

#49

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

IN THE MATTER OF:)
)
MICHAEL DAVID ROSTOKER,) Proceeding No. D04-15
)
)
Respondent)

INITIAL DECISION

DATE: May 31, 2006

JUDGE: BARBARA A. GUNNING, ADMINISTRATIVE LAW JUDGE
UNITED STATES ENVIRONMENTAL PROTECTION AGENCY¹

APPEARANCES:

FOR COMPLAINANT: William LaMarca
Thomas W. Krause
Associate Solicitors
Office of the Solicitor-USPTO
P.O. Box 15667
Arlington, VA 22215

FOR RESPONDENT: Michael David Rostoker, *Pro Se*²
[REDACTED]
[REDACTED], [REDACTED]³

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

² Respondent was represented by counsel, Howard M. Cohn, Esquire, prior to the hearing.

³ In Respondent's most recent correspondence received by facsimile on April 2, 2006, Respondent listed his address as [REDACTED]

PROCEDURAL BACKGROUND

This disciplinary proceeding was initiated pursuant to 35 U.S.C. § 32 and 37 C.F.R. § 10.134 against Michael David Rostoker ("Respondent"), an attorney practitioner registered (Registration No. 31,193) to practice before the United States Patent and Trademark Office ("PTO"). On September 28, 2004, Complainant, Harry I. Moatz, Director, Office of Enrollment and Discipline ("OED"), PTO, issued a Complaint against Respondent, alleging that Respondent's conduct and/or criminal conviction of eleven felony counts on October 7, 2002 in the United States District Court for the Northern District of California violated Disciplinary Rules 10.23(b)(3), (4), and (6), and 10.23(c)(1) of the United States Patent and Trademark Office Code of Professional Responsibility,⁴ 37 C.F.R. §§ 10.23(b)(3), (4), and (6), and 10.23(c)(1). Complainant sought the entry of an order suspending or excluding Respondent from practice before the PTO pursuant to 37 C.F.R. § 10.154. Respondent filed an Answer to the Complaint on October 28, 2004.

An Order scheduling the prehearing procedures and a hearing was issued by the undersigned on November 19, 2004. The hearing in this matter was set for April 12, 2005 in San Jose, California.

On December 15, 2004, Complainant filed a Motion to Stay the proceedings to await the outcome of a separate disciplinary proceeding instituted by the Bar Counsel with the Massachusetts Board of Bar Overseers. The Massachusetts disciplinary proceeding and the PTO disciplinary proceeding were based on the same eleven felony criminal convictions of Respondent. Respondent filed a Reply in Opposition to the Motion to Stay and Counter Motion to Dismiss the Complaint as a Matter of Law on December 20, 2004.

In an Order entered January 21, 2005, Complainant's Motion to Stay was granted, and the prehearing procedures and hearing

_____. This Initial Decision is being served on Respondent at both addresses.

⁴ Disciplinary Rules are mandatory in character and state the minimum level of conduct below which no practitioner can fall without being subjected to disciplinary action. See 37 C.F.R. § 10.20(b).

were cancelled. The proceeding was stayed until the Massachusetts Board of Bar Overseers issued its determination or order in its disciplinary proceeding against Respondent, and Respondent was ordered to promptly serve the undersigned and the OED Director with notice of any determination or decision rendered by the Massachusetts Board of Bar Overseers concerning its disciplinary proceeding against him. Additionally, Respondent's Motion to Dismiss the Complaint was denied.

On August 11, 2005, Complainant filed unopposed Motions to Lift the Stay and to Amend the Complaint based upon the completion of the Massachusetts disciplinary proceedings against Respondent and his disbarment from the practice of law in that jurisdiction. Complainant's Motions to Lift the Stay and to Amend the Complaint were granted by Order entered on November 3, 2005, and the prehearing procedures and hearing were reinstated.

