

SEPTEMBER 25, 2006

## Sheinbein v. Dudas

No. 06-1161, Federal Circuit (Newman, *Lourie*, Rader)

*Based on the plain language of 37 C.F.R. § 10.23(c)(5), [a] practitioner may be found unfit to practice based solely on his disbarment in another jurisdiction. In such cases, the exclusion is based on the finding of the other jurisdiction regarding the practitioner's conduct, not based on the conduct that resulted in the disbarment.*

On September 25, 2006, the Federal Circuit affirmed the district court's judgment sustaining the decision of the U.S. Patent & Trademark Office (USPTO) to exclude Sheinbein from practice before the USPTO based on his disbarment in other jurisdictions. The Federal Circuit stated:

In 1997, Sheinbein, a member of the bars of the District of Columbia and the State of Maryland and an attorney registered to practice in the USPTO, helped his son flee to Israel after learning that the son was being investigated in connection with a murder. In 2001, the Maryland Court of Appeals determined that Sheinbein had committed the criminal act of obstructing or hindering a police officer and had engaged in conduct prejudicial to the administration of justice. Based on those findings, Sheinbein was barred from practicing law in Maryland [in] 2002. [In] 2004, the D.C. Court of Appeals barred Sheinbein from the practice of law in the District of Columbia as reciprocal discipline for his misconduct in Maryland. [In] 2004, the Director of the USPTO's Office of Enrollment and Discipline filed a complaint instituting a disciplinary proceeding pursuant to 37 C.F.R. § 10.134 that proposed to exclude Sheinbein from practice in the USPTO based on his disbarment in the State of the Maryland and the District of Columbia....

On appeal, Sheinbein argues that the USPTO's authority to sanction him is limited to sanctions based directly on his conduct, not on findings of other jurisdictions regarding his conduct. He also contends that his exclusion is precluded by the five-year statute of limitations set forth in 28 U.S.C. § 2462, and that the USPTO's interpretation of 37 C.F.R. § 10.23(c)(5) is invalid and inconsistent with that statute. According to Sheinbein, the five-year statute of limitations for reciprocal discipline runs, not from the date of his disbarment in a sister jurisdiction, but instead from the earlier date of the underlying actions that are the basis for his disbarment in the sister jurisdiction....

We agree with the government that it properly excluded Sheinbein from practice in the USPTO based on his disbarment in the State of Maryland and the District of Columbia.... Based on the plain language of 37 C.F.R. § 10.23(c)(5), we agree that a practitioner may be found unfit to practice based solely on his disbarment in another jurisdiction. In such cases, the exclusion is based on the finding of the other jurisdiction regarding the practitioner's conduct, not based on the conduct that resulted in the disbarment. Here, Sheinbein was disbarred in the State of Maryland and the District of Columbia on ethical grounds. Those disbarments fall within the strictures of § 10.23(a) and (b), and expressly § 10.23(c)(5). Because Sheinbein's prior disbarments violated § 10.23, the USPTO properly excluded Sheinbein from practice.

We reject Sheinbein's argument that the five-year statute of limitations imposed by 28 U.S.C. § 2462 precludes his exclusion from practice in the USPTO. Pursuant to 28 U.S.C. § 2462, "an action, suit or proceeding for the enforcement of any civil fine, penalty, or forfeiture, pecuniary or otherwise, shall not be entertained unless commenced within five years from the date when the claim first accrued." "A claim normally accrues when the factual and legal prerequisites for filing suit are in place." Here, the basis for the USPTO's reciprocal proceeding was Sheinbein's violation of § 10.23. Because Sheinbein could not be charged with violating § 10.23 until his disbarment by the State of Maryland in 2002 and the District of Columbia in 2004, the legal prerequisites for his exclusion were not satisfied until those acts occurred. The USPTO's filing of its complaint in March 2004 therefore occurred within the limitations period.

For more information on these issues or other intellectual property law matters, please contact **Lawrence M. Sung, Ph.D.** at [lsung@nixonpeabody.com](mailto:lsung@nixonpeabody.com) or (202) 585-8221.

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