

**UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE ADMINISTRATIVE LAW JUDGE**

In the Matter of:)	
Hugh D. Jaeger,)	
Respondent.)	Proceeding No. D2012-29
)	

INITIAL DECISION ON DEFAULT

This proceeding was initiated on September 25, 2012, with the filing of a Complaint and Notice of Proceedings Under 35 U.S.C. § 32 (“Complaint”) by William R. Covey, Director of the Office of Enrollment and Discipline (“OED”) for the United States Patent and Trademark Office (“PTO,” “USPTO,” or “Office”), against Hugh D. Jaeger (“Respondent”). The Complaint alleges that Respondent, a registered patent attorney before the PTO, violated the code of conduct set forth at 37 C.F.R. Part 10 (“Disciplinary Rules”) by engaging in the unauthorized practice of law before the PTO when he was not in good standing as an attorney in any jurisdiction, falsely presenting himself to applicants as being authorized to practice before the PTO, and violating an order of the Minnesota Supreme Court proscribing him from practicing before the PTO. For these violations, the OED Director seeks entry of an order: (1) excluding Respondent from practice before the PTO in patent, trademark, and other non-patent cases or matters; and (2) such additional relief as the Tribunal deems proper.

To date, Respondent has not filed an Answer to the Complaint. On January 15, 2013, the OED Director filed a Motion for Entry of Default Judgment and Imposition of Disciplinary Sanction (“Motion”). According to the pertinent procedural rules of the PTO (“Rules”), 37 C.F.R. §§ 11.1–11.99, Respondent’s failure to file a timely answer constitutes an admission of the allegations in the Complaint, and a default judgment may be entered. 37 C.F.R. § 11.36(e).

I. Procedural History

The record shows that the OED Director properly served Respondent with the Complaint as required by the Rules. Rule 11.35 provides that the OED Director may serve a complaint on a respondent “[b]y mailing a copy of the complaint by ‘Express Mail,’ first-class mail, or any delivery service that provides ability to confirm delivery or attempted delivery to . . . [a] respondent who is a registered practitioner at the address provided to OED pursuant to § 11.11,” or if the respondent is not registered, to the respondent’s last address known to the OED Director. 37 C.F.R. § 11.35(a)(2). Rule 11.11 requires a registered attorney or agent to notify the “Director of his or her postal address for his or her office, . . . e-mail addresses . . . , and business telephone number, as well as every change to any of said addresses or telephone numbers within thirty days of the date of the change.” 37 C.F.R. § 11.11(a).

On September 25, 2012, the OED Director served the Complaint on Respondent by sending a copy via certified mail, return receipt requested, to the address Respondent most recently provided the OED Director. Complaint at 12. The Complaint was successfully delivered to Respondent's address on September 28, 2012, as evinced by copies of the U.S. Postal Service Track and Confirm notification and domestic return receipt.¹ Motion at 1, Ex. A. In addition, a copy of the Complaint was successfully delivered to a second address where the OED Director believed the Respondent received mail.² Complaint at 12; Motion at 1, Ex. A. The return receipt attached to the copy mailed to this address purports to bear Respondent's signature. Motion at 1, Ex. A.

According to the applicable Rules, service of the Complaint was accomplished when the Complaint was mailed and delivered by first-class mail, return receipt requested, to the address Respondent provided to the Director pursuant to Rule 11.11. 37 C.F.R. § 11.35(a)(2)(I). For service to be complete, the Rules do not require that Respondent personally take delivery. However, evidence showing that Respondent did take personal delivery of the Complaint indicates that Respondent had personal knowledge of this Complaint when it was served. Motion Ex. A.

The Complaint notified Respondent that an Answer to the Complaint was due to be filed on or before October 25, 2012, thirty days after the Complaint was filed. Complaint at 1; *see* 37 C.F.R. § 11.34(a)(3) (complaint shall state a time, not less than 30 days from date complaint is filed, for filing an answer). The Complaint further explained that a decision by default might be entered against Respondent if he should fail to file a timely written answer. Complaint at 1. The Complaint also provided Respondent with the undersigned hearing officer's correct address. Complaint at 11.

By Status Report dated November 1, 2012 ("First Status Report"), the OED Director stated that, as of October 31, 2012, it had not received an Answer to the Complaint, and that the OED Director intended to move for default judgment against Respondent but would wait an additional ten days before doing so due to severe weather that may have disrupted mail service. First Status Report at 1. By a second Status Report dated November 9, 2012 ("Second Status Report"), OED stated that Respondent had contacted counsel for the OED Director and had advised that he intended to file an Answer by November 14, 2012. Second Status Report at 1.

On November 15, 2012, the undersigned's staff attorney spoke with Respondent by telephone. Respondent indicated that he wished to request a hearing and intended to file a motion requesting additional time in which to file an Answer to the Complaint. Respondent indicated that he did not wish to appear unresponsive. On November 20, 2012, the undersigned's office received a brief facsimile message from Respondent in which Respondent requested additional time to file an Answer ("First Request"). Respondent's First Request, in its entirety states as follows: "I will need another month in which to respond. Thank you for your consideration." First Request at 1. Respondent did not serve a copy of the First Request on the OED Director. However, upon being contacted by this Tribunal's staff, counsel for the OED

¹ U.S. Postal Service Tracking No. 7011 3500 0003 1447 7032.

