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

HARRY I. MOATZ, Director, Office of Enrollment and Discipline, v. GEORGE E. KERSEY, Respondent.	)	Proceeding No. D2004-05

FINAL DECISION UNDER 37 C.F.R. § 10.156

George E. Kersey ("Respondent") appeals the Initial Decision ("ID") of Hon. Spenser T. Nissen ("ALJ"), recommending that Respondent be excluded from practice before the United States Patent and Trademark Office ("USPTO"). For the reasons discussed below, the ALJ's decision is hereby affirmed.

Background

On June 18, 2004, the Director of the USPTO's Office of Enrollment and Discipline (OED Director) filed a complaint against Respondent under 37 C.F.R. § 10.134. The Complaint contained two counts. Count 1 charged Respondent with violating 37 C.F.R. 10.23(c)(5) by being disbarred by the State of New Hampshire Supreme Court for continuing to practice law while under a suspension imposed by that court. Count 2 alleged that Respondent had failed to return client files and had continued to practice before the USPTO after being suspended from practice, and thereby violated 37 C.F.R. §§ 10.23(b)(5) and 10.24.

While the Complaint was pending before the ALJ, the OED Director moved for summary judgment on Count 1, and Respondent moved for summary judgment on Count 2. On March 9, 2006, the ALJ issued an Initial Decision granting the OED Director's motion for summary judgment on Count 1 of the Complaint, denying Respondent's motion for summary judgment on Count 2, sua sponte granting summary judgment to the OED Director on Count 2, and recommending Respondent's exclusion from practice before the USPTO.

On April 8, 2006, Respondent filed an appeal of the ALJ's initial decision. The appeal comprised two pages, one of which consisted of a signature and certificate of mailing. On May 5, 2006, the OED Director filed an appeal brief. On June 6, 2006, Respondent filed a reply brief, to which the OED Director responded on June 15.

Title 37 C.F.R. 10.155(a) requires that an appeal be filed with 30 days of the date of an initial decision, and that any cross appeal be filed by the latter of 30 days after the date of the decision or 14 days after the date service of the appeal. The other party to an appeal or cross appeal may file a reply brief within 30 days of the date of service thereof. Id. The regulation does not provide for any further briefing.

Here, although it was entitled simply "Brief for Director of Enrolment and Discipline" the OED Director's brief was clearly a reply brief, and only a reply brief. The OED Director's brief did not seek modification of the initial decision in any way, and in any event was filed after the time for filing a cross appeal expired. Because no cross appeal was filed, 37 C.F.R. § 10.155(a) does not provide for any responsive brief by Respondent. Accordingly, Respondent's June 6, 2006 Reply Brief, and the OED Director's response thereto, are hereby stricken.

On June 26, 2006, Respondent filed a petition under 37 C.F.R. 10.170(a) requesting that his Reply Brief be considered. § 10.170(a) permits the waiver of rules set forth in part 10 "[i]n

an extraordinary situation where justice requires . . ." Respondent's petition, however, does not establish the existence of any extraordinary situation and is therefore denied.

Respondent makes three arguments on appeal. First, he argues that the ALJ "deprived [Respondent] of the opportunity for a hearing which is specifically provided by the regulations." Second, he argues that Count 1 [sic] of the complaint should not have been sustained because, he asserts, his previous suspension from practice before the USPTO is still pending review before the Court of Appeals for the Federal Circuit. Third, Respondent argues that Count 2 [sic] of the Complaint should not have been sustained because his disbarment in New Hampshire was "on completely false grounds," that New York and New Jersey had not imposed reciprocal disbarment or suspension, and that Respondent had "pointed out" to a District of Columbia court that his New Hampshire disbarment was improper.

None of Respondent's arguments merits reversal of the Initial Decision. With respect to Count 1 (which Respondent's appeal apparently refers to as Count 2), there is no dispute that Respondent was in fact disbarred in New Hampshire, and therefore literally violated 37 C.F.R. § 10.23(c)(5). The ALJ further analyzed the Count under the standards set forth in Selling v. Radford, 243 U.S. 46, 51 (1917), which held that reciprocal discipline would be inappropriate if:

> (1) ... the state procedure from want of notice or opportunity to be heard was wanting in due process;
> (2) ... there was such an infirmity of proof as to the facts found to have established the want of fair private and professional character so as to give rise to a clear conviction on our part that we could not consistently with our duty accept as final the conclusion on that subject; or
> (3) ... some other grave reason existed which should convince us that to allow the natural consequences of the judgment to have their effect would conflict with the duty which rests upon us not to disbar except upon conviction that, under the principles of right and justice, we were constrained to do.

