

DEPARTMENT OF COMMERCE**Patent and Trademark Office****37 CFR Parts 1 and 11**

[Docket No. PTO-C-2021-0045]

RIN 0651-AD58

Changes to the Representation of Others Before the United States Patent and Trademark Office

AGENCY: United States Patent and Trademark Office, Department of Commerce.

ACTION: Final rule.

SUMMARY: The U.S. Patent and Trademark Office (USPTO or Office) amends the rules of practice in patent cases and the rules regarding the representation of others before the USPTO to better protect the public and improve compliance with USPTO requirements. This final rule formalizes the USPTO's Diversion Pilot Program for patent and trademark practitioners whose physical or mental health issues or law practice management issues resulted in minor misconduct. Formalizing the Pilot Program aligns USPTO disciplinary practice with a majority of states and provides practitioners an opportunity to address the root causes of such misconduct. In addition, this final rule requires foreign attorneys or agents granted reciprocal recognition to practice before the USPTO in trademark matters to provide and update their contact and licensure status information or have their recognition withdrawn so the public will have access to up-to-date information. This final rule also defers to a state's attorney licensing authority regarding alternative business structures between a practitioner and a non-practitioner to reduce the potential for conflicts between the USPTO and the attorney licensing authority. Further, this final rule removes a fee required when changing one's status from a patent agent to a patent attorney and makes minor adjustments to other provisions related to the representation of others before the USPTO.

DATES: This rule is effective August 14, 2023.

FOR FURTHER INFORMATION CONTACT: Will Covey, Deputy General Counsel for the Office of Enrollment and Discipline (OED) and OED Director, at 571-272-4097, or Will.Covey@uspto.gov.

SUPPLEMENTARY INFORMATION:**Purpose**

The USPTO amends 37 CFR parts 1 and 11 to better protect the public and

improve compliance with the requirements of part 11. 35 U.S.C. 2(b)(2)(A) and 2(b)(2)(D) provide the USPTO with the authority to establish regulations to govern "the conduct of proceedings in the Office" and "the recognition and conduct of agents, attorneys, or other persons representing applicants or other parties before the Office," respectively. Title 37 CFR part 11 contains those regulations that govern the representation of others before the USPTO, including regulations related to the recognition to practice before the USPTO, investigations, disciplinary proceedings, and the USPTO Rules of Professional Conduct.

The USPTO formalizes its OED Diversion Pilot Program (Pilot Program) initiated in September 2017 for patent and trademark practitioners whose physical or mental health issues or law practice management issues resulted in minor misconduct. The public has been supportive of the Pilot Program. Making the Pilot Program permanent will proactively encourage practitioners to address the root causes of their misconduct so that they may provide valuable service to the public. It aligns the USPTO's disciplinary practice with a majority of state attorney disciplinary systems.

The USPTO also requires foreign attorneys or agents granted reciprocal recognition in trademark matters to provide and update their contact and licensure status information or have their recognition withdrawn in order to provide the public with current information.

Certain state attorney licensing authorities have begun permitting alternative business structures between an attorney and a non-attorney, generally consisting of an arrangement where the non-attorney is permitted to partner with the attorney in the practice of law, possess an ownership interest in a law firm, or otherwise share in legal fees. However, such arrangements were previously prohibited by the USPTO Rules of Professional Conduct, creating potential conflicts for patent and trademark practitioners who are licensed to practice law in those states. Therefore, this rule changes the USPTO Rules of Professional Conduct so that, hereafter, the USPTO defers to a state's attorney licensing authority regarding certain aspects pertaining to the sharing of legal fees between a practitioner and a non-practitioner in order to reduce the potential for such conflicts.

Lastly, the USPTO makes revisions to promote efficiency and clarity in its regulations, such as to remove a fee required when changing one's status from a patent agent to a patent attorney

in order to encourage more practitioners to update their status; align the rule governing the limited recognition of persons ineligible to become registered to practice before the Office in patent matters because of their immigration status with existing practice; clarify procedures and improve efficiencies regarding disciplinary proceedings and appeals; and remove a reference to "emeritus status."

Formalizing a Diversion Program for Practitioners

The USPTO amends part 11 to formalize its OED Diversion Pilot Program for patent and trademark practitioners whose physical or mental health issues or law practice management issues resulted in minor misconduct. For example, a practitioner who lacked diligence in a matter due to a law practice management issue that resulted in minimal impact on their clients and/or the public may wish to consider diversion. The program allows those practitioners to avoid formal discipline by successfully completing diversion agreements with the OED Director. The goal of the program is to help practitioners address the root causes of such misconduct and adhere to high standards of ethics and professionalism in order to provide valuable service to the public.

Diversion is intended to be an action that the OED Director may take to dispose of a disciplinary investigation. The program is not typically available to a practitioner after the filing of a disciplinary complaint by the OED Director under 37 CFR 11.34. However, in extraordinary circumstances, the OED Director may enter into a diversion agreement with an eligible practitioner after a complaint has been filed. If diversion is requested after a complaint has been filed, the matter will be referred to the OED Director for consideration. The terms of any diversion agreement will be determined by the OED Director and the practitioner.

In 2017, the USPTO initiated the OED Diversion Pilot Program for patent and trademark practitioners. The USPTO extended the Pilot Program until November 15, 2023 or until a formalized program superseded the pilot. See Extension of Diversion Pilot Program, 1503 OG 314 (Oct. 18, 2022). The Pilot Program has enabled practitioners to successfully implement specific remedial measures and improve their practice, and the USPTO received public comment urging that the Pilot Program be incorporated into part 11. See Changes to Representation of Others Before the United States Patent and

Trademark Office, 86 FR 28442, 28446 (May 26, 2021). This final rule amends part 11 to formalize the Pilot Program, thus emphasizing the USPTO's commitment to wellness within the legal profession and aligning the USPTO with the practices of more than 30 attorney disciplinary systems in the United States.

The criteria for participation are set forth at 37 CFR 11.30. The criteria address eligibility, completion of the program, and material breaches of the diversion agreement. (Any other aspects of diversion not fully addressed in § 11.30, such as specific details regarding the material breach of an agreement, will be addressed in individualized diversion agreements.) Based on the American Bar Association Model Rules for Lawyer Disciplinary Enforcement, the criteria also draw from experience gained during the administration of the Pilot Program. Specifically, the criteria now allow practitioners who have been disciplined by another jurisdiction within the past three years to participate if the discipline was based on the conduct that forms the basis for the OED Director's investigation. For example, participation in the USPTO's diversion program may be appropriate in cases in which the practitioner was recently publicly disciplined by a jurisdiction that does not have a diversion program. See *Changes to Representation of Others Before the United States Patent and Trademark Office*, 86 FR 28442, 28443 (May 26, 2021). Additional experience gained from the Pilot Program also indicated that eligibility could be extended to practitioners evidencing a pattern of similar misconduct if the misconduct at issue is minor and related to a chronic physical or mental health condition or disease. Under the Pilot Program criteria, practitioners recently disciplined by another jurisdiction and practitioners evidencing a pattern of similar misconduct were not eligible to participate.

The OED Director may consider all relevant factors when determining whether a practitioner meets the criteria. See generally, Model Rules of Lawyer Disciplinary Enforcement Rule 11 cmt. (American Bar Association, 2002) (“Both mitigating and aggravating factors should also be considered. The presence of one or more mitigating factors may qualify an otherwise ineligible respondent for the program.”).

The USPTO believes that the diversion program is a valuable tool that will benefit the public by fostering the skills and abilities of those individuals who represent others before the USPTO. Additional information may be found in

a diversion guidance document, available at <https://www.uspto.gov/sites/default/files/documents/OED-Diversion-Guidance-Document.pdf>.

Changes to the Regulation of Foreign Attorneys or Agents Granted Reciprocal Recognition in Trademark Matters

The USPTO amends § 11.14 to ascertain the licensure status and contact information of foreign attorneys or agents who are granted reciprocal recognition in trademark matters under § 11.14(c)(1). The amendments in this final rule provide potential clients with more certainty regarding the good standing of a foreign attorney or agent.