² U.S. Postal Service Tracking No. 7011 3500 0003 1447 7056.

Director verbally indicated he did not oppose the request. On November 29, 2012, an Order granting Respondent's request was issued ("First Order"). The First Order noted that the First Request was both procedurally and substantively defective, and instructed Respondent to familiarize himself with the Rules and file an Answer on or before December 20, 2012. The First Order advised Respondent that "[f]uture submissions that do not conform to the formal requirements of the Rules may not be accepted." First Order at 2-3.

On December 12, 2012, the undersigned's office received another brief facsimile message from Respondent in which Respondent requested a second extension because of "ill health" ("Second Request"). Second Request at 1. Respondent stated that he was "taking time off from work to recuperate at home," but that he expected "to be back in [his] office on January 7, 2013." Second Request at 1. Respondent did not serve a copy of the Second Request on the OED Director, and therefore, on December 12, 2012, the undersigned's staff attorney forwarded an electronic copy of the Second Request to counsel for the OED Director.

By Status Report dated December 13, 2012 ("Third Status Report"), the OED Director noted that Respondent had requested a second extension of time, but had not done so by motion. Third Status Report at 2. The Status Report further indicated that counsel for the OED Director intended to file a Motion for Default Judgment and Imposition of Sanctions against Respondent if the OED Director did not receive Respondent's Answer to the Complaint by January 10, 2013, or by any new filing deadline set by this Tribunal. Third Status Report at 2. Also on December 13, 2012, the undersigned's staff attorney attempted to contact Respondent by telephone at Respondent's number of record. The telephone call went to Respondent's voice mail, but the staff attorney was unable to leave a message because the voice mail "mailbox" was full.

On December 18, 2012, the undersigned issued an Order granting Respondent's Second Request for an extension of time to file his answer ("Second Order"). The Second Order noted that the Second Request "share[d] many of the same defects that were present in [the] First Request" and did not comply with the standards set forth in the Rules at 37 C.F.R. § 11.43, but that it did "show cause for the requested extension." Second Order at 2. Respondent was ordered to file an Answer conforming to the requirements of 37 C.F.R. § 11.36 no later than January 8, 2013. Second Order at 2-3.

On January 7, 2013, the undersigned's office received two new brief facsimile messages from Respondent (collectively "Third Request"), in which Respondent requested "that this matter be suspended" or that "an extension of time be granted in which to respond." Third Request at 1. Respondent claimed that he had "issues pending before the Minnesota Supreme Court" and was waiting for oral argument in that matter to be scheduled. Third Request at 1. Respondent claimed "[t]his matter pertains to the ethics complaint because [his] client did not want to pay its bills" and "[t]he matters are going to overlap." Third Request at 1. Respondent indicated that he had tried to settle the present matter with the PTO but claimed: "they basically 'blew me off.'" Third Request at 1; *see* Motion Ex. D (letter from counsel for the OED Director to Respondent rejecting an offer of settlement). Respondent claimed to have "asked for a complete copy of [his] OED file from the USPTO" under a Freedom of Information Act ("FOIA") request, but that PTO would "not provide [him] with a complete copy of the file." Third Request at 2. Respondent also indicated that he had "requested a hearing before the EPA." Third Request at 1.

Additionally, in this missive Respondent claimed that he had “worked in the PTO from 1969–1974 and received five special achievement awards,” and that “the PTO want[ed him] to return as a PTO examiner.” Third Request at 1. Respondent requested that “the file” reflect that he is “a Vietnam war era [sic] veteran honorably discharged from the U.S. Army, and that [he] trained with the U.S. Navy for the Persian Gulf War.” Third Request at 2. Respondent questioned: “How soon can we have a hearing?” Third Request at 2.

Again, Respondent failed to serve this, his Third Request, on counsel for the OED Director despite the Rules and prior instruction to him given by this Tribunal in regard thereto. As such, on January 7, 2013, the undersigned’s staff attorney again undertook on its own to forward this ex parte communication to the OED Director. Additionally, Respondent’s Third Request did not comply with the standards for motions set forth in 37 C.F.R. § 11.43, including the requisite requirement that the moving party confer with the opposing party prior to filing in a good faith effort to resolve the issue raised by motion. On January 7, 2013, the undersigned issued an Order denying Respondent’s Third Request (“Third Order”) because of its procedural deficiencies and failure to show good cause to further extend the deadline or suspend the proceeding. Third Order at 4.

Also on January 7, 2013, following issuance of the Third Order, the undersigned’s office received another facsimile message from Respondent (“Fourth Request”). In the Fourth Request, Respondent stated in entirety:

Please have the ALJ factor in the fact that I then worked for the Federal Communications Commission (FCC) as an attorney, but they ran short of engineers, so I was then appointed to be an FCC inspector. I have had a very good government career. I do not like to be trashed by the Patent Office. I do not know why the Patent Office will not settle this matter, expect that [sic] the client who filed the complaint does not want to pay its bills.