The ALJ held that Respondent had not raised any genuine issue of material fact as to any of these potential grounds for not applying the New Hampshire disbarment as a predicate for USPTO discipline. Nothing in Respondent's appeal provides a ground to upset that holding.

With respect to Count 2 (apparently referred to as Count 1 in Respondent's appeal), Respondent argues only that the initial decision was in error because the underlying USPTO suspension was entered in an untimely appeal by the OED Director from an ALJ's decision, and because the suspension allegedly remained under review before the Court of Appeals for the Federal Circuit. On October 24, 2002, the USPTO entered a decision on reconsideration suspending Respondent for six months, effective 30 days from the date of the order. The USPTO is authorized, but not required, to stay applicability of a final decision pending judicial review. 37 C.F.R. § 10.157(c). In this case, Respondent obtained neither such a stay nor a court order staying his suspension. Respondent was therefore required to comply with the terms of the October 24, 2002, decision. The ALJ found that he did not do so, and Respondent has not challenged this finding on appeal.

Respondent's arguments that his underlying suspension was improperly based on an untimely appeal were rejected by the District Court for the District of Columbia. ID at 23. Respondent's attempts to obtain review of that decision before the Court of Appeals for the Federal Circuit have so far been unsuccessful. In any event, the orderly administration of practice before the office demands that a practitioner who is ordered suspended from practice and fails to obtain a stay of that order must comply with it. Respondent did not do so. Even if Respondent's efforts to obtain reversal of the underlying suspension ultimately bore fruit, this would not excuse his failure to comply with the unstayed suspension order.

Of Respondent's arguments, the one that comes closest to raising a significant issue is his argument that the USPTO's regulations entitled him to a hearing. A brief review of the applicable statutes and regulation is in order. The instant disciplinary proceeding is conducted under 35 U.S.C. § 32, which provides in part that the USPTO Director may suspend or exclude a practitioner "after notice and opportunity for a hearing." 37 C.F.R. § 10.130 mirrors that requirement. 37 C.F.R. § 10.144 further provides that, "[t]he administrative law judge shall preside at hearing in disciplinary proceedings," and that the ALJ "shall conduct hearings in accordance with 5 U.S.C. § 556." That section describes procedures for a hearing, authorizing the presiding official, inter alia, to "rule on offers of proof and receive relevant evidence", and to "regulate the course of the hearing." 5 U.S.C. § 556(c)(3) and (5).

The OED Director's pleadings and the Initial Decision cite cases setting forth various standards for determining under what circumstances and administrative proceeding can be decided without a hearing. As further discussed below, a review of the record and the Initial Decision reveals that Respondent was offered the opportunity for a hearing, but failed to proffer relevant testimony. The ALJ's decision to grant summary judgment therefore can be upheld even under the strictest standard cited by the parties, that a hearing need not be held where it would serve "absolutely no purpose." Independent Bankers Assoc. of Georgia v. Bd. of Governors of the Fed. Reserve System, 516 F.2d 1206, 1220 (D.C. Cir. 1975). It is noted that in Marinangelli v. Lehman, 32 F.Supp 1, 7 (D. D.C. 1998), a case cited by neither party, the court observed that while due process did not require a hearing in a reciprocal discipline case where the predicate discipline was imposed through a state hearing that comported with due process, 37 C.F.R. § 10.144 nonetheless requires a hearing in such cases. The Marinangelli decision was issued in a case in which the USPTO had in fact provided a hearing, and for this reason the

court's interpretation of 37 C.F.R. § 10.144 arguably constitutes dictum. More importantly, Marinangelli did not address circumstances in which a respondend had failed to proffer relevant testimony and that hearing would therefore serve "absolutely no purpose." We therefore do not view the Marinangelli decision as precluding the application of the rule of Independent Bankers Assoc. of Georgia in this case.

Without adopting the Independent Bankers rule as the exclusive standard, we conclude that the ALJ's findings support application of that standard here. By granting summary judgment after receiving Respondent's description of what he would proffer at hearing, the ALJ exercised his authority to "rule on offers of proof." In effect, the ALJ ruled that, apart from facts that were not in dispute, none of Respondent's asserted offers of proof would lead to the reception of relevant evidence. The ALJ's decision not to convene an oral hearing, having made such a ruling, is consistent with the instruction in 5 U.S.C. § 556(d) that "the agency as a matter of policy shall provide for the exclusion of irrelevant, immaterial, or unduly repetitious evidence." 5 U.S.C. § 556(d) (emphasis added). While § 556(d) states that "any oral or documentary evidence may be received" (emphasis added), it does not require the reception of such evidence if documentary evidence shows the proffered oral evidence to be irrelevant or immaterial. Indeed, for the USPTO to adopt a policy that summary judgment may not be granted in such circumstances would seem to contradict § 556(d)'s direction that agencies' policies provide for the exclusion of irrelevant or immaterial evidence.

