

Please note that the Code of Federal Regulations (CFR) is the controlling source; if there are any differences in text between this website and the CFR, the CFR version prevails.

TITLE 15--COMMERCE AND FOREIGN TRADE

CHAPTER II--NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY,
DEPARTMENT OF COMMERCE

PART 280--FASTENER QUALITY--Table of Contents

Subpart A – General

Sec. 280.1 Description of rule/Delegation of authority.
Sec. 280.2 Definitions.

Subpart B–Petitions, Affirmations, and Laboratory Accreditation

280.101 Petitions for approval of documents.
280.102 Affirmations.
280.103 Laboratory accreditation.

Subpart C – Enforcement

Sec. 280.200 Scope.
Sec. 280.201 Violations.
Sec. 280.202 Penalties, remedies, and sanctions.
Sec. 280.203 Administrative enforcement proceedings.
Sec. 280.204 Institution of administrative enforcement proceedings.
Sec. 280.205 Representation.
Sec. 280.206 Filing and service of papers other than charging letter.
Sec. 280.207 Answer and demand for hearing.
Sec. 280.208 Default.
Sec. 280.209 Summary decision.
Sec. 280.210 Discovery.
Sec. 280.211 Subpoenas.
Sec. 280.212 Matter protected against disclosure.
Sec. 280.213 Prehearing conference.
Sec. 280.214 Hearings.
Sec. 280.215 Interlocutory review of rulings.
Sec. 280.216 Proceeding without a hearing.
Sec. 280.217 Procedural stipulations; extension of time.
Sec. 280.218 Decision of the administrative law judge.
Sec. 280.219 Settlement.
Sec. 280.220 Reopening.

Sec. 280.221 Record for decision and availability of documents.
Sec. 280.222 Appeals.

Subpart D – Recordal of Insignia

Sec. 280.300 Recorded insignia required prior to offer for sale.

The Written Application

Sec. 280.310 Application for insignia.
Sec. 280.311 Review of the application.
Sec. 280.312 Certificate of recordal.
Sec. 280.313 Recordal of additional insignia.

Post-Recordal Maintenance

Sec. 280.320 Maintenance of the certificate of recordal.
Sec. 280.321 Notification of changes of address.
Sec. 280.322 Transfer or amendment of the certificate of recordal.
Sec. 280.323 Transfer or assignment of the trademark registration or recorded insignia.
Sec. 280.324 Change in status of trademark registration or amendment of the trademark.
Sec. 280.325 Cumulative listing of recordal information.
Sec. 280.326 Records and files of the U. S. Patent and Trademark Office.

Subpart A--General

Sec. 280.1 Description of rule/Delegation of authority.

(a) *Description of rule.* The Fastener Quality Act (the Act) (15 U.S.C. 5401 et seq., as amended by Public Law 104-113, Public Law 105-234, and Public Law 106-34): conform to

- (1) Protects against the sale of mismarked, misrepresented, and counterfeit fasteners; and
- (2) eliminates unnecessary requirements.

(b) *Delegations of authority.* The Director, National Institute of Standards and Technology has authority to promulgate regulations in this part regarding certification and accreditation. The Secretary of Commerce has delegated concurrent authority to amend the regulations regarding enforcement of the Act, as contained in subpart C of this part, to the Under Secretary for Export Administration. The Secretary of Commerce has also delegated concurrent authority to amend the regulations regarding recordal of insignia, as contained in subpart D of this part, to the Under Secretary for Intellectual Property and Director of the United States Patent and Trademark Office.

Sec. 280.2 Definitions.

In addition to the definitions provided in 15 U.S.C. 5402, the following definitions are applicable to this Part:

Abandonment of the Application. The application for registration of a trademark on the Principal Register is no longer pending at the United States Patent and Trademark Office.

Act. The Fastener Quality Act (15 U.S.C. 5401 et seq., as amended by Public Law 104-113, Public Law 105-234, and Public Law 106-34.

Administrative law judge (ALJ). The person authorized to conduct hearings in administrative enforcement proceedings brought under the Act.

Assistant Secretary. The Assistant Secretary for Export Enforcement, Bureau of Export Administration.

Department. The United States Department of Commerce, specifically, the Bureau of Export Administration, NIST and the U.S. Patent and Trademark Office.

Director, NIST. The Director of the National Institute of Standards and Technology.

Director, USPTO. The Under Secretary for Intellectual Property and Director of the United States Patent and Trademark Office.

Fastener Insignia Register. The register of recorded fastener insignias maintained by the Director, U.S. Patent and Trademark Office.