Fourth Request at 1. The following day, on January 8, 2013, the undersigned’s office received another facsimile message from Respondent (“Fifth Request”) that read as follows:

When can I have an oral hearing (date and time)? I will need to make travel arrangements. I would like to know what evidence you people are relying on. Please consider this an FOIA³ [sic] request for all of your files. I am waiting for a hearing date and time from the Minnesota Supreme Court.

³ The U.S. Environmental Protection Agency’s (“EPA”) Office of Administrative Law Judges is not a proper recipient of FOIA requests directed to either EPA or PTO. *See* 40 C.F.R §§ 2.100–2.102 (FOIA requests to EPA); 37 C.F.R. §§ 102.1–102.4 (FOIA requests to PTO). Further, every document within the Office of Administrative Law Judges’ possession that pertains to this matter has been served on Respondent or was submitted by Respondent.

Fifth Request at 1. Following receipt of the Fifth Request, the undersigned's staff attorney attempted to contact Respondent at his telephone number of record. The undersigned's staff attorney did not speak with Respondent, but did leave a message identifying himself, stating that the purpose of the call was to ensure Respondent understood the procedural posture of this proceeding, and asking Respondent to contact him. Electronic copies of the Fourth and Fifth Requests were forwarded to the OED Director.

On January 15, 2013, the OED Director filed a Motion for Entry of Default Judgment and Imposition of Disciplinary Sanction. On January 28, 2013, the undersigned's office received a facsimile message from Respondent ("Sixth Request"). The facsimile stated, in entirety: "How soon can we have a hearing? The motion for default judgment was not well thought out, because the same matters are now pending before the Minnesota Supreme Court." Sixth Request at 1. On January 28, 2013, the undersigned's staff attorney forwarded to the OED Director an electronic copy of the Sixth Request. Respondent did not serve the Fourth, Fifth, or Sixth Requests on the OED Director, and none of these Requests complied with the standards for requests motions set forth in 37 C.F.R. § 11.43.

II. Default

The Rules state that "[f]ailure to timely file an answer will constitute an admission of the allegations in the complaint and may result in entry of default judgment. 37 C.F.R. § 11.36(e). An answer must be made in writing, filed with the hearing officer, and include "a statement of the facts that constitute the grounds of defense and shall specifically admit or deny each allegation set forth in the complaint." 37 C.F.R. § 11.36(b)-(c). "Every allegation in the complaint that is not denied by a respondent in the answer shall be deemed to be admitted and may be considered proven." 37 C.F.R. § 11.36(d).

The undersigned has twice extended the deadline for filing an Answer to the Complaint and consistently advised Respondent of the standards set forth in the Rules. Respondent sent facsimiles to the undersigned's office on six separate occasions. None of the facsimiles constituted an Answer to the Complaint, and none complied with 37 C.F.R. § 11.43 or were served on counsel for the OED Director.

Respondent's Sixth Request indicates he is aware of the Motion but does not explain his failure to file an Answer or otherwise indicate why a default should not be entered against him. Respondent's Sixth Request does make reference to a separate disciplinary action against him currently pending before the Minnesota Supreme Court. Respondent has not provided this Tribunal with any evidence of that state-court disciplinary action or explained its relevance to this administrative proceeding.⁴

⁴ The undersigned takes administrative notice that the Director of the Minnesota Office of Lawyers Professional Responsibility initiated a disciplinary action against Respondent on July 11, 2012, and that such disciplinary action is now pending in the Minnesota Supreme Court. *See* Petition for Disciplinary Action against Hugh D. Jaeger, a Minnesota Attorney, Registration No. 49529, A12-1184 (Minn. Dec. 27, 2012), available at <http://macsnc.courts.state.mn.us/ctrack/search/publicCaseSearch.do> (Minn. Appellate Courts Case Management System).

According to the Disciplinary Rules, disciplinary action by the PTO does not preempt or otherwise displace state regulation of the practice of law. 37 C.F.R. § 10.1. Moreover, the PTO has exclusive authority to suspend or exclude patent practitioners from practicing before the PTO. *Kroll v. Finnerty*, 242 F.3d 1359, 1364 (Fed. Cir. 2001); *see also Sperry v. State of Florida*, 373 U.S. 379, 402 (1963) (“[T]he State maintains control over the practice of law within its borders except to the limited extent necessary for the accomplishment of the federal objectives.”). Thus, the ongoing disciplinary action in the Minnesota Supreme Court is not duplicative of the present matter, and does not obstruct the PTO’s authority to exclude Respondent from practicing before the PTO in this proceeding. *See Kroll*, 242 F.3d at 1365 (“[T]he respective powers of the [State] Grievance Committee and the [PTO] Director can be exercised without conflict.”); *see also Colo. River Water Conservation Dist. v. United States*, 424 U.S. 800, 817 (1976) (pendency of state court action generally no bar to proceeding concerning same matters in federal court of competent jurisdiction).