This final rule requires that any foreign attorney or agent granted reciprocal recognition in trademark matters under § 11.14(c)(1) must provide the OED Director their postal address, at least one and up to three email addresses where they receive email, and a business telephone number, as well as any change to their postal address, email addresses, and business telephone number, within 30 days of the date of any change. A foreign attorney or agent granted reciprocal recognition under § 11.14(c)(1) must also notify the OED Director of any lapse in their authorization to represent clients before the trademark office in the country in which they are registered and reside within 30 days of the lapse.

The USPTO also amends the rules of practice so that the OED Director may address a letter to any foreign attorney or agent granted reciprocal recognition under § 11.14(c)(1) for the purposes of ascertaining the validity of the foreign attorney or agent's contact information and good standing with the trademark office or other duly constituted authority in the country in which they are registered and reside (for Canadian trademark agents, the term “trademark office” shall mean the College of Patent Agents and Trademark Agents with respect to matters of practice eligibility in Canada). Any such foreign attorney or agent failing to reply and provide any information requested by the OED Director within a time limit specified will be subject to having their reciprocal recognition withdrawn by the OED Director. Withdrawal of recognition by the OED Director does not obviate the foreign attorney's or agent's duty to comply with any other relevant USPTO rules, such as the requirement to withdraw from pending trademark matters.

Unless good cause is shown, the OED Director shall promptly withdraw the reciprocal recognition of foreign attorneys or agents who: (1) are no longer eligible to represent others before

the trademark office of the country upon which reciprocal recognition is based, (2) no longer reside in such country, (3) have not provided current contact information, or (4) failed to reply to the letter from the OED Director within the time limit specified and/or provide any of the information requested by the OED Director in that letter. The amended rule requires the OED Director to publish a notice of any withdrawal of recognition.

Lastly, in this final rule the USPTO amends the rules of practice so that any foreign attorney or agent whose recognition has been withdrawn may reapply for recognition upon submission of a request to the OED Director and payment of the application fee in § 1.21(a)(1)(i), as provided under amended § 11.14(f).

Removal of the Term “Nonimmigrant Alien” From § 11.9(b)

This final rule amends § 11.9(b) in regard to limited recognition for individuals who are neither U.S. citizens nor lawful permanent residents, but who nevertheless have been granted status and the authority to work in the United States by the U.S. Government in order to practice before the USPTO in patent matters. Specifically, the USPTO removes the term “nonimmigrant alien” from § 11.9(b) because the term does not include all individuals eligible for limited recognition under this provision. For example, the term “nonimmigrant alien” does not include all individuals who are neither U.S. citizens nor lawful permanent residents, but who nevertheless have been granted status and the authority to work in the United States by the U.S. Government. Rather, the appropriate description for those who may qualify for limited recognition includes individuals who: (1) are ineligible to become registered under § 11.6 because of their immigration status, (2) are authorized by the U.S. Government to be employed or trained in the United States to represent a patent applicant by preparing or prosecuting a patent application, and (3) meet the requirements of paragraphs (d) and (e) of § 11.9. This revision results in no change in practice.

Clarification That Limited Recognition Shall Not Be Granted or Extended to a Non-U.S. Citizen Residing Outside the United States

In this final rule, the USPTO amends § 11.9(b) to clarify that limited recognition to practice before the USPTO in patent matters for individuals who are neither U.S. citizens nor lawful permanent residents, but who nevertheless have been granted status and the authority to work in the United

States by the U.S. Government, shall not be granted or extended to non-U.S. citizens residing outside the United States. This is consistent with current practice in which an individual's limited recognition will not terminate if the individual has been approved by the U.S. Government to temporarily depart from the United States, but will terminate when the individual ceases to reside in the United States.

Removal of Fee Required When Changing Status From Patent Agent to Patent Attorney

In this final rule, the USPTO eliminates the \$110.00 fee in § 1.21(a)(2)(iii) that is charged when a registered patent agent changes their registration from an agent to an attorney. It is expected that the removal of this fee will improve the accuracy of the register of patent attorneys and agents by incentivizing patent agents who become patent attorneys to promptly update their status in that register.

Arrangements Between Practitioners and Non-Practitioners

This final rule adds § 11.504(e) to address when a practitioner enters into an arrangement to share legal fees with a non-practitioner, to form a partnership with a non-practitioner, or to be part of a for-profit association or corporation owned by a non-practitioner. In the event of such arrangement, § 11.504(e) is intended to defer to the attorney licensing authority of the State(s) (as defined in § 11.1, "any of the 50 states of the United States of America, the District of Columbia, and any commonwealth or territory of the United States of America") that affirmatively regulate(s) such arrangement, in order to avoid a conflict between § 11.504(a), (b), and (d)(1) and (2) of the USPTO Rules of Professional Conduct and the laws, rules, and regulations of the attorney licensing authority of any such State(s). It is further intended to treat an attorney subject to the USPTO Rules of Professional Conduct and a registered patent agent similarly when both participate together in the same such arrangement. No deference to an attorney licensing authority of a State is intended when that licensing authority has no laws, rules, and regulations that address such arrangement or the State does not affirmatively regulate such arrangement.

However, the added flexibility does not obviate the practitioner's obligations under any other USPTO rules, including the USPTO Rules of Professional Conduct, that may be relevant to such an arrangement. Further, this addition

does not permit a person who recommends, employs, or pays the practitioner to render legal services for another to direct or regulate the practitioner's professional judgment in rendering such legal services as described in § 11.504(c), nor does this addition permit the practitioner to practice with or in the form of a professional corporation or association authorized to practice law for a profit, if a non-practitioner has the right to direct or control the professional judgment of the practitioner as described in § 11.504(d)(3).

Clarification of Written Memoranda Regarding Motions in Disciplinary Proceedings

In this final rule, the USPTO amends § 11.43 to clarify that, while all motions must set forth a basis for the requested relief, including a concise statement of the facts and arguments along with a citation of the authorities upon which the movant relies, (1) only motions for summary judgment and motions to dismiss are required to be accompanied by a written memorandum setting forth that basis, and (2) the prescribed time periods to file response and reply memoranda regarding such motions only apply to motions for summary judgment and motions to dismiss. While parties must provide support for all motions, limiting memoranda and the specified briefing schedule to motions for summary judgment and motions to dismiss promotes the goal of continued efficient progress of disciplinary proceedings. Hearing officers retain the discretion to order memoranda and set time limits for other types of motions and papers.

Clarification That Disciplinary Hearings May Continue To Be Held by Videoconference

This final rule amends § 11.44(a) to clarify that hearings may be held by videoconference. The amendment reflects the current practice of scheduling and conducting remote hearings. The amendment also clarifies that the transcript of the hearing need not be created by a stenographer.

Five Days To Serve Discovery Requests After Authorization; 30 Days To Respond After Service

In this final rule, the USPTO amends § 11.52 to improve the procedures for written discovery in disciplinary proceedings and to order those procedures in a more chronological fashion. Accordingly, the contents of paragraphs (a) and (b) are restructured into revised paragraphs (a), (b), and (c). Former paragraph (c) is redesignated as

paragraph (d), and the cross-reference to former paragraph (a) is updated. Former paragraphs (d) through (f) are redesignated as paragraphs (e) through (g).

First, under paragraph (a), the amended rule sets forth the types of requests for which a party may seek authorization in a motion for written discovery. While the previous rule sets forth that information in paragraph (b), the amended rule logically sets forth that information in paragraph (a) because paragraph (a) pertains to the content of the initial motion for written discovery.

Second, under paragraph (b), the amended rule requires a copy of the proposed written discovery requests and a detailed explanation, for each request made, of how the discovery sought is reasonable and relevant to an issue actually raised in the complaint or the answer. Any response to the motion shall include specific objections to each request, if any. Any objection not raised in the response will be deemed to have been waived.