Final decision. A decision or order assessing a civil penalty or otherwise disposing of or dismissing a case, which is not subject to further review under this part, but which is subject to collection proceedings or judicial review in an appropriate Federal district court as authorized by law.

Initial decision. A decision of the administrative law judge which is subject to review by the Under Secretary for Export Administration, but which becomes the final decision of the Department in the absence of such an appeal.

Party. The Department and any person named as a respondent under this part.

Principal Register. The register of trademarks established under 15 U.S.C. § 1051.

Respondent. Any person named as the subject of a charging letter, proposed charging letter, or other order proposed or issued under this part.

Revisions includes changes made to existing ISO/IEC Guides or other documents, and redesignations of those Guides or documents.

Under Secretary. The Under Secretary for Export Administration, United States Department of Commerce.

Subpart B—Petitions, Affirmations, and Laboratory Accreditation

Sec. 280.101 Petitions for Approval of Documents.

(a) Certification. (1) A person publishing a document setting forth guidance or requirements for the certification of manufacturing systems as fastener quality assurance systems by an accredited third party may petition the Director, NIST, to approve such document for use as

described in section 3(7)(B)(iii)(I) of the Act (15 U.S.C. 5402(7)(B)(iii)(I)).

(2) Petitions should be submitted to: FQA Document Certification, NIST, 100 Bureau Drive, Gaithersburg, MD 20899.

(3) The Director, NIST, shall approve such petition if the document provides equal or greater rigor and reliability as compared to ISO/IEC Guide 62, including revisions from time to time. A petition shall contain sufficient information to allow the Director, NIST, to make this determination.

(b) Accreditation. (1) A person publishing a document setting forth guidance or requirements for the approval of accreditation bodies to accredit third parties described in paragraph (a) of this section may petition the Director, NIST, to approve such document for use as described in section 3(7)(B)(iii)(I) of the Act (15 U.S.C. 5402(7)(B)(iii)(I)).

(2) Petitions should be submitted to: FQA Document Certifications, NIST, 100 Bureau Drive, Gaithersburg, MD 20899.

(3) The Director, NIST, shall approve such petition if the document provides equal or greater rigor and reliability as compared to ISO/IEC Guide 61, including revisions from time to time. A petition shall contain sufficient information to allow the Director, NIST, to make this determination.

(c) Laboratory Accreditation. (1) A person publishing a document setting forth guidance or requirements for the accreditation of laboratories may petition the Director, NIST, to approve such document for use as described in section 3(1)(A) of the Act (15 U.S.C. 5402(1)(A)).

(2) Petitions should be submitted to: FQA Document Certifications, NIST, 100 Bureau Drive, Gaithersburg, MD 20899.

(3) The Director, NIST, shall approve such petition if the document provides equal or greater rigor and reliability as compared to ISO/IEC Guide 25, including revisions from time to time. A petition shall contain sufficient information to allow the Director, NIST, to make this determination.

(d) Approval of Accreditation Bodies. (1) A person publishing a document setting forth guidance or requirements for the approval of accreditation bodies to accredit laboratories may petition the Director, NIST, to approve such document for use as described in section 3(1)(B) of the Act (15 U.S.C. 5402(1)(B)).

(2) Petitions should be submitted to: FQA Document Certifications, NIST, 100 Bureau Drive, Gaithersburg, MD 20899.

(3) The Director, NIST, shall approve such petition if the document provides equal or greater rigor and reliability as compared to ISO/IEC Guide 58, including revisions from time to time. A petition shall contain sufficient information to allow the Director, NIST, to make this determination.

(e) Electronic copies of ISO/IEC Guides may be purchased through the American National Standards Institute (ANSI), Internet: <http://www.ansi.org>. Copies of the relevant ISO/IEC Guides are available for inspection in the U.S. Department of Commerce Reading Room, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230, Room B-399.

Sec. 280.102 Affirmations.

(a) (1) An accreditation body accrediting third parties who certify manufacturing systems as

fastener quality assurance systems as described in section 3(7)(B)(iii)(I) of the Act (15 U.S.C. 5402(7)(B)(iii)(I)) shall affirm to the Director, NIST, that it meets the requirements of ISO/IEC Guide 61 (or another document approved by the Director, NIST, under section 10(b) of the Act (15 U.S.C. 5411a(b)) and § 280.101(a) of this part), including revisions from time to time.