Because the OED Director served Respondent with the Complaint in full compliance with the requirements set forth in 37 C.F.R. § 11.35(a)(2), and Respondent has failed to file an Answer to the Complaint, Respondent is hereby found to be in **DEFAULT**. 37 C.F.R. § 11.36(e). Respondent’s failure to file a timely Answer to the Complaint constitutes an admission of the allegations in the Complaint, as recounted below. *Id.*

III. Findings of Fact & Conclusions of Law

A. Default

1. The OED Director filed the Complaint against Respondent on September 25, 2012.
2. The OED Director served Respondent with the Complaint on September 28, 2012, in full compliance with the requirements set forth in 37 C.F.R. § 11.35(a)(2).
3. An Answer to the Complaint was originally due to be filed on or before October 25, 2012, thirty days after the Complaint was filed.
4. Respondent did not file an Answer to the Complaint by October 25, 2012.
5. On November 29, 2012, the deadline for filing an Answer to the Complaint was extended to December 20, 2012.
6. On December 18, 2012, the deadline for filing an Answer to the Complaint was extended to January 8, 2013.
7. Respondent did not file an Answer to the Complaint by January 8, 2013 and has not filed an Answer meeting the requirements of the Rules to date.

8. After being properly served with the Complaint, Respondent failed to file a timely Answer to the allegations against him and is therefore in **DEFAULT**. 37 C.F.R. § 11.36(e).
9. Respondent's default constitutes an admission of each and every allegation in the Complaint.⁵ 37 C.F.R. § 11.36(e).

B. Background

10. "The Office registered Respondent as a patent attorney on August 26, 1974 (Registration No. 27,270)." Complaint ¶ 1.
11. Respondent is subject to the PTO Disciplinary Rules set forth in 37 C.F.R. part 10. See 35 U.S.C. § 2(b)(2)(D); 37 C.F.R. §§ 10.1(h) and 10.20(b).
12. This Tribunal has jurisdiction over this proceeding pursuant to 35 U.S.C. §§ 2(b)(2)(D), 32 and 37 C.F.R. §§ 11.19, 11.32, 11.39.
13. "Respondent was admitted to the practice of law in the State of Minnesota on April 15, 1977," Bar Number 49529. Complaint ¶ 5.
14. "Respondent is admitted to the practice of law in the Commonwealth of Pennsylvania (Bar Number 18759), but Respondent has been in a 'voluntary inactive' status in that jurisdiction since July 1, 1985." Complaint ¶ 3.
15. "While on voluntary inactive status in Pennsylvania, Respondent is not considered . . . to be an attorney in good standing and, as such, he is not permitted to engage in any activity which constitutes the practice of law in Pennsylvania." Complaint ¶ 4 (citing Pennsylvania Rules of Disciplinary Enforcement 102-03, 217(j)).
16. "Respondent is not admitted to practice law in any other state, district, or territory." Complaint ¶ 6.

⁵ In the Motion, the OED Director makes additional factual allegations in support of the violations alleged and penalty sought. In particular, the OED Director alleges *inter alia* that Respondent made the following four submissions not identified in the Complaint: on February 3, 2012, Respondent filed a transmittal letter in the matter of Patent Cooperation Treaty Application Serial No. [REDACTED]; on August 24, 2012, Respondent filed a status inquiry in the matter of U.S. Patent Application Serial No. [REDACTED] on July 16, 2012, Respondent filed a Third Request for Extension of Time in U.S. Trademark Application Serial No. 85/047,474; and on September 20, 2012, Respondent filed a Second Request for Extension of Time in U.S. Trademark Application Serial No. 85/232,381. Motion at 7. Respondent has not denied these additional allegations and did not respond to them in his Sixth Request. Nevertheless, because an entry of default only constitutes admission of the allegations in the Complaint, no findings are made in regard to these additional allegations. See 37 C.F.R. § 11.36(e).

17. "On January 11, 2011, Minnesota's Director of the Office of Lawyers Professional Responsibility filed a 'Petition for Disciplinary Action' against Respondent in the Minnesota Supreme Court styled *In re Petition for Disciplinary Action against Hugh D. Jaeger, a Minnesota Attorney, Registration No. 49529 (A11-0182)*" ("*In re Jaeger*"). Complaint ¶ 9.
18. On July 5, 2011, Respondent entered into a Stipulation for Discipline with Minnesota's Director of the Office of Lawyers Professional Responsibility in *In re Jaeger*. Complaint ¶ 10, Ex. A.
19. In the Stipulation for Discipline, Respondent admitted the allegations made by Director of the Office of Lawyer's Professional Responsibility in *In re Jaeger* and agreed, among other things, to a recommended resolution that included:
 - a. "Respondent being suspended for 120 days" Complaint ¶ 12(a);
 - b. "Respondent winding up and closing his law practice by August 31, 2011, in preparation for his retirement from the practice of law," Complaint ¶ 12(b);
 - c. "Respondent shall not apply for reinstatement to active practice in Minnesota and shall not apply for admission to the bar (or reinstatement, if applicable) in any other jurisdiction" Complaint ¶ 12(c); and
 - d. "Respondent not act as an agent or attorney based on the authority granted by the USPTO" Complaint ¶ 12(d).