Third, under paragraph (c), the amended rule requires the moving party to serve a copy of any authorized discovery requests following the issuance of an order authorizing discovery within a default deadline of five days following the order. This requirement ensures that the opposing party promptly receives a copy of the authorized requests to which the party must respond. Amended paragraph (c) also sets a default deadline of 30 days from the date of service of the authorized requests for the opposing party to serve responses. Setting the default period to begin on the date of service provides the opposing party a predictable and definitive time period for responding to authorized discovery requests in circumstances in which the hearing officer's order does not specify a different deadline.

Changes to Procedures Regarding Appeals to the USPTO Director

In this final rule, the USPTO amends § 11.55(m) to remove the requirement to submit a supporting affidavit when moving for an extension of time to file a brief regarding an appeal of the initial decision of a hearing officer and to place the amended requirement to file a motion for an extension in a new paragraph (p) at the end of § 11.55. Affidavits are removed to eliminate an unnecessarily burdensome requirement in requesting the extension of time, while retaining the necessity to show good cause. The provision is moved to the new paragraph (p) because it logically falls at the end of § 11.55.

Removal of Emeritus Status

The USPTO removes the reference to “emeritus status” in § 11.19(a) because no such status was ever finalized and inadvertently remains from a previous rulemaking.

Proposed Rule: Comments and Responses

The USPTO published a proposed rule on September 8, 2022, at 87 FR 54930, soliciting comments on the proposed amendments to 37 CFR parts 1 and 11. The USPTO received five unique comments from four organizations and one individual. These comments are publicly available at the Federal eRulemaking Portal at www.regulations.gov. The Office received comments both generally supporting and objecting to the revisions to the rules of practice. A summary of the comments and the USPTO’s responses are provided below.

Comment 1. Two commenters support the proposal to formalize the USPTO’s Diversion Pilot Program. One commenter encourages expanding the eligibility criteria for participation and increasing the use of the program.

Response 1. The USPTO appreciates the support for formalizing its Diversion Pilot Program. The eligibility criteria for participation in the Diversion Program are set forth in 37 CFR 11.30 in this final rule. The criteria are based upon the American Bar Association Model Rules for Lawyer Disciplinary Enforcement (amended August 12, 2002) and are now broadened based on experience gained during the Pilot Program. Specifically, eligibility is extended to a practitioner who evidences a pattern of similar misconduct if the misconduct at issue is minor and related to a chronic physical or mental health condition or disease. Eligibility is also extended to a practitioner who has been disciplined by another jurisdiction within the past three years as long as the discipline was based on the conduct that forms the basis for the OED Director’s investigation. Under the Pilot Program, a practitioner who evidenced a pattern of similar misconduct or a practitioner who was recently disciplined by their state bar was not eligible to participate. The USPTO believes that the Diversion Program is a valuable proactive tool that will provide a practitioner the opportunity to curtail future misconduct. Accordingly, the USPTO will continue to evaluate the eligibility criteria over the course of the program.

Comment 2. Two commenters express concerns regarding the proposal to require a written memorandum of law only for a motion for summary judgment

or a motion to dismiss. Specifically, the commenters contend that the proposal may impact the due process rights of respondents; eliminate memoranda of law in other important motions; and impact the ability of the respondent (and tribunal) to understand the relevant facts, the applicable law, and the application of the law to the facts in support of the relief requested. The commenters also express concern that no data or objective evidence has been provided in support of a benefit to respondents when motions unsupported by a memorandum of law are filed against them. The commenters suggest that the USPTO should either withdraw the proposal or amend it to permit a motion to be filed without a supporting memorandum of law only for narrowly defined, non-substantive issues.

Response 2. The USPTO appreciates the comments and, after review and consideration, has amended 37 CFR 11.43 to clarify that each motion must set forth a basis for the requested relief, including a concise statement of the facts and supporting reasons, along with a citation of the authorities upon which the movant relies. The amended text requires the moving party to advance in their motion any facts and supporting reasons deemed necessary to support the requested relief. The USPTO notes that the prior provision in 37 CFR 11.43 that required memoranda to accompany all motions had only been in place since June 25, 2021. Before then there was no requirement that a motion be accompanied by a memorandum of law. Instead, the form and content of motions and accompanying papers were governed by the hearing officer’s orders, which typically required all motions to be so accompanied. However, respondents who are unrepresented by counsel often failed to file memoranda of law with their motions, regardless of the orders. Accordingly, the change to § 11.43 may benefit such unrepresented respondents who may find preparing a memorandum of law burdensome or may overlook the requirement. Nothing in the amended text authorizes or endorses the filing of motions that are not adequately supported by facts, reasons, and legal authorities. Rather, the amendment removes the current requirement that a separate legal memorandum must be filed for all motions and limits the requirement to only certain dispositive motions.

Comment 3. One commenter recommends that in developing policies regarding the use of video hearings, the USPTO may wish to consult Recommendation 2021–4, *Virtual Hearings in Agency Adjudication*, 86 FR 36083 (July 8, 2021), which identifies

best practices for improving existing virtual-hearing programs and establishing new ones in accord with principles of fairness and efficiency and with due regard for participant satisfaction.

Response 3. The USPTO appreciates the comment. The USPTO will endeavor to ensure that hearing officers and the USPTO’s counsel keep abreast of recommendations, developments, and updates with respect to virtual hearings, including the referenced Recommendation 2021–4, in order to promote remote hearings that proceed efficiently, fairly, and to the satisfaction of participants.

Comment 4. Three commenters raise concerns in regard to amended 37 CFR 11.44(a), pertaining to remote hearings, stating that disciplinary proceedings are quasi-criminal in nature and that due process must be considered. Two of the commenters particularly assert that respondents and their counsel are entitled to, or should be entitled to, an in-person right to confront witnesses, if so desired.

Response 4. The USPTO appreciates the comments and endeavors to fully protect respondents’ due process rights in all disciplinary proceedings, whether conducted remotely or in-person. USPTO disciplinary proceedings provide respondents with notice of the charges against them and opportunities to be heard, explain, and defend themselves. See *In re Ruffalo*, 390 U.S. 544, 550 (1968). Federal courts have consistently distinguished the rights of respondents in disciplinary cases from those of criminal defendants. See *In re Sibley*, 564 F.3d 1335, 1341 (D.C. Cir. 2009); *Rosenthal v. Justices of the Supreme Court of Cal.*, 910 F.2d 561, 564 (9th Cir. 1990), cert. denied, 498 U.S. 1087 (1991); *In re Stamps*, 173 Fed. App’x. 316, 318 (5th Cir. 2006) (per curiam) (unpublished); *In re Marzocco*, No. 98–3960, 1999 WL 968945, at *1 (6th Cir. 1999) (unpublished). Nonetheless, whether the hearing is held in-person or remotely, respondents have the opportunity to cross-examine witnesses and have the witnesses’ credibility evaluated by a neutral hearing officer.

Comment 5. Two commenters express concerns related to subpoenas that may be used in USPTO disciplinary proceedings. The commenters note the geographic limitations of Federal Rule of Civil Procedure 45 and assert that the “place” of hearing for USPTO disciplinary hearings is where the hearing officer is located, not where a witness may be located in the case of a remote hearing. Therefore, the commenters argue that hearing officers

can only authorize parties to apply to the court in the jurisdiction where the trial is held to obtain a hearing subpoena and compel the in-person appearance of a witness. Accordingly, the commenters assert that the proposed amendment in regard to remote hearings incorrectly presumes that hearing officers have nationwide hearing subpoena power. The commenters add that the only way to ensure testimony by witnesses outside the subpoena power of a trial court is to have them testify by deposition.