After considering Respondent's incomplete response to the prehearing order and Respondent's opposition to the OED Director's motion for summary judgment, the ALJ concluded that any testimony Respondent would present at the hearing as to Count 1 of the Complaint would be limited to argument that the New Hampshire disbarment was entered in

error. See ID at 17-20. A review of the record, including Respondent's incomplete responses to the ALJ's pre-hearing order and Respondent's opposition to the OED Director's summary judgment motion, confirms that this conclusion was correct. Such testimony as was offered would be irrelevant to the proceeding; 37 C.F.R. § 10.23(c)(5), by its terms, requires only discipline by a state court, not correctly decided discipline.

The ALJ considered whether Respondent had proffered testimony relevant to the factors set forth in Selling v. Radford, supra. However, Respondent had alleged no specific deficiencies in the New Hampshire proceedings, had, despite being ordered to submit all proposed hearing exhibits, failed to produce any documents related to the proceedings, and had failed to specifically identify proposed witnesses or to summarize the testimony they were expected to provide. Accordingly, the ALJ correctly concluded that Respondent had not properly proffered testimony relevant to these factors. ID at 17-20. Similarly, the ALJ correctly concluded that Respondent had not proffered evidence relevant to the penalty factors set forth at 37 C.F.R. § 10.154(b). Id. In short, Respondent had not proffered relevant testimony, and the ALJ was not required to convene a hearing at which Respondent's witnesses would either present only irrelevant testimony or would be excluded altogether. Such a hearing truly would serve "absolutely no purpose."

The only testimony Respondent proffered with respect to Count 2 was that of "[a]ll . . . Patent Office personnel who were involved in the improper disciplinary actions against Kersey." Respondent did not dispute, however, that the USPTO had entered an order suspending him from practice. As discussed above, whether that order had resulted from a timely appeal of an Initial Decision is irrelevant to the charges at issue here. In any event, the District Court for the District of Columbia upheld the USPTO's disciplinary order, and Respondent's attempts to obtain further

review at the Court of Appeals for the Federal Circuit have, at least so far, been unsuccessful. Respondent was not entitled to challenge the validity of the order in the instant proceedings. Accordingly, the ALJ was not required to convene a hearing in order to take the testimony of USPTO personnel who participated in the Respondent's previous disciplinary proceedings.

For these reasons, we hold that the ALJ did nor err in deciding the matter on summary judgment rather than holding an oral hearing.

ORDER

Upon consideration of the entire record, and pursuant to 35 U.S.C. § 32, it is

ORDERED that one (1) month from the date this order is entered, George E. Kersey, whose USPTO Registration Number is 20,136, be excluded from practice before the USPTO under the conditions set forth in 37 C.F.R. § 10.158; and

ORDERED that this Final Decision in this proceeding be published.

RECONSIDERATION AND APPEAL RIGHTS

Any request for reconsideration of this decision must be filed within twenty (20) days from the date of entry of this decision. 37 C.F.R. § 10.156(c). Any request for reconsideration mailed to the USPTO must be addressed to:

James A. Toupin
General Counsel
Office of the General Counsel
U.S. Patent and Trademark Office
P.O. Box 1450
MDE-10C20
Alexandria, VA 22313-1450

A copy of the request must also be served on the attorneys for the Director of Enrollment and Discipline:

Joseph G. Piccolo
Sydney O. Johnson, Jr.

Associate Solicitors
United States Patent and Trademark Office
P.O. Box 15667
Arlington, Virginia 22215

Any request hand-delivered to the USPTO must be hand-delivered to the Office of the General Counsel, in which case the service copy for the attorney for the OED Director shall be hand-delivered to the Office of Enrollment and Discipline.

If a request for reconsideration is not filed, and Respondent desires further review, Respondent is notified that he may seek judicial review on the record in the U.S. District Court for the District of Columbia under 35 U.S.C. § 32 and LCvR 83.7 of the U.S. District Court for the District of Columbia within thirty (30) days of the date of entry of this decision.

IT IS SO ORDERED.

ON BEHALF OF THE UNDERSECRETARY OF COMMERCE FOR INTELLECTUAL PROPERTY AND DIRECTOR OF THE UNITED STATES PATENT AND TRADEMARK OFFICE

August 3, 2006

BY: JAMES A. TOUPIN
General Counsel
United States Patent and Trademark Office

Date

cc: Harry I. Moatz
Office of Enrollment and Discipline

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