Complaint ¶¶ 11–13, Ex. A

20. On August 11, 2011, the Minnesota Supreme Court issued an order in *In re Jaeger* ("August 11, 2011 Order") suspending Respondent from the practice of law in Minnesota. Complaint ¶ 14, Ex. B.
21. Pursuant to the August 11, 2011 Order, Respondent was "indefinitely suspended from the practice of law for a minimum of 120 days, subject" to several conditions. Complaint ¶ 14, Ex. B.
22. The August 11, 2011 Order "required Respondent to terminate his law practice by August 31, 2011 and after that date not to engage in the practice of law in Minnesota or in any other jurisdiction, nor act as an attorney or agent based on authority granted by the USPTO." Complaint ¶ 16, Ex. B.
23. The August 11, 2011 Order took effect August 31, 2011. Complaint ¶ 15, Ex. B.

24. On July 9, 2012, the PTO “entered a Final Order suspending Respondent from practice before the Office for 120 days.” Complaint ¶ 2 (citing *Hugh D. Jaeger*, Proceeding No. D2012-01 (July 9, 2012)).

C. Violations of Disciplinary Rules

25. Respondent is still attorney of record and has prepared and filed documents on behalf of patent applicants in the following matters:

- a. In U.S. Patent Application Serial No. 13/066,309, Respondent signed and caused to be filed an Issue Fee Transmittal form dated September 22, 2011, on behalf of the patent applicants, Complaint ¶ 24(a);
- b. In U.S. Patent Application Serial No. [REDACTED], Respondent signed and caused to be filed a Status Inquiry dated September 29, 2011, on behalf of the patent applicants, Complaint ¶ 24(b);
- c. On October 4, 2011, Respondent signed and caused to be filed Patent Cooperation Treaty Application Serial No. [REDACTED] on behalf of the applicants, Complaint ¶ 24(c);
- d. In U.S. Patent Application Serial No. 13/066,309, Respondent signed and caused to be filed a Rescission of Previous Non-Publication Request dated October 6, 2011, on behalf of the patent applicants, Complaint ¶ 24(d);
- e. On October 6, 2011, Respondent signed and caused to be filed U.S. Design Patent Application Serial No. [REDACTED] on behalf of the applicants, Complaint ¶ 24(e);
- f. In U.S. Patent Application Serial No. [REDACTED],⁶ Respondent signed and filed an Election dated November 14, 2011, on behalf of the patent applicant, Complaint ¶ 24(g);
- g. In U.S. Patent Application Serial No. [REDACTED], Respondent signed and filed a Petition for Extension of Time dated November 14, 2011, on behalf of the patent applicant, Complaint ¶ 24(h);
- h. In Patent Cooperation Treaty Application Serial No. [REDACTED], Respondent signed and caused to be filed a Transmittal dated January 30, 2012, on behalf of the applicants, Complaint ¶ 24(f);
- i. On April 2, 2012, Respondent signed and caused to be filed U.S. Provisional Patent Application Serial No. [REDACTED] on behalf of the patent applicants, Complaint ¶ 24(i).

⁶ In the Motion the OED Director claims that this application has been abandoned. Motion at 7.

26. Respondent is still attorney of record (except as noted below) and has prepared and filed documents on behalf of trademark applicants in the following matters:
- a. “On September 26, 2011, Respondent filed a Statement of Use Under 37 C.F.R. § 2.88 in U.S. Trademark Application Serial No. 85/232,343, identifying himself as the attorney for the trademark applicant,” Complaint ¶ 22(a);
 - b. “On October 6, 2011, Respondent filed U.S. Trademark Application Serial No. 85/440,724⁷, identifying himself as the attorney for the trademark applicant,” Complaint ¶ 22(b);
 - c. “On October 6, 2011, Respondent filed U.S. Trademark Application Serial No. 85/440,922⁸, identifying himself as the attorney for the trademark applicant,” Complaint ¶ 22(c);
 - d. “On November 16, 2011, Respondent filed an amendment in U.S. Trademark Application Serial No. 85/232,284, identifying himself as the attorney for the trademark applicant,” Complaint ¶ 22(d);
 - e. “On December 19, 2011, Respondent filed a Request for Extension of Time Under 37 C.F.R. § 2.89 to file a Statement of Use in U.S. Trademark Application Serial No. 85/175,413⁹, identifying himself as the attorney for the trademark applicant,” Complaint ¶ 22(e);
 - f. “On January 10, 2012, Respondent submitted a Request for Extension of Time Under 37 C.F.R. § 2.89 to file a Statement of Use in U.S. Trademark Application Serial No. 85/047,474, identifying himself as the attorney for the trademark applicant,” Complaint ¶ 22(f);
 - g. “On March 5, 2012, Respondent submitted a Request for Extension of Time Under 37 C.F.R. § 2.89 to file a Statement of Use in U.S. Trademark Application Serial No. 85/232,381, identifying himself as the attorney for the trademark applicant,” Complaint ¶ 22(g).
27. Respondent is subject to the PTO Disciplinary Rules set forth in 37 C.F.R. part 10. *See* 35 U.S.C. § 2(b)(2)(D); 37 C.F.R. §§ 10.1(h) and 10.20(b).
28. The actions described in paragraphs 27 and 28 of this Order, and in paragraphs 22 and 24 of the Complaint, constitute practice before the PTO. 37 C.F.R. § 11.5(b).
29. When taking the actions described in paragraphs 27 and 28 of this Order, and in paragraphs 22 and 24 of the Complaint, “Respondent was not a member in good

⁷ In the Motion, the OED Director claims that new counsel has replaced Respondent in this trademark application. Motion at 7.