Response 5. The USPTO disagrees with the sentiments in these comments. Although hearing officers do not issue subpoenas, they have the power to authorize the issuance of subpoenas by federal district courts nationwide pursuant to 35 U.S.C. 24 and 37 CFR 11.38, 11.39, and 11.51. The legitimacy and enforceability of a subpoena issued to a witness in a particular disciplinary proceeding may be determined on a case-by-case basis. In addition to authorizing hearing subpoenas, hearing officers may authorize subpoenas for remote depositions and have done so in the past. There is a benefit to hearing officers conducting remote hearings, where they can hear and observe testimony in real time and ask questions of the witness, instead of being presented with deposition transcripts or videos, where the hearing officers have no opportunity to interact with the witness or observe the witness in real time.

Comment 6. Three commenters object to characterizing the amendment in regard to remote hearings as a “clarification” of existing practice. The commenters assert that conducting remote hearings is not authorized by the existing rules and that doing the same since the beginning of the COVID pandemic does not authorize them or make them legitimate. One commenter also noted that members of the public had no way to know that hearing officers had been conducting remote hearings because disciplinary proceedings are subject to the Privacy Act of 1974.

Response 6. The USPTO disagrees with the sentiments in these comments. The amendment reflects existing practice. Hearing officers have invoked their broad authority under 37 CFR 11.39(c) to conduct remote hearings in USPTO disciplinary proceedings. At least one other jurisdiction has also recognized this authority. See *Atty. Grievance Commn. of Maryland v. Agbaje*, 93 A.3d 262, 275–76 (Md. 2014). It is further noted that the USPTO conducts hearings in proceedings between parties where some or all

participants appear remotely. For example, the Trademark Trial and Appeal Board has held such hearings since before the COVID pandemic began, and the Patent Trial and Appeal Board has held numerous remote hearings since the advent of the pandemic. Regarding notice to the public, the amendment expressly states that a virtual hearing is an additional option for the hearing officer. Parties may proactively move for or against a virtual hearing. Further, the amended provision provides notice to the public that a virtual hearing is available, thereby potentially giving the respondent additional time in the early stages of a proceeding either to request and prepare for a remote hearing or to formulate a request against a remote hearing. Nothing in this amendment is intended to preclude or restrict a hearing officer’s authority to order an in-person hearing.

Comment 7. Three commenters posit that remote hearings should be available only if a respondent elects one or, similarly, that remote hearings should be available only if both parties agree.

Response 7. The USPTO declines to adopt such a limit on a hearing officer’s discretion to order a remote hearing. The amendment does not mandate remote hearings, but rather recognizes that a hearing officer may exercise discretion to order a hearing to be remote in whole or in part. Hearing officers will need to consider various factors in determining whether to conduct a remote hearing in whole or in part, including but not limited to the stated preferences and needs of the parties. For example, remote hearings may reduce the cost of the disciplinary proceeding for the Office and respondent. See generally, 37 CFR 11.60(d)(1).

Comment 8. One commenter states that the phrase “the hearing officer shall set the time and place for the hearing” in 37 CFR 11.44(a) refers to a physical location, and states that virtual hearings depart from this meaning.

Response 8. To the extent that the commenter appears to suggest that the quoted phrase obviates the possibility of remote hearings, the USPTO disagrees because amended 37 CFR 11.44(a) explicitly provides for remote hearings. Further, hearing officers have invoked their broad authority under 37 CFR 11.39(c) to “determine the time and place of any hearing and regulate its course and conduct” to include conducting the hearing via videoconference. In addition, at least one tribunal has found that the parties, witnesses, and hearing officers are still “located” at some place during a remote

proceeding, just simply not all at the same location. See *Legaspy v. Fin. Indus. Regul. Auth., Inc.*, No. 20 C 4700, 2020 WL 4696818, at *3 (N.D. Ill. Aug. 13, 2020).

Comment 9. Three commenters express support for the amendment to require reciprocally recognized trademark practitioners to update their contact information with the USPTO within 30 days of any changes thereto. One commenter expresses a concern, however, that such requirement lacks an effective enforcement mechanism. As such, the commenter suggests imposing escalating fees for late submissions of contact information updates. The commenter posits that the threat of penalties would increase compliance with the new rule. Finally, the commenter appears to suggest that practitioners who are late in providing updated contact information by a full year, should be automatically removed from the rolls.

Response 9. The USPTO declines to impose such new fees at this time because the public would not have had a chance to review and comment on the proposal. The USPTO also declines to create automatic removal provisions because such provisions may implicate the Administrative Procedure Act’s requirements to provide notice and a hearing before a license may be revoked.

Comment 10. One commenter suggests that the text requiring a foreign attorney or agent granted reciprocal recognition in trademark matters to provide and update their contact information with the USPTO be included under 37 CFR 11.11(a) which currently requires a registered patent practitioner and any person granted limited recognition under 37 CFR 11.9(b) to provide and update their contact information. The commenter appears to make the suggestion under the understanding that “those who have reciprocal recognition are granted limited recognition.”

Response 10. The USPTO thanks the commenter for the suggestion. Assuming the USPTO correctly understands the suggestion, the USPTO wishes to clarify there is no overlap between the categories of: (1) foreign trademark practitioners who are reciprocally recognized to practice before the USPTO in certain trademark matters under 37 CFR 11.14 as long as they do not reside in the United States, and (2) foreigners who reside in the United States and are granted limited recognition to practice before the USPTO in patent matters under 37 CFR 11.9.

Comment 11. One commenter supports in principle the proposed

amendment to defer to the laws, rules, and regulations of the attorney licensing authority of the State of a practitioner who enters into an arrangement to share legal fees with a non-practitioner, form a partnership with the non-practitioner, or be part of an organization owned by a non-practitioner. However, the commenter believes that the USPTO should undertake further study and review of the potential outcomes resulting from the amendment, as well as review the efforts of the American Bar Association and other jurisdictions as they modify and interpret their rules to clarify or reconsider existing positions on alternative business arrangements with non-attorneys. Another commenter views the sharing of legal fees with non-attorneys as inconsistent with the core values of the legal profession but recognizes that some jurisdictions now permit such fee-sharing and others may follow. Accordingly, the commenter notes that fear of violating the then-effective rule, which generally prohibited such arrangements, may have made practitioners who are admitted to a jurisdiction that permits such fee sharing reluctant to enter into the same. Therefore, while the commenter appreciates the USPTO's clarity, the commenter suggests that the USPTO monitor the use of non-practitioners to make filings, as well as the commoditization of legal services by non-practitioner owned companies.

Response 11. The USPTO appreciates these comments as well as the concerns identified. The USPTO will continue to consider the potential and actual outcomes of the addition of 37 CFR 11.504(e) as well as related changes in other jurisdictions. The USPTO notes prior reports by Supreme Court of Arizona's Task Force on the Delivery of Legal Services in 2019, which preceded that state's elimination of the equivalent of 37 CFR 11.504; the State Bar of California Task Force on Access through Innovation of Legal Services' Final Report and Recommendations in 2020, which appear to have been partially implemented; and the Utah Supreme Court's Standing Order No. 15 of 2020 (as amended in 2021) implementing changes to the equivalent of 37 CFR 11.504. The USPTO also notes that Georgia has implemented changes very similar to this final rule's addition of 37 CFR 11.504(e) in Georgia Rule of Professional Conduct 5.4(e) and (f).

In regard to the second commenter's concern regarding the use of non-practitioners to make filings, the USPTO notes that existing provisions regarding who may practice before the USPTO, prohibitions regarding the unauthorized

practice of law before the USPTO, and provisions on who may properly present a document to the USPTO remain unchanged. In addition to the suggestions of the commenters, the USPTO has identified a situation of concern in which a registered patent agent (*i.e.*, a non-attorney registered to practice before the Office in patent matters) could be in violation of the proposed 11.504(e) even though an attorney in the same firm who is also subject to the USPTO Rules of Professional Conduct would not be in violation of the same provision. As such, the USPTO has simplified proposed 11.504(e) to clarify that a practitioner need not also be authorized to practice law by the attorney licensing authority in the State(s) that affirmatively regulate(s) the arrangement if the arrangement is fully compliant with the laws, rules, and regulations of the attorney licensing authority of any such State(s).

