

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

In the Matter of)	
)	
Michael I. Kroll,)	Proceeding No. D2014-14
)	
Appellant.)	
_____)	

ORDER

The OED Director filed a disciplinary Complaint charging Michael I. Kroll (“Appellant”) with neglect of a client’s patent application, causing the client to lose all rights to obtain patent protection for an invention; with filing a patent application that Appellant knew was not patentable as a matter of law; and asking that Appellant be excluded or suspended from practice before the Office in patent, trademark, and other non-patent matters. The Complaint specifically charged that Appellant’s misconduct violated 37 C.F.R. §§ 10.23(a) (proscribing disreputable or gross misconduct); 10.23(a) and (b) via 37 C.F.R. § 10.23(c)(15) (proscribing signing a paper filed with the USPTO in violation of the provisions of 37 C.F.R. § 10.18); and § 10.77(c) (proscribing neglecting a legal matter entrusted to the practitioner).

After a hearing conducted by the Administrative Law Judge (“ALJ”), the ALJ issued an Initial Decision and Order on April 24, 2015, finding that Appellant neglected a legal matter entrusted to him and that Appellant’s certification on the application that he undertook a reasonable inquiry was false. The ALJ concluded that Appellant’s acts of misconduct were found to have violated the following USPTO Disciplinary rules: 37 C.F.R. §§ 10.23(a) (proscribing engaging in disreputable or gross misconduct); 10.23(a) and (b) via § 10.23(c)(15) (proscribing signing a paper filed with the USPTO in violation of the provisions of 37 C.F.R. § 10.18); and

10.77(c) (proscribing neglecting a legal matter entrusted to the practitioner). The ALJ ordered that Appellant be suspended from practice before the Office in patent, trademark, and other non-patent matters for a period of two years.

Appellant appealed the ALJ's Initial Decision to the Director of the United States Patent and Trademark Office ("USPTO"). After briefing by the parties, on March 4, 2016, the USPTO Director issued a Final Order denying the appeal and upholding the ALJ's initial decision.

On March 24, 2016, Appellant filed a Request for Reconsideration Pursuant to 37 C.F.R. § 11.56(c). A response was filed by the OED Director on April 8, 2016, to which the Appellant replied. For the reasons set forth below, Appellant's Request for Reconsideration is denied.

Standard of Review and Analysis

Following a final decision of the USPTO Director on a hearing appeal, either party may make a single request for reconsideration or modification of the decision by the USPTO Director if such request is filed within twenty days from the date of entry of the decision. *See* 37 C.F.R. § 11.56(c). However, no request for reconsideration or modification shall be granted unless the request is based on newly discovered evidence or error of law or fact, and the requestor must demonstrate that any newly discovered evidence could not have been discovered any earlier by due diligence. *Id.* Section 11.56(c) is similar to Rules 59(e) and 60 in federal courts. *See* Fed.R.Civ.P. 59(e), 60.¹

Here, Appellant has not based his Request on, or otherwise argued, the existence of newly discovered evidence.² Further, the underlying facts of this matter are not in dispute. Thus,

¹ As noted in the OED Director's Response to the Request for Reconsideration, the Federal Rules of Civil Procedure are not binding in this administrative proceedings but these rules can provide useful guidance for the questions at issue here. *See Bender v. Dudas*, No. 04-1301, 2006 WL 89831, at *23 (D.D.C. 2006); *Gerritsen v. Shirai*, 979 F.2d 1524, 1532 (Fed. Cir. 1992) (court looking to Federal Rules of Civil Procedure for guidance in judging action taken by USPTO under its regulations).

² Although Appellant references a document about the USPTO's disciplinary rules from USPTO's website, *see* Request, at 6, that reference is not new evidence. The USPTO Rules of Professional Conduct have been in effect

his Request is analyzed to determine whether Appellant has adequately shown that the March 4, 2016 Order contains an error of law.

37 C.F.R. § 10.23

Appellant argues that the USPTO Director's Final Order is legally incorrect because "37 C.F.R. § 10.23 Requires Intent Under Federal Circuit Law." See Request, at 2-4.³ Appellant was found to have committed multiple violations of § 10.23(a). In support of his argument, Appellant cites to *Klein v. Peterson*, 696 F. Supp. 695, 698 (D.D.C. 1988) and *Klein v. Peterson* 866 F.2d 412 (Fed. Cir. 1989) for the proposition that intent must be established to sanction a practitioner under § 10.23(a). See Request at 3-4; Reply at 2-4. Noting that the ALJ did not find intent, Appellant argues that the ALJ's Initial Order as upheld by the USPTO Director is in legal conflict with binding precedent that holds his misconduct could not violate § 10.23 without a requisite finding of intent.

It is long-settled that Requests for Reconsideration are not a vehicle to state a party's disagreement with a final judgment. See *Hutchinson v. Staton*, 994 F.2d 1076, 1082 (4th Cir. 1993) ("mere disagreement does not support a Rule 59(e) motion"). A request for reconsideration should not be used to "rehash arguments previously presented" or to submit evidence which should have been previously submitted. See *Wadley v. Park at Landmark, LP*, No. 1:06CV777, 2007 WL 1071960, at *2 (E.D.Va. 2007) (citing *Hutchinson*, 994 F.2d at 1081-82); *Above the Belt, Inc. v. Mel Bohannon Roofing, Inc.*, 99, F.R.D. 99, 101 (E.D.Va. 1983) (holding improper a motion for reconsideration "to ask the Court to rethink what the Court had

since May 3, 2013. The rules, as well as information about the rules, have been publicly available long before the hearing in this disciplinary matter. Thus, this document is not new evidence under § 11.56(c) because it could have been obtained, provided, and relied upon prior to reconsideration being sought.