⁸ In the Motion the OED Director claims that this application has been abandoned. Motion at 7.

⁹ In the Motion the OED Director claims that this application has been abandoned. Motion at 8.

standing of the highest court of any state, district, or territory and, therefore, was not authorized to practice before the Office in trademark or other non-patent matters,” and had been specifically ordered by the Minnesota Supreme Court to not act “as an attorney or agent based on authority granted by the USPTO” Complaint ¶¶ 7, 22, 24 (citing 37 C.F.R. §§ 11.1, 11.14(a)).

30. “Only an individual qualified to practice under 37 C.F.R. § 11.14 may represent an applicant, registrant, or party to a proceeding before the [PTO] in a trademark matter. Complaint ¶ 18 (citing 37 C.F.R. § 2.17(a)).
31. Individuals who are not attorneys “in good standing of the highest court of any State” are “not recognized to practice before the Office in trademark and other non-patent matters” 37 C.F.R. §§ 11.1, 11.14; *see* Complaint ¶ 19.
32. Respondent’s actions described in paragraph 27 of this Order, and in paragraph 22 of the Complaint, constitute the unauthorized practice of trademark matters before the PTO. Complaint ¶ 22
33. Respondent’s actions described in paragraph 28 of this Order, and in paragraph 24 of the Complaint, were done in violation of the Minnesota Supreme Court’s August 11, 2011 Order. Complaint ¶ 24.
34. Respondent’s acts and omissions described in paragraphs 27 and 28 of this Order, and in paragraphs 22 and 24 of the Complaint, were willful. Complaint ¶ 8.
35. Respondent’s conduct as described above and in the Complaint violated the following Disciplinary Rules set forth in 37 C.F.R. part 10:
 - a. Rule 10.23(a) by falsely presenting himself to applicants as being authorized to practice before the PTO; by engaging in unauthorized practice before the PTO in trademark matters; and by violating the August 11, 2011 Order of the Minnesota Supreme Court in *In re Jaeger* by representing others before the PTO in patent matters. Complaint ¶ 26.
 - b. Rule 10.23(b)(4) by falsely presenting himself to trademark applicants and to the PTO as being authorized to practice before the Office in trademark matters. Complaint ¶ 28.
 - c. Rule 10.23(b)(5) by violating the August 11, 2011 Order of the Minnesota Supreme Court in *In re Jaeger* by representing others before the PTO in patent matters. Complaint ¶ 30.
 - d. Rule 10.31(c) by holding himself out to trademark applicants as being authorized to represent them before the PTO in trademark matters. Complaint ¶ 33.

36. Respondent is found not to have violated Rule 10.23(b)(6), as was alleged in Count 5 of the Complaint, based on the “acts and omissions and violations described in this Complaint.”¹⁰

IV. Sanction

In the Complaint, the OED Director requests an order “excluding Respondent from practice before the USPTO in patent, trademark, and other non-patent matters,” and granting “such additional relief as this Tribunal deems proper.” Complaint at 9. Likewise, in the Motion the OED Director requests an order excluding Respondent “from the practice of patent, trademark, and other non-patent law before the” PTO, and granting “all other reasonable relief that the Tribunal deems appropriate and within its authority to enter.” Motion at 17.

The Tribunal, in determining the appropriate sanction or penalty to be imposed, must consider:

- (1) Whether the practitioner has violated a duty owed to a client, to the public, to the legal system, or to the profession;
- (2) Whether the practitioner acted intentionally, knowingly, or negligently;
- (3) The amount of the actual or potential injury caused by the practitioner’s misconduct; and
- (4) The existence of any aggravating or mitigating factors.

37 C.F.R. § 11.54(b).

A. Arguments

Regarding the first penalty consideration, the OED Director argues that “Respondent violated duties owed to his clients by holding himself out as being authorized to represent them before the [PTO] when he was not so authorized.” Motion at 9. The OED Director further contends that “Respondent violated duties owed to the public” by violating “35 U.S.C. § 33, a criminal statute,” and engaging “in fraud, deceit, and or dishonesty” by falsely holding himself out as a practitioner in good standing before the PTO. Motion at 10. The OED Director argues that Respondent has violated the duties he owed both to the public and the legal profession by

¹⁰ As stated by the PTO’s appellate tribunal, “to be ‘other’ conduct within the scope [of] Section 10.23(b)(6), conduct must not be prohibited by Section 10.23(b)(1)–(5).” *Moatz v. Colitz*, 68 U.S.P.Q.2d (BNA) 1079, 1102–03, 2003 WL 933234 (Comm’r Pat. & Trademarks Jan. 2, 2003); see also *Ho*, Proceeding No. D2009-04 (ALJ, Jan. 29, 2009) (Initial Decision on Default). Counts 2 and 3 allege violations of Rule 10.23(b)(4) and (b)(5), respectively. Although Counts 1 and 4 allege violations of Rules other than Rule 10.23(b), those counts involve violations of Disciplinary Rules within the meaning of Rule 10.23(b)(1) and thus do not qualify as “other conduct” within the meaning of Rule 10.23(b)(6).