Comment 12. One commenter supports the proposal to eliminate the fee imposed upon a registered patent practitioner for requesting a status change from patent agent to patent attorney. The commenter also requests that the USPTO remove fees to convert an individual's status from limited recognition to either patent agent or patent attorney status, or when a practitioner changes their status from patent attorney to patent agent.

Response 12. The USPTO is unable to consider the removal of additional fees in this rulemaking, as further study will be required.

Changes From Proposed Rule

As discussed in more detail below, the following sections contain changes from the proposed rule:

Section 11.14 is modified after further consideration to clarify that a practitioner granted reciprocal recognition under paragraph (c)(1) shall notify the OED Director of a lapse in authorization within 30 days of the lapse, which was previously unspecified in paragraph (g) but is a logical outgrowth of the proposed rule. The section is further modified to add a header to paragraph (d) in conformity with the other paragraphs of that section. Paragraph (h) is further modified to clarify that the transmission of the letter to a practitioner recognized under paragraph (c)(1) is sufficient rather than receipt. This recognizes the challenge of verifying service on a practitioner who is definitionally located outside the United States per paragraph (c)(1) in light of the duty of the practitioner to be reachable by clients and tribunals in accordance with

the USPTO disciplinary rules. Lastly, after further consideration, references to "must" in paragraphs (g) and (h) have been changed to "shall" for consistency with other paragraphs in § 11.14.

Section 11.43 is modified after further consideration and in response to public comment to clarify that each motion must set forth a basis for the requested relief, including a concise statement of the facts and supporting reasons, along with a citation of the authorities upon which the movant relies. This change may benefit unrepresented respondents who may find preparing a memorandum of law burdensome. See Comment and Response 2.

Section 11.52(d) is modified to update a cross-reference in the proposed rule that unintentionally referred to paragraph (a). The cross-reference has been updated to refer to paragraph (c).

Section 11.504(e) is modified after further consideration and in response to public comment to clarify that a practitioner who enters into an alternative business arrangement with a non-practitioner need not also be authorized to practice law by the attorney licensing authority in the State(s) that affirmatively regulate(s) the arrangement if the arrangement is fully compliant with the laws, rules, and regulations of the attorney licensing authority of any such State(s). A registered patent agent and an attorney who participate together in the same such arrangement and are both subject to the USPTO Rules of Professional Conduct are to be treated similarly in regard to § 11.504(a), (b), and (d)(1), and (d)(2) in cases when the attorney licensing authority of any such State(s) affirmatively regulate(s) an alternative business structure with a non-practitioner. Further, these changes clarify that the exception created by § 11.504(e) does not apply when the attorney licensing authority of any such State(s) has no laws, rules, and regulations that address an alternative business structure with a non-attorney, and that the exception does not apply when the State does not affirmatively regulate such arrangement. See Comment and Response 11.

Discussion of Specific Rules

The USPTO eliminates the fee in § 1.21(a)(2)(iii) for changing one's status from a registered patent agent to a registered patent attorney.

The USPTO amends § 11.7(l) to reflect the elimination of the fee set forth in § 1.21(a)(2)(iii).

The USPTO amends § 11.9(b) to remove the term "nonimmigrant alien" and to clarify that limited recognition shall not be granted or extended to a

non-U.S. citizen residing outside the United States.

The USPTO amends § 11.14(c)(1) to remove unnecessary references to paragraph (c).

The USPTO amends § 11.14(d) to add a header in conformity with the other paragraphs of that section.

The USPTO amends § 11.14(f) to add references to § 11.14(c)(1) where § 11.14(c) was previously referenced.

The USPTO adds § 11.14(g) to create a requirement for a foreign attorney or agent granted reciprocal recognition under § 11.14(c)(1) to notify the OED Director of updates to contact information within 30 days of the date of the change and to notify the OED Director of any lapse in their authorization to represent clients before the trademark office in the country in which they are registered and reside within 30 days of the date of the lapse.

The USPTO adds § 11.14(h) to ascertain the validity of a reciprocally recognized foreign attorney's or agent's contact information and good standing with the trademark office or other duly constituted authority in the country in which the agent is registered and resides. Any foreign attorney or agent failing to give any information requested by the OED Director within a time limit specified is subject to having their reciprocal recognition withdrawn.

The USPTO adds § 11.14(i) to create a process to withdraw reciprocal recognition of a foreign attorney or agent registered under paragraph (c)(1) if they: (1) are no longer registered with, in good standing with, or otherwise eligible to practice before, the trademark office of the country upon which reciprocal recognition is based; (2) no longer reside in such country; or (3) have not provided current contact information or have failed to validate their good standing with the trademark office in the country in which they are registered and reside as required in amended § 11.14(g) and (h).

The USPTO adds § 11.14(j) to specify that the process for a foreign attorney or agent whose recognition has been withdrawn and who desires to become reinstated is to reapply for recognition under § 11.14(f).

The USPTO amends § 11.19(a) to remove the term "emeritus status."

The USPTO amends § 11.22(h)(3) and (4) and adds § 11.22(h)(5) to state that the OED Director may dispose of an investigation by entering into a diversion agreement with a practitioner.

The USPTO adds § 11.30 to state the criteria by which the OED Director may enter into a diversion agreement with a practitioner.

The USPTO amends § 11.43 to clarify that all motions shall set forth the basis for requested relief, but prescribed time periods apply to only certain motions and that those motions shall be accompanied by a written memorandum.

The USPTO amends § 11.44(a) to clarify that hearings may be held by videoconference and that the transcript of the hearing need not be created by a stenographer.

The USPTO amends § 11.52 to revise and restructure the contents of paragraphs (a) and (b) into revised paragraphs (a), (b), and (c) to provide clarity regarding certain discovery obligations on the part of the propounding and responding parties. Former paragraph (c) is redesignated as paragraph (d), and the cross-reference to former paragraph (a) is updated. Former paragraphs (d) through (f) are redesignated as paragraphs (e) through (g).

The USPTO amends § 11.55(m) to eliminate the requirement to submit an affidavit of support with a motion for an extension of time to file a brief regarding an appeal to the USPTO Director and to reorganize the section to move to new paragraph (p) the provision allowing the USPTO Director to extend, for good cause, the time for filing such a brief.

The USPTO adds § 11.504(e) to address circumstances when a practitioner enters into an arrangement to share legal fees with a non-practitioner, to form a partnership with a non-practitioner, or to be part of a for-profit association or corporation owned by a non-practitioner. Specifically, § 11.504(e) defers to the attorney licensing authority of the State(s) that affirmatively regulate(s) such arrangement provided such arrangement fully complies with the laws, rules, and regulations of the attorney licensing authority of any such State(s).

Rulemaking Requirements

A. Administrative Procedure Act

The changes in this rulemaking involve rules of agency practice and procedure, and/or interpretive rules. See *Perez v. Mortgage Bankers Ass'n*, 135 S. Ct. 1199, 1204 (2015) (interpretive rules "advise the public of the agency's construction of the statutes and rules which it administers") (citations and internal quotation marks omitted); *Nat'l Org. of Veterans' Advocates v. Sec'y of Veterans Affairs*, 260 F.3d 1365, 1375 (Fed. Cir. 2001) (rule that clarifies interpretation of a statute is interpretive); *Bachow Commc'ns Inc. v. FCC*, 237 F.3d 683, 690 (D.C. Cir. 2001) (rules governing an application process

are procedural under the Administrative Procedure Act); *Inova Alexandria Hosp. v. Shalala*, 244 F.3d 342, 350 (4th Cir. 2001) (rules for handling appeals are procedural where they do not change the substantive standard for reviewing claims).