The two-count Amended Complaint filed against Respondent on August 11, 2005 alleged that Respondent committed several violations of the PTO Code of Professional Responsibility in 37 C.F.R. §§ 10.20-10.112. Specifically, in Count I Complainant alleges that Respondent's conduct and/or criminal conviction of eleven felony counts on October 7, 2002 in the United States District Court for the Northern District of California violated Disciplinary Rules 10.23(b)(3), (4), and (6), and 10.23(c)(1), 37 C.F.R. §§ 10.23(b)(3), (4), and (6), and 10.23(c)(1). Count II of the Amended Complaint alleges violation of Disciplinary Rules 10.23(b)(1) and (6), and 10.23(c)(5), 37 C.F.R. §§ 10.23(b)(1) and (6), and 10.23(c)(5) because Respondent was disbarred on ethical grounds from practice as an attorney by the Massachusetts Board of Overseers on December 15, 2004, based on the same eleven felony convictions cited in Count I of the Complaint. On the basis of these allegations, Complainant requests the entry of an order excluding Respondent from practice before the PTO pursuant to 37 C.F.R. § 10.154.

On February 3, 2006, Respondent filed Motions to Stay the Proceedings and for Partial Summary Judgement, which were opposed by Complainant. Respondent's Motions to Stay the Proceedings and for Partial Summary Judgement were denied in an Order entered on February 28, 2006. *The February 28, 2006 Order is incorporated in this Initial Decision by reference.*

Respondent proffered his resignation from practice before the PTO on Sunday, April 2, 2006, and advised the undersigned that he would not be attending the hearing scheduled for April 4, 2006. The hearing, as scheduled, was held before the undersigned on April 4, 2006 in San Francisco, California. Respondent did

not appear at the hearing. A briefing schedule, affording both parties an opportunity to submit proposed findings and conclusions and a post-hearing memorandum, was entered on April

19, 2006. Complainant submitted its Post-Hearing Brief on May 10, 2006, in accordance with the April 19, 2006 Order Setting the Briefing Schedule.

FINDINGS OF FACT

1. Respondent has been an attorney registered to practice before the PTO (Registration No. 31,193) and has been engaged in the prosecution of patent applications before the PTO. Complainant's Exhibit ("C's" Ex.") A.

2. On October 7, 2002, Respondent was convicted in the United States District Court for the Northern District of California after trial by jury of the following crimes: One count of Conspiracy (Class D Felony) in violation of 18 U.S.C. § 371; four counts of Travel with Intent to Engage in Sexual Act with a Minor (Class C Felony) in violation of 18 U.S.C. § 2423(b); four counts of Using Facilities of Interstate Commerce to Induce a Minor to Engage in Illegal Sexual Acts (Class C Felony) in violation of 18 U.S.C. § 2422(b); one count of Conspiracy to Induce an Alien to Violate the Law (Class D Felony) in violation of 8 U.S.C. § 1324(a)(1)(A)(iv)-(v)(I); and one count of Encouraging an Alien to Come to the United States in Violation of Law (Class C Felony) in violation of 8 U.S.C. § 1324(a)(1)(A)(iv). C's Ex. C.

3. For these above-cited felony convictions, Respondent was sentenced for a term of fifteen (15) months in federal prison and three (3) years of supervised release. C's Ex. C. Respondent also was assessed criminal monetary penalties in the amount of \$1,100. Id.

4. On July 6, 2005, the Supreme Judicial Court for Suffolk County entered the judgment of disbarment against the Respondent, disbaring him from the practice of law in the Commonwealth of Massachusetts retroactive to October 27, 2004.⁵ C's Ex. A. The court's judgment of disbarment was based on Respondent's Affidavit of Resignation and the Recommendation and Vote of the

⁵ On January 26, 2006, after the filing of the Amended Complaint in this matter, Respondent was disbarred on reciprocal grounds by the Supreme Court of Pennsylvania. C's Ex. D.

Board of Bar Overseers filed by the Board on June 30, 2005. *Id.* The Petition of Discipline against Respondent charged that Respondent's criminal conduct constituted professional misconduct. *Id.* Subsequently, in Respondent's Affidavit of Resignation, he acknowledged that the investigation against him was based on his convictions in the United States District Court for the Northern District of California cited above, and he waived his right to a hearing. *Id.*

5. In an Order entered by the undersigned on January 21, 2005, Respondent was ordered to promptly serve the undersigned and the OED Director with notice of any determination or decision rendered by the Massachusetts Board of Bar Overseers concerning its disciplinary proceeding against him. Respondent failed to notify the undersigned and the OED Director as ordered.