“bringing disgrace on the patent bar and decreasing the public’s confidence in the integrity and trustworthiness of patent practitioners.” Motion at 10. The OED Director also contends that Respondent violated the duties owed to the PTO by “engaging in the unauthorized practice of law before the” PTO and failing to comply with PTO “notification and reporting requirements for suspended practitioners,” thereby “violating the July 9, 2012 Final Order suspending him from practice before the” PTO. Motion at 10.

Regarding the second penalty consideration, the OED Director argues that “Respondent’s acts and omissions were intentional.” Motion at 10. The OED Director asserts that Respondent “was aware that he had been suspended from the practice of law in Minnesota and by the PTO” and in fact “specifically agreed” to the terms of the August 11, 2011 Order of the Minnesota Supreme Court. Motion at 10–11. “Despite this knowledge,” the OED Director contends, “Respondent held himself out as being authorized to practice before the [PTO] and continued to represent patent and trademark applicants before the [PTO].” Motion at 11.

Regarding the third penalty consideration, the OED Director argues that the “potential injuries to Respondent’s clients are significant” and claims that “[a] number of matters in which Respondent is counsel of record have been abandoned.” Motion at 11. The OED Director notes: “Why those abandonments have occurred is unclear.” Motion at 11. The OED Director asserts that abandonment nonetheless may cause serious harm to patent or trademark applicants. Motion at 11.

Regarding the fourth penalty consideration, the OED Director asserts that a number of aggravating factors contained in the American Bar Association’s *Standards for Imposing Lawyer Sanctions* (2005) are present in this case. Motion at 11. The OED Director argues that the existence of “a prior disciplinary offense, a pattern of misconduct, multiple offenses, refusal to acknowledge wrongful nature of conduct, and substantial experience in the practice of law” are aggravating factors that should be accounted for in this case. Motion at 11. The OED Director notes that Respondent “has been a registered patent attorney for 38 years” and “has previously been suspended by the State of Minnesota and the” PTO. Motion at 11. The OED Director further argues that Respondent “has refused to acknowledge the wrongful nature of his conduct” or “offer any explanation for his behavior” Motion at 11–12. The OED Director states “[t]here are no mitigating factors which apply to the facts in this case.” Motion at 12.

B. Analysis

The purpose of attorney disciplinary proceedings is to protect the public and the justice system from lawyers who are derelict in their professional duties. *Robinson*, Proceeding No. D2009-48, at 12 (ALJ May 26, 2010) (Order Granting Director’s Motion for Default Judgment and Imposition of Discipline) (citing *Standards for Imposing Lawyer Sanctions* § 1.1 (1992)). According to the Disciplinary Rules, attorneys who practice before the PTO are expected to “assist in maintaining the integrity and competence of the legal profession” and aid in the prevention of the unauthorized practice of law. 37 C.F.R. §§ 10.21, 10.46; *see also Kalil*, 2 U.S.P.Q.2d (BNA) 1614, 1621, 1986 WL 83360 (ALJ Dec. 12, 1986) (“The patent system depends more heavily than is usual in other practices upon the integrity of its practitioners . . .”).

Unauthorized practice of law in direct violation of a prior disciplinary order evinces a failure to respect the authority of the legal system and merits disbarment or suspension. *See Matthews*, 30 So.3d 737, 741 (La. 2010) (disbarring attorney permanently for the unauthorized practice of law); *Standards for Imposing Lawyer Sanctions*, §§ 7.0 (establishing suspension or disbarment as appropriate sanctions for the unauthorized practice of law), 8.1(a) (establishing disbarment as the appropriate sanction for violations of prior disciplinary orders or suspensions). Courts have permanently disbarred attorneys for the unauthorized practice of law, particularly when the attorney has been subject to prior disciplinary proceedings or has violated a court order. *See Matthews*, 30 So.3d at 736 (disbarring attorney for the unauthorized practice of law); *Wiles*, 210 P.3d 613, 624 (Kan. 2009) (same); *Attorney Grievance Comm'n of Md. v. Shryock*, 968 A.2d 593, 605 (Md. 2009) (same); *Thomas*, 973 So.2d 686, 692–93 (La. 2008) (same). Similarly, exclusion from practice before the PTO may be an appropriate remedy for such violations, particularly where there is a pattern of misconduct. *See Kalil*, 2 U.S.P.Q.2d (BNA) 1614, 1621, 1986 WL 83360 (ALJ Dec. 12, 1986) (excluding an individual from practice before PTO for holding himself out as an attorney after being suspended).

