial Court of Massachusetts for Suffolk County on September 10, 1999, and, although the court was certainly aware of the condition precedent to filing for reinstatement imposed by the Massachusetts' court, the order did not contain any conditions on Kersey's reinstatement. Under these circumstances, Kersey was not suspended for an indefinite period and Rule VII, entitled "Reinstatement" of Appendix 2 to the Circuit Rules of the D.C. Circuit allows Kersey to be reinstated to practice before the D.C. Circuit by merely filing an affidavit.³⁶

On post-hearing brief, the Director points to the order issued by the District of Columbia Court of Appeals on October 26, 1999, suspending Kersey from the practice of law in the District of Columbia pending final disposition of this proceeding (Post-Trial Reply Brief at 8). The court issued a final order suspending Kersey indefinitely and specifying that he demonstrate fitness prior to reinstatement. The requirement to demonstrate fitness was based on the conclusion that it would be necessary for Kersey to petition for reinstatement in Massachusetts. The Director alleges that Kersey has conceded that the suspension was proper by failing to contest the court's actions. As noted previously, however, the complaint refers to the three-month suspension issued by the U.S. Court of Appeals for the D.C. Circuit which imposed no conditions on Kersey's reinstatement. Accordingly, Kersey's failure to contest the suspension by the District of Columbia Court of Appeals is readily explained and, although Rule 10.45 appears to liberally authorize amendments of pleadings to conform to the proof, an amendment of the complaint under these circumstances would be prejudicial. Because the court has issued an order which has become final, the prejudice is not readily subject to being cured.

4. Clear and convincing evidence establish the allegations of Count 4 to the extent that Kersey wilfully failed or refused to reveal or report knowledge or evidence of his suspensions by the Supreme Judicial Court of Massachusetts and by the U.S. Court of Appeals for the D.C. Circuit in violation of 37 C.F.R. § 10.24. The Director has, however, failed to carry his burden of persuasion that Kersey failed to cooperate in an investigation as required by 37 C.F.R. 10.131(b), and, to that extent, this count will be dismissed.

³⁶ Rule VII, entitled "Reinstatement" of Appendix 2, Rules of Disciplinary Enforcement, provides in pertinent part: (a) **After Disbarment or Suspension.** An Attorney who is suspended for a definite period shall automatically be reinstated at the end of the period of suspension upon the filing with the Clerk an affidavit of compliance with the order. An attorney who is suspended indefinitely or disbarred may not resume practice until reinstated by order of this Court.....This rule closely tracks the ABA Model Rules for Lawyer Disciplinary Enforcement, Rule 24., entitled "Reinstatement", which provides in pertinent part: (b) **After Suspension of Six Months or Less.** A lawyer suspended for less than six months may resume practice at the end of the period of suspension by filing with the court and serving upon counsel an affidavit alleging that he has fully with the requirements of the suspension order, and paying any required fees.

Kersey had to be aware of his suspensions from the practice of law for three months in Massachusetts by the Supreme Judicial Court of Massachusetts and from the practice of law before the U.S. Court of Appeals for the D.C. Circuit for three months based upon his suspension in Massachusetts. Kersey is presumed to know of the requirement that this information be reported to the Director. This violation duplicates and overlaps the violations alleged in Counts 2 and 3 for which Kersey is being reprimanded herein. As to the failure to cooperate in an investigation as required by 37 C.F.R. § 131(b), Kersey points out that he replied to every request for information he received. The Director's argument that Kersey should and could have supplied some of the information requested, notwithstanding that the enclosures were not received, is simply not persuasive. Although the Director asserts that Kersey's letter of December 3, 1999, responding to the Requirements for Information was never received, the record establishes that the letter was in fact mailed and there is a well established presumption of delivery when an item properly addressed and bearing the proper postage is placed in a receptacle for the receipt of U.S. Mail. The requirement for the proper postage may be inferred from the fact of mailing. It follows that the Director has not carried his burden of persuasion that Kersey failed to cooperate in an investigation as required by Rule 10.131(b) and to that extent, Count 4 will be dismissed.