6. On April 2, 2006, Respondent tendered his resignation from practice before the PTO.

7. Respondent failed to appear at the April 4, 2006 hearing after notices of the hearing had been given to him by the undersigned administrative law judge ("ALJ"). The undersigned proceeded with the hearing in the absence of the Respondent.

CONCLUSIONS OF LAW

1. Respondent is subject to the PTO Disciplinary Rules found at 37 C.F.R. part 10, and this Tribunal has jurisdiction over this proceeding under 35 U.S.C. § 32 and 37 C.F.R. §§ 10.132 and 10.139.

2. Respondent's criminal conduct, cited above, constitutes engaging in illegal conduct involving moral turpitude under 37 C.F.R. § 10.23(b)(3), justifying suspension or exclusion under 37 C.F.R. § 10.130(a).

3. Respondent's criminal conduct, cited above, constitutes engaging in conduct involving dishonesty, fraud, deceit, or misrepresentation under 37 C.F.R. § 10.23(b)(4), justifying suspension or exclusion under 37 C.F.R. § 10.130(a).

4. Respondent's criminal conduct, cited above, constitutes engaging in other conduct that adversely reflects on the practitioner's fitness to practice before the PTO under 37 C.F.R. § 10.23(b)(6), justifying suspension or exclusion under 37 C.F.R. § 10.130(a).

5. Respondent's felony convictions, cited above, constitute conviction of a criminal offense involving moral turpitude, dishonesty, or breach of trust under 37 C.F.R. § 10.23(c)(1), justifying suspension or exclusion under 37 C.F.R. § 10.130(a).

6. Respondent's criminal conduct, cited above, resulted in his disbarment from practice as an attorney on ethical grounds by a duly constituted authority of the Commonwealth of Massachusetts, and such constitutes violation of 37 C.F.R. §§ 10.23(b)(1) and (6), and 37 C.F.R. § 10.23(c)(5), justifying suspension or exclusion under 37 C.F.R. § 10.130(a).

7. Respondent's exclusion from practice before the PTO is an appropriate penalty, considering the public interest, the seriousness of the violations of the Disciplinary Rules, the deterrent effects, and the integrity of the legal profession.⁶ Additionally, exclusion from practice before the PTO is warranted pursuant to Respondent's disbarment by the Commonwealth of Massachusetts on the basis of reciprocal discipline as to sanction. See *Parklane Hosiery Co. v. Shore*, 439 U.S. 322, 326 n.5 (1979).

8. The OED of the PTO has proven his case by clear and convincing evidence. See 37 C.F.R. § 10.149.

9. Respondent's proffered resignation does not meet the requirements for a resignation set forth at 37 C.F.R. § 10.133(d).

10. Respondent is deemed to have waived the right to a hearing by failing to appear at the hearing after a notice of hearing had been given by the presiding ALJ. See 37 C.F.R. § 10.144(b).

ORDER

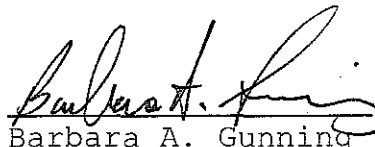
After careful and deliberate consideration of the above findings and conclusions, as well as the factors identified in 37 C.F.R. § 10.154(b),

⁶ I need not reach the question of whether a default judgment is warranted based on Respondent's failure to appear for the scheduled hearing. See Complainant's Post-Hearing Brief at 21-22. I note that the governing regulations do not provide explicit authority for such sanction.

IT IS HEREBY ORDERED that Respondent Michael David Rostoker, PTO Registration No. 31,193, be excluded from practice before the U.S. Patent and Trademark Office.

Respondent's attention is directed to 37 C.F.R. § 10.158 concerning responsibilities in the case of suspension or exclusion, and 37 C.F.R. § 10.160 concerning any subsequent petition for reinstatement.