Accordingly, prior notice and opportunity for public comment for the changes in this rulemaking are not required pursuant to 5 U.S.C. 553(b) or (c), or any other law. See *Perez*, 135 S. Ct. at 1206 (notice-and-comment procedures are not required when an agency "issue[s] an initial interpretive rule" or when it amends or repeals that interpretive rule); *Cooper Techs. Co. v. Dudas*, 536 F.3d 1330, 1336–37 (Fed. Cir. 2008) (stating that 5 U.S.C. 553, and thus 35 U.S.C. 2(b)(2)(B), do not require notice-and-comment rulemaking for "interpretative rules, general statements of policy, or rules of agency organization, procedure, or practice") (quoting 5 U.S.C. 553(b)(A)). Nevertheless, the USPTO has chosen to seek public comment before implementing the rule to benefit from the public's input.

B. Regulatory Flexibility Act

For the reasons set forth in this rulemaking, the Senior Counsel for Regulatory and Legislative Affairs, Office of General Law, of the USPTO, has certified to the Chief Counsel for Advocacy of the Small Business Administration that the changes in this rule will not have a significant economic impact on a substantial number of small entities. See 5 U.S.C. 605(b).

This rule eliminates the \$110.00 fee that is charged when a registered patent agent changes their registration from an agent to an attorney to incentivize patent agents who become patent attorneys to promptly update their status in the register. This change is expected to impact approximately 340 patent agents each year. Patent agents who become licensed attorneys are expected to request a change in status in order to accurately convey their status to the public. The USPTO does not collect or maintain statistics on the size status of impacted entities, which would be required to determine the number of small entities that would be affected by the rule. However, assuming that all patent agents impacted by this rule are small entities, the elimination of the fee will not impact a substantial number of small entities because the approximately 340 patent agents do not constitute a significant percentage of the approximately 47,000 patent practitioners registered to appear before the Office. In addition, the elimination

of the \$110.00 fee will result in a modest benefit to those patent agents, as they are no longer be required to pay the fee when changing their designation from patent agent to patent attorney.

This rule also amends the rules regarding the representation of others before the USPTO by implementing new requirements and clarifying or improving existing regulations to better protect the public. This rule makes changes to the rules governing reciprocal recognition for the approximately 400 recognized foreign attorneys or agents who practice before the Office in trademark matters. These changes require any reciprocally recognized foreign attorney or agent to keep contact information up to date, provide proof of good standing as a trademark practitioner before the trademark office of the country in which they reside, and notify the OED Director of any lapse in their authorization to represent clients before the trademark office in the country in which they are registered and reside. Absent a showing of cause, failure to comply shall result in the withdrawal of the reciprocal recognition, but an opportunity for reinstatement may be offered.

The Office also makes changes to its disciplinary procedures to formalize a diversion program for patent and trademark practitioners who struggle with physical or mental health issues or law practice management issues. The program assists those practitioners in addressing the root causes of those issues, in lieu of formal discipline.

Finally, this rule makes other minor administrative changes to the regulations to simplify and otherwise improve consistency with existing requirements, thereby facilitating the public's compliance with existing regulations, including aligning with existing practice the rule governing practice before the Office by persons ineligible to become registered under § 11.6 because of their immigration status; changing the rule governing the professional independence of a practitioner to allow a practitioner to share legal fees with a non-practitioner, to form a partnership with a non-practitioner, or to be part of a for-profit association or corporation owned by a non-practitioner, provided such arrangement fully complies with the laws, rules, and regulations of the attorney licensing authority of the State(s) that affirmatively regulate(s) such arrangement; clarifying the procedures regarding disciplinary hearings and appeals of the same; and removing an inadvertent reference to "emeritus status."

These changes to the rules governing the recognition to practice before the Office apply to the approximately 400 reciprocally recognized trademark practitioners who currently appear before the Office and approximately 47,000 patent practitioners registered or granted limited recognition to appear before the Office, as well as licensed attorneys practicing in trademark and other non-patent matters before the Office. The USPTO does not collect or maintain statistics on the size status of impacted entities, which would be required to determine the number of small entities that would be affected by the rule. However, a large number of the changes in this rule are not expected to have any impact on otherwise regulated entities because the changes to the regulations are procedural in nature. The one change that may impose a new requirement is the provision for the approximately 400 reciprocally recognized foreign attorneys or agents to provide contact information and certificates of good standing as trademark practitioners before the trademark offices of the countries in which they reside. However, this provision is not expected to place a significant burden on those foreign attorneys or agents. The changes are expected to be of minimal or no additional burden to those practicing before the Office.

For the reasons discussed above, this rulemaking will not have a significant economic impact on a substantial number of small entities.

C. Executive Order (E.O.) 12866 (Regulatory Planning and Review)

This rulemaking has been determined to be significant for purposes of E.O. 12866 (Sept. 30, 1993).

D. Executive Order 13563 (Improving Regulation and Regulatory Review)

The Office has complied with E.O. 13563 (Jan. 18, 2011). Specifically, the Office has, to the extent feasible and applicable: (1) made a reasoned determination that the benefits justify the costs of the rule; (2) tailored the rule to impose the least burden on society consistent with obtaining the regulatory objectives; (3) selected a regulatory approach that maximizes net benefits; (4) specified performance objectives; (5) identified and assessed available alternatives; (6) involved the public in an open exchange of information and perspectives among experts in relevant disciplines, affected stakeholders in the private sector, and the public as a whole, and provided online access to the rulemaking docket; (7) attempted to promote coordination, simplification,

and harmonization across Government agencies and identified goals designed to promote innovation; (8) considered approaches that reduce burdens and maintain flexibility and freedom of choice for the public; and (9) ensured the objectivity of scientific and technological information and processes.

E. Executive Order 13132 (Federalism)

This rulemaking does not contain policies with federalism implications sufficient to warrant preparation of a Federalism Assessment under E.O. 13132 (Aug. 4, 1999).

F. Executive Order 13175 (Tribal Consultation)

This rulemaking will not: (1) have substantial direct effects on one or more Indian Tribes; (2) impose substantial direct compliance costs on Indian Tribal governments; or (3) preempt Tribal law. Therefore, a Tribal summary impact statement is not required under E.O. 13175 (Nov. 6, 2000).

G. Executive Order 13211 (Energy Effects)

This rulemaking is not a significant energy action under E.O. 13211 because this rulemaking is not likely to have a significant adverse effect on the supply, distribution, or use of energy. Therefore, a Statement of Energy Effects is not required under E.O. 13211 (May 18, 2001).

H. Executive Order 12988 (Civil Justice Reform)

This rulemaking meets applicable standards to minimize litigation, eliminate ambiguity, and reduce burden, as set forth in sections 3(a) and 3(b)(2) of E.O. 12988 (Feb. 5, 1996).

I. Executive Order 13045 (Protection of Children)

This rulemaking does not concern an environmental risk to health or safety that may disproportionately affect children under E.O. 13045 (Apr. 21, 1997).

J. Executive Order 12630 (Taking of Private Property)

This rulemaking will not effect a taking of private property or otherwise have taking implications under E.O. 12630 (Mar. 15, 1988).

K. Congressional Review Act

Under the Congressional Review Act provisions of the Small Business Regulatory Enforcement Fairness Act of 1996 (5 U.S.C. 801 *et seq.*), the USPTO will submit a report containing the final rule and other required information to

the U.S. Senate, the U.S. House of Representatives, and the Comptroller General of the Government Accountability Office. The changes in this rulemaking are not expected to result in an annual effect on the economy of \$100 million or more, a major increase in costs or prices, or significant adverse effects on competition, employment, investment, productivity, innovation, or the ability of U.S.-based enterprises to compete with foreign-based enterprises in domestic and export markets. Therefore, this rulemaking is not expected to result in a "major rule" as defined in 5 U.S.C. 804(2).