In the present case, Respondent was unequivocally proscribed from acting as an attorney or agent based on authority granted by the PTO in the August 11, 2011 Order of the Minnesota Supreme Court and the July 9, 2012 Final Order of the PTO. Before the August 11, 2011 Order was issued, Respondent agreed not to act as an attorney or agent before the PTO in a Stipulation for Discipline. Notwithstanding these disciplinary orders and the Stipulation for Discipline, Respondent continued to represent trademark and patent applicants before the PTO from at least September 2011 to April 2012 in a number of filings and applications. Accepting the allegations in the Complaint as true, Respondent acted intentionally in holding himself out as an authorized practitioner before the PTO after the disciplinary orders were issued. Moreover, Respondent engaged in a pattern of misconduct by representing multiple patent and trademark applicants in numerous filings and applications over the period in question. While there is no evidence that Respondent's misconduct caused actual harm to the applicants, the potential for harm to those clients and to the profession is significant. Even accepting as true Respondent's assertions that he is an honorably discharged veteran of the Vietnam era, that he had a successful prior career with the Federal Communications Commission and PTO, and that the Minnesota disciplinary action is attributable to a client who did not "want to pay its bills," such facts neither explain nor justify Respondent's behavior, nor warrant mitigation of the penalty in light of the facts of this case.¹¹ Therefore, after considering the factors enumerated in 37 C.F.R. § 11.54(b), it is concluded that Respondent's misconduct warrants the penalty of exclusion. Thus, the OED Director's request for an order excluding Respondent from the practice of patent, trademark, and other non-patent law before the PTO is **GRANTED**.

¹¹ Additionally, Respondent's actions in the instant proceeding support, rather than mitigate against, imposition of the penalty of exclusion requested in this case. In particular, as noted above, Respondent failed to file an Answer in this action meeting the requirements of the applicable Rules, even after this Tribunal granted his multiple requests for extensions of time to do so. Further, none of Respondent's requests for relief met the requirements of the Rules in terms of form, substance, and service, despite being repeatedly advised by this Tribunal of the Rules and the requirement to comply. Such non-compliance suggests to this Tribunal that, whatever his prior employment history may be, Respondent is not currently capable of acting as professional counsel or agent to others in PTO or other legal proceedings.

Regarding the OED Director's request for an order granting such additional relief as the Tribunal deems proper, the undersigned finds no reason to grant relief beyond an order of default judgment and exclusion from practice before the PTO. The powers delegated to the undersigned hearing officer by Rule 11.39 include the power to make initial decisions under Rule 11.54. 37 C.F.R. § 11.39(c)(9). Rule 11.54 allows an initial decision to contain "[a]n order of default judgment, of suspension of exclusion from practice, of reprimand, or an order dismissing the complaint." 37 C.F.R. § 11.54(a)(2). The undersigned finds no reason that additional relief, within the authority of Rule 11.54, would be proper. Therefore, the OED Director's request for an order granting such additional relief as the Tribunal deems proper is hereby **DENIED**.

ORDER

After careful and deliberate consideration of the above facts and conclusions, as well as the factors identified in 37 C.F.R. § 11.54(b),

IT IS HEREBY ORDERED that Respondent, **HUGH D. JAEGER**, PTO Registration No. 27,270, be **EXCLUDED** from the practice of patent, trademark, and other non-patent law before the U.S. Patent and Trademark Office.

Respondent's attention is directed to 37 C.F.R. § 11.58 regarding the duties of excluded practitioners, and 37 C.F.R. § 11.60 concerning petition for reinstatement.

The facts and circumstances of this proceeding shall be fully published in the U.S. Patent and Trademark Office's official publication.



Susan L. Biro
Chief Administrative Law Judge
U.S. Environmental Protection Agency¹²

Dated: February 6, 2013
Washington, D.C.

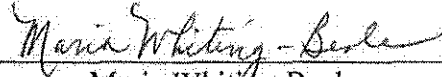
Pursuant to 37 C.F.R. § 11.55, any appeal by the Respondent from this Initial Decision, issued pursuant to 35 U.S.C. § 32 and 37 C.F.R. § 11.54, must be filed with the U.S. Patent and Trademark Office at the address provided in 37 C.F.R. § 1.1(a)(3)(ii) within 30 days after the date of this Initial Decision. Such appeal must include exceptions to the Administrative Law Judge's Decision and supporting reasons therefor. Failure to file such an appeal in accordance with 37 C.F.R. § 11.55 will be deemed both an acceptance by Respondent of the Initial Decision and that party's waiver of rights to further administrative and judicial review.

¹² The Administrative Law Judges of the 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 12, 1999.

In the Matter of Hugh D. Jaeger, Respondent
Proceeding No. D2012-29

CERTIFICATE OF SERVICE

I hereby certify that a true copy of **Initial Decision On Default**, dated February 6, 2013, was sent this day in the following manner to the addressees listed below:



Maria Whiting-Beale
Staff Assistant

Dated: February 6, 2013

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