³ Appellant's related claim that "all provisions of the PTO's Rules of Professional Conduct require a finding of intent to support attorney sanctions" is without merit. Appellant provides no support for this claim whatsoever, on an individual or collective basis. Thus, it is rejected.

already thought through—rightly or wrongly”); *Durkin v. Taylor*, 444 F. Supp. 879, 889 (E.D.Va. 1977) (stating that Rule 59(e) is not intended to give “an unhappy litigant one additional chance to sway the judge”). Reconsideration “would be appropriate where, for example, the Court has patently misunderstood a party, or has made a decision outside the adversarial issues presented to the Court by the parties, or has made an error not of reasoning but of apprehension.” *Above the Belt, Inc.*, 99 F.R.D. at 101; *United States v. Ali*, No. 13-3398, 2014 WL 5790996, at *3 (D.Md. 2014). However, “[s]uch problems rarely arise and the motion to reconsider should be equally rare.” *Above the Belt, Inc.*, 99 F.R.D. at 101; *Ali*, 2014 WL 5790996, at *3. Other cases confirm that reconsideration under the federal rules is rarely granted and is done so only in extraordinary circumstances. *See Dowell v. State Farm Fire & Cas. Auto. Ins. Co.*, 993 F.2d 46, 48 (4th Cir. 1993) (limiting relief under Rule 60(b)(6) to “extraordinary circumstances”); *Projects Mgmt. Co. v. DynCorp Int’l, LLC*, 17 F. Supp. 3d 539, 541 (E.D.Va. 2014), *aff’d*, 584 F. App’x 121 (4th Cir. 2014) (“reconsideration of a judgment after its entry is an ‘extraordinary remedy which should be used sparingly’”) (quoting *Pac. Ins. Co. v. Am. Nat’l Fire Ins. Co.*, 148 F.3d 396, 403 (4th Cir. 1998)).

Here, the bulk of Appellant’s request does nothing more than precisely what is not permitted in a request for reconsideration, that is, it raises the same arguments made during the hearing and the appeal of his disciplinary action. Indeed, his argument about an intent requirement generally, and the *Klein* case specifically, was argued by Appellant in his hearing appeal and reply briefs. *See* Appeal at 10-15; Reply Brief. The USPTO Director rejected those arguments soundly and completely. *See* Final Order (March 4, 2016), at 18 (finding “this argument is without any support because a plain reading of § 10.23(a) shows there is no element of intent required by that provision.”). Thus, the Request functions as little more than

“reiteration” of Appellant’s prior argument, which is an improper basis to grant reconsideration. *See Above the Belt, Inc.*, 99, F.R.D. at 101.

Additionally, for the first time on reconsideration, Appellant argues that “false certification” cases under § 10.23(a) are a species of inequitable conduct that requires intent. In support of that argument, Appellant cites to *Therasense, Inc. v. Becton*, 649 F.3d 1276 (Fed. Cir. 2011). Appellant claims that false certification is the legal and functional equivalent of a charge of inequitable conduct, which requires intent. However, in addition to the fact that this argument could have been raised earlier in the disciplinary proceedings, this argument is also wholly unsupported. Appellant cites no authority for the position that false certification under USPTO’s disciplinary rules is the legal and functional equivalent of inequitable conduct. Nor could he make such an argument. As stated in *Therasense*, inequitable conduct “is an equitable defense to patent infringement that, if proved, bars enforcement of a patent. This judge-made doctrine evolved from a trio of Supreme Court cases that applied the doctrine of unclean hands to dismiss patent cases involving egregious misconduct.” *Id.* at 1285. While inequitable conduct may require proof of intent, as Appellant suggests, Appellant’s discipline is not based on inequitable conduct. Thus, *Therasense* is inapposite here.

In sum, Appellant’s arguments with regard to his misconduct under §10.23(a) are nothing more than an attempt to relitigate or reiterate matters previously argued and rejected. Because there was no error of law as to the March 4, 2016 Final Order with regard to 37 C.F.R. § 10.23(a), his Request is denied.

37 C.F.R. § 10.77

Appellant also argues that the Final Order is legally incorrect because, in his view, intent is a requisite finding prior to sanctioning a practitioner for neglecting a legal matter entrusted to

the practitioner pursuant to 37 C.F.R. § 10.77(c). Appellant argues that because the ALJ concluded Appellant's actions were inadvertent or the result of an error in judgment, and were not intentional, his actions could not violate § 10.77(c). *See id.* Again, however, Appellant's arguments have already been vociferously made to both the ALJ and the Director on appeal, and the arguments were thoroughly rejected by both tribunals. *See* Appeal at 10-15; Reply at 1-3; Final Order (March 4, 2016), at 20-21. Thus, because Appellant's request merely relitigates and/or reiterates arguments already raised, the Request is denied.

ORDER

Having considered Appellant's Request under 37 C.F.R. § 11.56(c), it is hereby ordered that the Request is DENIED.

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

IT IS SO ORDERED.

5/18/16

Date



Sarah Harris

General Counsel

United States Patent and Trademark Office

on behalf of
Michelle Lee

Under Secretary of Commerce for
Intellectual Property and Director of the
United States Patent and Trademark Office

cc:

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Appellant

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Certificate of Service

I hereby certify that copies of the foregoing Order was sent to the parties on this date, in the manner indicated:

5/18/16

Date


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