L. Unfunded Mandates Reform Act of 1995

The changes in this rulemaking do not involve a Federal intergovernmental mandate that will result in the expenditure by State, local, and tribal governments, in the aggregate, of \$100 million (as adjusted) or more in any one year, or a Federal private sector mandate that will result in the expenditure by the private sector of \$100 million (as adjusted) or more in any one year, and will not significantly or uniquely affect small governments. Therefore, no actions are necessary under the provisions of the Unfunded Mandates Reform Act of 1995. See 2 U.S.C. 1501 *et seq.*

M. National Environmental Policy Act of 1969

This rulemaking will not have any effect on the quality of the environment and is thus categorically excluded from review under the National Environmental Policy Act of 1969. See 42 U.S.C. 4321 *et seq.*

N. National Technology Transfer and Advancement Act of 1995

The requirements of section 12(d) of the National Technology Transfer and Advancement Act of 1995 (15 U.S.C. 272 note) are not applicable because this rulemaking does not contain provisions that involve the use of technical standards.

O. Paperwork Reduction Act of 1995

The Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*) requires that the Office consider the impact of paperwork and other information collection burdens imposed on the public. This rulemaking involves information collection requirements that are subject to review and approval by the Office of Management and Budget (OMB) under the Paperwork Reduction Act. The collections of information involved in this rulemaking have been reviewed and

previously approved by OMB under OMB control numbers 0651-0012 (Admission to Practice and Roster of Registered Patent Attorneys and Agents Admitted to Practice Before the USPTO) and 0651-0017 (Practitioner Conduct and Discipline).

This rulemaking benefits the public by improving the accuracy of the register of attorneys and agents who are permitted to practice before the USPTO in patent matters. Specifically, removing the fee to change from agent to attorney is expected to incentivize a registered patent agent who is an attorney but has not updated their registration status to do so. The fee removal reduces the estimated cost burdens associated with 0651-0012 by \$27,720; (252 respondents \times \$110 fee = \$27,720). Accordingly, the current estimate of patent agents who change to attorney in 0651-0012 are expected to increase from 252 practitioners to the new estimate of at least 340 practitioners.

The expected increase in practitioners who change their registration status will result in a slight hourly burden increase of 44 hours; (88 practitioners \times 0.5 hours = 44 hours). The USPTO further estimates that this increase of 88 respondents will add seven hours of recordkeeping burden to 0651-0012; (88 practitioners \times 0.083 hours = 7 hours). These burden estimates are based on the prior OMB approved burdens associated with information collection 0651-0012 and may be different from any forecasts mentioned in other parts of this rule. Overall, this final rule adds 51 burden hours and removes \$27,720 in cost burdens.

Notwithstanding any other provision of law, no person is required to respond to, nor shall a person be subject to a penalty for failure to comply with, a collection of information subject to the requirements of the Paperwork Reduction Act, unless that collection of information has a currently valid OMB control number.

P. E-Government Act Compliance

The USPTO is committed to compliance with the E-Government Act to promote the use of the internet and other information technologies, to provide increased opportunities for citizen access to Government information and services, and for other purposes.

List of Subjects

37 CFR Part 1

Administrative practice and procedure, Biologics, Courts, Freedom of information, Inventions and patents,

Reporting and recordkeeping requirements, Small businesses.

37 CFR Part 11

Administrative practice and procedure, Inventions and patents, Lawyers, Reporting and recordkeeping requirements.

For the reasons set forth in the preamble, the USPTO amends 37 CFR parts 1 and 11 as follows:

PART 1—RULES OF PRACTICE IN PATENT CASES

- 1. The authority citation for part 1 continues to read as follows:

Authority: 35 U.S.C. 2(b)(2), unless otherwise noted.

§ 1.21 [Amended]

- 2. Amend § 1.21 by removing paragraph (a)(2)(iii).

PART 11—REPRESENTATION OF OTHERS BEFORE THE UNITED STATES PATENT AND TRADEMARK OFFICE

- 3. The authority citation for part 11 continues to read as follows:

Authority: 5 U.S.C. 500; 15 U.S.C. 1123; 35 U.S.C. 2(b)(2), 32, 41; Sec. 1, Pub. L. 113-227, 128 Stat. 2114.

- 4. Amend § 11.7 by revising paragraph (l) to read as follows:

§ 11.7 Requirements for registration.

* * * * *

(l) *Transfer of status from agent to attorney.* An agent registered under § 11.6(b) may request registration as an attorney under § 11.6(a). The agent shall demonstrate their good standing as an attorney.

- 5. Amend § 11.9 by revising paragraph (b) to read as follows:

§ 11.9 Limited recognition in patent matters.

* * * * *

(b) An individual ineligible to become registered under § 11.6 because of their immigration status may be granted limited recognition to practice before the Office in patent matters, provided the U.S. Government authorizes employment or training in the United States for the individual to represent a patent applicant by preparing or prosecuting a patent application, and the individual fulfills the provisions of paragraphs (d) and (e) of this section. Limited recognition shall be granted only for a period consistent with the terms of the immigration status and employment or training authorized. Limited recognition is subject to United States immigration rules, statutes, laws,

and regulations. If granted, limited recognition shall automatically terminate if the individual ceases to: lawfully reside in the United States, maintain authorized employment or training, or maintain their immigration status. Limited recognition shall not be granted or extended to a non-U.S. citizen residing outside the United States.

* * * * *

■ 6. Amend § 11.14 by revising paragraph (c)(1), adding a heading to paragraph (d), revising paragraph (f), and adding paragraphs (g) through (j) to read as follows:

§ 11.14 Individuals who may practice before the Office in trademark and other non-patent matters.

* * * * *

(c) * * *

(1) Any foreign attorney or agent who is not a resident of the United States who shall file a written application for reciprocal recognition under paragraph (f) of this section and prove to the satisfaction of the OED Director that they are a registered and active member in good standing as a trademark practitioner before the trademark office of the country in which they reside and practice and possess good moral character and reputation, may be recognized for the limited purpose of representing parties located in such country before the Office in the presentation and prosecution of trademark matters, provided the trademark office of such country and the USPTO have reached an official understanding to allow substantially reciprocal privileges to those permitted to practice in trademark matters before the Office. Recognition under this paragraph (c)(1) shall continue only during the period in which the conditions specified in this paragraph (c)(1) are met.

* * * * *

(d) *Effect of recognition.* * * *

* * * * *

(f) *Application for reciprocal recognition.* An individual seeking reciprocal recognition under paragraph (c)(1) of this section, in addition to providing evidence satisfying the provisions of paragraph (c)(1) of this section, shall apply in writing to the OED Director for reciprocal recognition, and shall pay the application fee required by § 1.21(a)(1)(i) of this subchapter.

(g) *Obligation to provide updated contact information and licensure status.* A practitioner granted reciprocal recognition under paragraph (c)(1) of this section shall provide to the OED

Director their postal address, at least one and up to three email addresses where they receive email, and a business telephone number, as well as any change to such addresses and telephone number within 30 days of the date of the change. Any reciprocally recognized practitioner failing to provide the information to the OED Director or update the information within 30 days of the date of change is subject to having their reciprocal recognition withdrawn under paragraph (i) of this section. A practitioner granted reciprocal recognition under paragraph (c)(1) of this section shall notify the OED Director of any lapse in their authorization to represent clients before the trademark office in the country in which they are registered and reside within 30 days of the lapse.

(h) *Communications with recognized trademark practitioners.* The OED Director may address a letter to any practitioner granted reciprocal recognition under paragraph (c)(1) of this section, to the postal address last provided to the OED Director, for the purposes of ascertaining the practitioner's contact information and/or the practitioner's good standing with the trademark office in the country in which the practitioner is registered and resides. Any practitioner to whom such a letter is sent shall provide their contact information, and, if requested, a certificate of good standing with the trademark office in the country in which the practitioner is registered and resides. Any practitioner failing to reply and give any information requested by the OED Director within a time limit specified will be subject to having their reciprocal recognition withdrawn under paragraph (i) of this section.