5. Rule 10.154(b) provides that in issuing any penalty or reprimand, the ALJ shall consider, inter alia, extenuating circumstances.³⁷ Here it has already been determined that the public interest does not require Kersey's suspension for any period let alone the two years requested by the Director. Moreover, extenuating circumstances, including Kersey's lack of prior disciplinary history, his substantial compliance with the orders of the Vermont court and his efforts to purge himself of contempt were well stated by the Hearing Committee of the Board of Bar Overseers of the Supreme Judicial Court of Massachusetts (finding 34). Kersey's financial condition is also an extenuating circumstance which should be considered. (note 15, supra). Other extenuating circumstances are set forth in Conclusion 2 above and need not be repeated here. Suffice it to say that the reprimand issued here is considered to adequately reflect the seriousness of the violation of the Disciplinary Rule and the deterrent effects deemed necessary (supra note 37).

ORDER

The Director is precluded by the statute of limitations (28 U.S.C. § 2462) from sanctioning Kersey in any manner for activities in representing private clients before the PTO while employed by the U.S. Air Force which occurred more than five years prior to the issuance of the complaint

³⁷ Rule 10.154 (b) provides: The initial decision of the administrative law judge shall explain the reason for any penalty or reprimand, suspension or exclusion. in determining any penalty, the following should normally be considered:

- (1) The public interest;
- (2) The seriousness of the violation of the Disciplinary Rule;
- (3) The deterrent effects deemed necessary;
- (4) The integrity of the legal profession; and
- (5) Any extenuating circumstances.

on August 8, 2000, and to that extent Count 1 of the complaint is dismissed.

The Director has failed to carry his burden of persuasion that Kersey failed to cooperate in an investigation as required by Rule 10.131(b) and to that extent Count 4 is dismissed.

In accordance with Rule 10.130 (a), George E. Kersey is REPRIMANDED for the failure to withdraw from employment by private clients and continuing to represent such clients before the PTO during the period August 8, 1995, through the termination of his Air Force employment on October 2, 1995, as required by Rule 10.23(20) and for failing to notify the Director of his suspensions from the practice of law in Massachusetts by the Supreme Judicial Court of Massachusetts and from practice before the D.C. Circuit by the U.S. Court of Appeals for the D.C. Circuit as required by Rule 10.23(c)(5) and Rule 10.24.



Spencer T. Nissen
Administrative Law Judge

Dated this 14th day of November 2001

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

HARRY I. MOATZ,)	
Director, Office of)	
Enrollment and Discipline,)	
)	Request for Reconsideration
)	Proceeding No. 00-07
)	
GEORGE KERSEY)	
Respondent)	

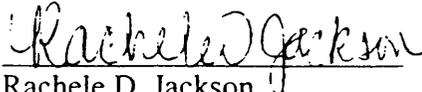
MEMORANDUM AND ORDER ON RECONSIDERATION

George E. Kersey (Respondent) requests reconsideration under 37 C.F.R. § 10.156(c) of the Final Decision entered on June 14, 2002. The Final Decision was taken in an Appeal by the Director of the Office of Enrollment and Discipline (OED) of the Initial Decision by the Administrative Law Judge (ALJ) (*Moatz v. Kersey*, Proceeding 00-07). The OED Director appealed only that part of the Initial Decision concerning the sanction imposed by the ALJ which was a letter of reprimand for violations of USPTO Disciplinary Rules 10.23(c)(5), 10.23(c)(20) and 10.24. The Final Decision imposed a six-month suspension from practice before the USPTO. Respondent requests reconsideration of this Final Decision, raising the following principal arguments:

1. That the Appeal taken by the Director of OED was untimely and without authority.

CERTIFICATE OF SERVICE

I hereby certify that a copy of this **INITIAL DECISION**, dated November 14, 2001, **IN RE: HARRY I. MOATZ v. GEORGE E. KERSEY, PROCEEDING NO. 00-07**, was mailed via Certified Mail. Return Receipt Requested. to the Respondent and Complainant (see list of addressees).


Rachele D. Jackson
Legal Staff Assistant

Date: November 14, 2001

Addressees:

Certified Mail Return Receipt Requested

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