Pursuant to 37 C.F.R. § 10.155, any appeal by Respondent from this Initial Decision, issued pursuant to 35 U.S.C. § 32 and 37 C.F.R. § 10.154, must be filed in duplicate with the Director, Office of Enrollment and Discipline, U.S. Patent and Trademark Office, P.O. Box 15667, Arlington, VA 22215, within thirty (30) days of the date of this Decision. Such appeal must include exceptions to the Administrative Law Judge's Decision and supporting reasons for those exceptions. Failure to file such an appeal in accordance with 37 C.F.R. § 10.155 will be deemed to be both an acceptance by Respondent of the Initial Decision and a waiver by Respondent of the right to further administrative or judicial review.



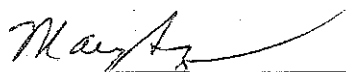
Barbara A. Gunning
Administrative Law Judge

Dated: May 31, 2006
Washington, D.C.

**In the Matter of *Harry I. Moatz, Director Office of Enrollment and Discipline, Complainant*
v. Michael David Rostoker, Respondent.
Proceeding No. D04-15**

CERTIFICATE OF SERVICE

I certify that the foregoing **Initial Decision**, dated May 31, 2006, was sent this day in the following manner to the addressees listed below.



Mary Angeles
Legal Staff Assistant

Copy by Certified Mail to:

William LaMarca, Esq.
Associate Solicitor
Office of the General Counsel / Office of the Solicitor
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Howard M. Cohn Patent Attorneys, LLC
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Cleveland, OH 44122

Copy by Certified and Regular Mail to:

[REDACTED] [REDACTED]
[REDACTED] [REDACTED]
[REDACTED] [REDACTED]

**Dated: May 31, 2006
Washington, D.C.**

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

MICHAEL DAVID ROSTOKER,)
)
)
Respondent)

Proceeding No. D04-15

ORDER DENYING RESPONDENT'S MOTION FOR PARTIAL SUMMARY JUDGMENT

¹Complainant's Motion to Amend the Complaint was granted by Order entered November 3, 2005.

² Respondent's convictions include: One count of Conspiracy (Class D Felony) in violation of 18 U.S.C. § 371; four counts of Travel with Intent to Engage Sexual Act with a Minor (Class C Felony) in violation of 18 U.S.C. § 2423(b); four counts of Using Facilities of Interstate Commerce to Induce a Minor to Engage in Illegal Sexual Acts (Class C Felony) in violation of 18 U.S.C. § 2422(b); one count of Conspiracy to Induce an Alien to Violate Law (Class D Felony) in violation of 8 U.S.C. § 1324(a)(1)(A)(iv); and one count of Encouraging an Alien to Come to the United States in Violation of Law (Class C Felony) in violation of 8 U.S.C. § 1324(a)(1)(A)(iv)(v)(I).

II of the Amended Complaint alleges violation of 37 C.F.R. §§ 10.23(b)(1) and (6) and 10.23(c)(5) because Respondent was disbarred from practice as an attorney by the Massachusetts Board of Overseers on December 15, 2004, based on the same eleven felony convictions cited in Count I of the Complaint, and failed to notify the OED Director of his permanent disbarment in Massachusetts as ordered by this Tribunal. On the basis of these allegations, Complainant requests entry of an order excluding Respondent from practice before the PTO pursuant to 37 C.F.R. § 10.154.

On February 3, 2006, Respondent filed Motions to Stay Proceedings and for Partial Summary Judgment,³ which are opposed by Complainant. With regard to Count II, Respondent asserts that reciprocal discipline should not be imposed which is identical to the discipline that was imposed by Massachusetts. Respondent maintains that in Massachusetts Respondent resigned and then was summarily disbarred, but there was no hearing and no facts were adduced. Rather, Respondent submits that a stay should be granted pending the outcome of the proceedings in 'twoother jurisdictions where he is disputing the disciplinary actions against him. Respondent is the subject of disciplinary actions in Pennsylvania and the District of Columbia, and Respondent contends that the status of all proceedings should be taken into account before judgment is rendered in this matter. Additionally, Respondent proffers, by affidavit, his offer to refrain voluntarily from representing clients before the US PTO pending a final determination in this proceeding.