(i) *Withdrawal of reciprocal recognition.* Upon notice that a trademark practitioner registered under paragraph (c)(1) of this section is no longer registered with, in good standing with, or otherwise eligible to practice before the trademark office of the country upon which reciprocal recognition is based; that such practitioner no longer resides in such country; or that such practitioner has not provided information required in paragraphs (g) and/or (h) of this section, and absent a showing of cause why the practitioner's recognition should not be withdrawn, the OED Director shall promptly withdraw such recognition and publish a notice of such action.

(j) *Reinstatement of reciprocal recognition.* Any practitioner whose recognition has been withdrawn pursuant to paragraph (i) of this section may reapply for recognition under paragraph (f) of this section.

■ 7. Amend § 11.19 by revising paragraph (a) to read as follows:

§ 11.19 Disciplinary jurisdiction; grounds for discipline and for transfer to disability inactive status.

(a) *Disciplinary jurisdiction.* All practitioners engaged in practice before the Office, all practitioners administratively suspended under § 11.11, all practitioners registered or recognized to practice before the Office in patent matters, all practitioners resigned or inactivated under § 11.11, all practitioners authorized under § 41.5(a) or § 42.10(c) of this chapter, and all practitioners transferred to disability inactive status or publicly disciplined by a duly constituted authority are subject to the disciplinary jurisdiction of the Office and to being transferred to disability inactive status. A non-practitioner is also subject to the disciplinary authority of the Office if the person engages in or offers to engage in practice before the Office without proper authority.

* * * * *

■ 8. Amend § 11.22 by revising paragraphs (h)(3) and (4) and adding paragraph (h)(5) to read as follows:

§ 11.22 Disciplinary investigations.

* * * * *

(h) * * *

(3) Instituting formal charges upon the approval of the Committee on Discipline;

(4) Entering into a settlement agreement with the practitioner and submitting the same for the approval of the USPTO Director; or

(5) Entering into a diversion agreement with the practitioner.

* * * * *

■ 9. Add § 11.30 to read as follows:

§ 11.30 Participation in the USPTO Diversion Program.

(a) Before or after a complaint under § 11.34 is filed, the OED Director may dispose of a disciplinary matter by entering into a diversion agreement with a practitioner. Diversion agreements may provide for, but are not limited to, law office management assistance, counseling, participation in lawyer assistance programs, and attendance at continuing legal education programs. Neither the OED Director nor the practitioner is under any obligation to propose or enter into a diversion agreement. To be an eligible party to a diversion agreement, a practitioner cannot have been disciplined by the USPTO or another jurisdiction within the past three years, except that discipline by another jurisdiction is not disqualifying if that discipline in

another jurisdiction was based on the conduct forming the basis for the current investigation.

(b) For a practitioner to be eligible for diversion, the conduct at issue must not involve:

- (1) The misappropriation of funds or dishonesty, deceit, fraud, or misrepresentation;
- (2) Substantial prejudice to a client or other person as a result of the conduct;
- (3) A serious crime as defined in § 11.1; or
- (4) A pattern of similar misconduct unless the misconduct at issue is minor and related to a chronic physical or mental health condition or disease.

(c) The diversion agreement is automatically completed when the terms of the agreement have been fulfilled. A practitioner's successful completion of the diversion agreement bars the OED Director from pursuing discipline based on the conduct set forth in the diversion agreement.

(d) A material breach of the diversion agreement shall be cause for termination of the practitioner's participation in the diversion program. Upon a material breach of the diversion agreement, the OED Director may pursue discipline based on the conduct set forth in the diversion agreement.

■ 10. Revise § 11.43 to read as follows:

§ 11.43 Motions before a hearing officer.

Motions, including all prehearing motions commonly filed under the Federal Rules of Civil Procedure, shall be served on the opposing party and filed with the hearing officer. Each motion shall set forth a basis for the requested relief, including a concise statement of the facts and supporting reasons, along with a citation of the authorities upon which the movant relies. For any motion for summary judgment or motion to dismiss, the basis shall be provided in a written memorandum accompanying the motion. All motions and memoranda shall be double-spaced and written in 12-point font unless otherwise ordered by the hearing officer. Unless the hearing officer extends the time for good cause, the opposing party shall serve and file a memorandum in response to any motion for summary judgment or motion to dismiss within 21 days of the date of service of the motion, and the moving party may file a reply memorandum within 14 days after service of the opposing party's responsive memorandum. Every motion must include a statement that the moving party or attorney for the moving party has conferred with the opposing party or attorney for the opposing party

in a good-faith effort to resolve the issues raised by the motion and whether the motion is opposed. If, prior to a decision on the motion, the parties resolve issues raised by a motion presented to the hearing officer, the parties shall promptly notify the hearing officer.

■ 11. Amend § 11.44 by revising paragraph (a) to read as follows:

§ 11.44 Hearings.

(a) The hearing officer shall preside over hearings in disciplinary proceedings. After the time for filing an answer has elapsed, the hearing officer shall set the time and place for the hearing. In cases involving an incarcerated respondent, any necessary oral hearing may be held at the location of incarceration. The hearing officer may order a hearing to be conducted by remote videoconference in whole or in part. Oral hearings will be recorded and transcribed, and the testimony of witnesses will be received under oath or affirmation. The hearing officer shall conduct the hearing as if the proceeding were subject to 5 U.S.C. 556. A copy of the transcript of the hearing shall become part of the record. A copy of the transcript shall also be provided to the OED Director and the respondent at the expense of the Office.

* * * * *

■ 12. Amend § 11.52 by:

- a. Revising paragraphs (a) and (b);
- b. Redesignating paragraphs (c) through (f) as paragraphs (d) through (g);
- c. Adding a new paragraph (c); and
- d. Revising newly redesignated paragraph (d).

The revisions and addition read as follows:

§ 11.52 Written discovery.

(a) After an answer is filed under § 11.36, a party may file a motion under § 11.43 seeking authorization to propound written discovery of relevant evidence, including:

- (1) A reasonable number of requests for admission, including requests for admission as to the genuineness of documents;
- (2) A reasonable number of interrogatories;
- (3) A reasonable number of documents to be produced for inspection and copying; and
- (4) A reasonable number of things other than documents to be produced for inspection.

(b) The motion shall include a copy of the proposed written discovery requests and explain in detail, for each request made, how the discovery sought is reasonable and relevant to an issue

actually raised in the complaint or the answer. Any response shall include specific objections to each request, if any. Any objection not raised in the response will be deemed to have been waived.

(c) The hearing officer may authorize any discovery requests the hearing officer deems to be reasonable and relevant. Unless the hearing officer orders otherwise, within 5 days of the hearing officer authorizing any discovery requests, the moving party shall serve a copy of the authorized discovery requests to the opposing party and, within 30 days of such service, the opposing party shall serve responses to the authorized discovery requests.

(d) Discovery shall not be authorized under paragraph (c) of this section of any matter that:

- (1) Will be used by another party solely for impeachment;
- (2) Is not available to the party under 35 U.S.C. 122;
- (3) Relates to any other disciplinary proceeding before the Office;
- (4) Relates to experts;
- (5) Is privileged; or
- (6) Relates to mental impressions, conclusions, opinions, or legal theories of any attorney or other representative of a party.

* * * * *

■ 13. Amend § 11.55 by revising paragraph (m) and adding paragraph (p) to read as follows:

§ 11.55 Appeal to the USPTO Director.

* * * * *

(m) Unless the USPTO Director permits, no further briefs or motions shall be filed.

* * * * *

(p) The USPTO Director may extend the time for filing a brief upon the granting of a motion setting forth good cause warranting the extension.

■ 14. Amend § 11.504 by adding paragraph (e) to read as follows:

§ 11.504 Professional independence of a practitioner.

* * * * *

(e) The prohibitions of paragraph (a), (b), or (d)(1) or (2) of this section shall not apply to an arrangement that fully complies with the laws, rules, and regulations of the attorney licensing authority of the State(s) that affirmatively regulate(s) such arrangement.

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

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