Respondent also moves for partial summary judgment, arguing that no genuine issue exists as to any material fact and that Respondent is entitled to judgment on the issues raised as a matter of law. Respondent contends that pursuant to the State Department guidelines, the crimes for which Respondent was convicted are not considered to be crimes of moral turpitude, and that such guidelines should be employed in this proceeding. ~~According to Respondent, he did not engage in illegal conduct~~ involving moral turpitude, he did not engage in conduct involving dishonesty, fraud, deceit, or misrepresentation, and he was not convicted of a criminal offense involving moral turpitude, dishonesty, or breach of trust.

³ Respondent's Motion to Dismiss Complaint was denied on January 21, 2005.

Complainant opposes Respondent's Motions to Stay Proceedings and for Partial Summary Judgment. Complainant argues with regard to Count I that the only issue presented is whether Respondent's felony convictions, or the essential elements underlying those crimes, involve moral turpitude, dishonesty, fraud, deceit, misrepresentation, or breach of trust and that such issue is one of law. See, e.g., *In re Tidwell*, 831 A. 2d 953, 957 (D.C. 2003). Complainant maintains that Respondent has not established that each of his eleven felony convictions, as a matter of law, does not involve moral turpitude, dishonesty, fraud, deceit, misrepresentation, or breach of trust. I readily agree.

As pointed out by Complainant, a felony conviction is conclusive evidence of a lack of good moral character for registration to practice before the PTO under 37 C.F.R. §§ 11.7(h)(1) and (h)(1)(ii)(B). Complainant also persuasively argues that the crimes and underlying elements of the crimes for which Respondent was convicted include elements of dishonesty, inducement, conspiracy, or involved illegal sexual activity with a child and, as such, Respondent's felony convictions involved moral turpitude. See *Jordan v. DeGeorge*, 341 U.S. 223, 227 (1951); *Padilla v. Gonzales*, 397 F.3d 1016, 1020 (7th Cir. 2005); *Omagah v. Ashcroft*, 288 F.3d 254, 262 (5th Cir. 2002); *Taylor v. United States*, 396 F.3d 1322, 1329 (11th Cir. 2005).

Complainant maintains that pursuant to the Foreign Affairs Manual cited by Respondent, Respondent's convictions would still constitute moral turpitude. See Foreign Affairs Manual at 9 FAM 40.21(a) N2.2. For example, Complainant notes that the Foreign Affairs Manual defines moral turpitude as including any conviction where an element of the crime involves fraud and that Respondent's conviction under 8 U.S.C. § 1324(a)(1)(A)(iv) inherently included the underlying violation of 8 U.S.C. § 1324c(a)(2), which involves the use and falsification of documents for immigration purposes. As noted by Complainant, Respondent's convictions under 18 U.S.C. § 371 and 8 U.S.C. § 1324 expressly include "conspiracy" as an element. Moreover, the Foreign Affairs Manual interprets a crime involving moral turpitude as any crime involving fraud against Government functions, mail fraud, contributing to the delinquency of a minor, gross indecency, or lewdness. See Foreign Affairs Manual at 9 FAM 40.21(a) N2.3-2, N2.3-3.

Finally, Complainant convincingly argues that, without reaching the question of moral turpitude, Respondent's felony convictions violate 37 C.F.R. §§ 10.23(b)(4) and 10.23(c)(1) because his crimes involve dishonesty, fraud, deceit, or misrepresentation. For example, Complainant notes that

Respondent's conviction of conspiracy under 18 U.S.C. § 371 necessarily involves elements of dishonesty, deceit, and misrepresentation. See, e.g., *United States v. Broce*, 488 U.S. 563, 570 (1989); *Dennis v. United States*, 384 U.S. 855, 861 (1966).

Accordingly, I find that summary judgment is not warranted, and Respondent's Motion for Partial Summary Judgment is Denied.

Complainant opposes Respondent's Motion to Stay Proceedings which is based on waiting for the final determinations of the Pennsylvania and District of Columbia disciplinary proceedings against Respondent. First, Complainant observes that on January 26, 2006 after Respondent's motion, the Supreme Court of Pennsylvania issued an order disbarring Respondent from the practice of law in Pennsylvania. As such, Respondent's argument concerning the Pennsylvania proceeding is now moot.

Complainant also contends that a stay is not warranted because the charge in the Complaint in this matter concerns reciprocal discipline due to Respondent's Massachusetts disbarment and therefore no evidence from the Pennsylvania or District of Columbia disciplinary proceeding is necessary for the prosecution of the charges in this proceeding. I agree. Addressing Respondent's argument that the Massachusetts disbarment resulted from a resignation without a hearing, Complainant points out that Respondent's disbarment resulted from a disciplinary action that was initiated due to the same eleven felony convictions that are the basis of Count I and that by offering his resignation, Respondent was required by Massachusetts rule to waive his right to be heard and admit to the charges made by Massachusetts bar counsel.' See Mass S.J.C. Rule 4:01, sec. 15.

Complainant persuasively argues that this proceeding already has been stayed once and that there are no unusual circumstances that justify suspending this proceeding any further. See 37 C.F.R. § 10.139(c). Finally, Complainant maintains that Respondent's suggested argument that his failure to give notice of his Massachusetts disbarment to the OED warrants a stay is without merit. Complainant correctly notes that while Respondent's failure to give notice in violation of this

⁴ Respondent, in his Affidavit and Resignation dated May 31, 2005, acknowledges that any formal Order of Disbarment could have an adverse impact on his status as a patent agent before the US PTO.

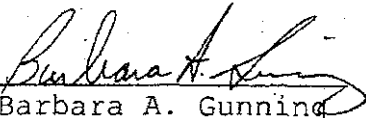
Tribunal's Order may reflect upon his conduct in this proceeding, it is not a sufficient basis, or necessary fact, required for the adjudication of the Complaint against Respondent.

Accordingly, Respondent's Motion to Stay Proceedings is **Denied**.

The parties are reminded that the hearing in this matter will be held beginning promptly at 9:30 a.m. on Tuesday, **April 4, 2006**, in San Jose, California and continuing if necessary on April 5, 2006.⁵ The parties will be notified of the location and of other procedures pertinent to the hearing when those arrangements are complete.

THE RESPONDENT IS HEREBY ADVISED THAT FAILURE TO APPEAR AT THE HEARING WITHOUT GOOD CAUSE BEING SHOWN THEREFOR, MAY RESULT IN DEFAULT JUDGMENT BEING ENTERED AGAINST IT.

IF EITHER PARTY DOES NOT INTEND TO ATTEND THE HEARING OR HAS GOOD CAUSE FOR NOT BEING ABLE TO ATTEND THE HEARING AS SCHEDULED, IT SHALL NOTIFY THE UNDERSIGNED AT THE EARLIEST POSSIBLE MOMENT.


Barbara A. Gunning
Administrative Law Judge

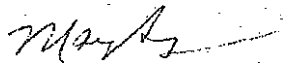
Dated: February 28, 2006
Washington, D.C.

⁵ On February 3, 2006, Complainant filed its Response to Respondent's Pre-Hearing Statement and Preservation of Objection to Expert Opinion Testimony by Lay Witness. Therein, Complainant objects to proposed witnesses identified by Respondent in his prehearing exchange who will be providing testimony concerning Respondent's "legal competency" on the grounds that such witnesses are not shown to have any professional background, qualifications, or experience that would qualify them as being eligible to provide expert testimony concerning Respondent's "legal competency." Complainant preserves its right at hearing to object to the admission of any lay testimony related to Respondent's "legal competency" on the grounds that the lay witnesses are not qualified as experts in accordance with this Tribunal's Order.

**In the Matter of *Harry L. Moatz, Director Office of Enrollment and Discipline, Complainant*
v. Michael David Rostoker, Respondent.
Proceeding No. D04-15**

CERTIFICATE OF SERVICE

I certify that the foregoing **Order Denying Respondent's Motion to Stay Proceedings; Order Denying Respondent's Motion for Partial Summary Judgment**, dated February 28, 2006, was sent this day in the following manner to the addressees listed below.



Mary Angeles
Legal Staff Assistant

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**Dated: February 28, 2006
Washington, D.C.**