(2) An accreditation body accrediting laboratories as described in section 3(1)(B) of the Act (15 U.S.C. 5402(1)(B)) shall affirm to the Director, NIST, that it meets the requirements of ISO/IEC Guide 58 (or another document approved by the Director, NIST, under section 10(d) of the Act (15 U.S.C. 5411a(d)) and § 280.101(d) of this part), including revisions from time to time.

(b) An affirmation required under paragraph (a)(1) or (a)(2) of this section shall take the form of a self-declaration that the accreditation body meets the requirements of the applicable Guide, signed by an authorized representative of the accreditation body. No supporting documentation is required.

(c) Affirmations should be submitted to: FQA Document Certifications, NIST, 100 Bureau Drive, Gaithersburg, MD 20899.

(d) Any affirmation submitted in accordance with this section shall be considered to be a continuous affirmation that the accreditation body meets the requirements of the applicable Guide, unless and until the affirmation is withdrawn by the accreditation body.

Sec. 280.103 Laboratory accreditation.

A laboratory may be accredited by any laboratory accreditation program that may be established by any entity or entities, which have affirmed to the Director, NIST, under § 280.102 of this subpart, or by the National Voluntary Laboratory Accreditation Program for fasteners, established by the Director, NIST, under part 285 of this Chapter.

Subpart C--Enforcement

Sec. 280.200 Scope.

Section 280.201 of this part specifies that failure to take any action required by or taking any action prohibited by this part constitutes a violation of this part. Section 280.202 describes the penalties that may be imposed for violations of this part. Sections 280.204 through 280.222 establish the procedures for imposing administrative penalties for violations of this part.

Sec. 280.201 Violations.

(a) Engaging in prohibited conduct. No person may engage in any conduct prohibited by or contrary to, or refrain from engaging in any action required by the Act, this part, or any order issued thereunder.

(b) *Sale of fasteners.* It shall be unlawful for a manufacturer or distributor, in conjunction with the sale or offer for sale of fasteners from a single lot, to knowingly misrepresent or falsify –

(1) the record of conformance for the lot of fasteners;

(2) the identification, characteristics, properties, mechanical or performance marks, chemistry, or strength of the lot of fasteners; or

(3) the manufacturers' insignia.

(c) *Manufacturers' insignia.* Unless the specifications provide otherwise, fasteners that are required by the applicable consensus standard or standards to bear an insignia identifying their manufacturer shall not be offered for sale or sold in commerce unless

(1) the fasteners bear such insignia; and

(2) the manufacturer has complied with the insignia recordation requirements established under 15 U.S.C. 5407(b).

Sec. 280.202 Penalties, remedies, and sanctions.

(a) Civil remedies. The Attorney General may bring an action in an appropriate United States district court for declaratory and injunctive relief against any person who violates the Act or any regulation issued thereunder. Such action may not be brought more than 10 years after the cause of action accrues.

(b) Civil penalties. Any person who is determined, after notice and opportunity for a hearing, to have violated the Act or any regulation issued thereunder shall be liable to the United States for a civil penalty of not more than \$25,000 for each violation.

(c) Criminal penalties. (1) Whoever knowingly certifies, marks, offers for sale, or sells a fastener in violation of the Act or a regulation issued thereunder shall be fined under title 18, United States Code, or imprisoned not more than 5 years, or both.

(2) Whoever intentionally fails to maintain records relating to a fastener in violation of the Act or a regulation issued thereunder shall be fined under title 18, United States Code, or imprisoned not more than five years or both.

(3) Whoever negligently fails to maintain records relating to a fastener in violation of the Act or a regulation issued thereunder shall be fined under title 18, United States Code, or imprisoned not more than two years or both.

Sec. 280.203 Administrative enforcement proceedings.

Sections 280.204 through 280.222 set forth the procedures for imposing administrative penalties for violations of the Act and this part.

Sec. 280.204 Institution of administrative enforcement proceedings.

(a) Charging letters. The Director of the Office of Export Enforcement (OEE) may begin administrative enforcement proceedings under this part by issuing a charging letter. The charging letter shall constitute the formal complaint and will state that there is reason to believe that a violation of this part has occurred. It will set forth the essential facts about each alleged violation, refer to the specific regulatory or other provisions involved, and give notice of the sanctions available under the Act and this part. The charging letter will inform the respondent that failure to answer the charges as provided in § 280.207 of this part will be treated as a default under § 280.208 of this part, that the respondent is entitled to a hearing if a written demand for one is

requested with the answer, and that the respondent may be represented by counsel, or by other authorized representative. A copy of the charging letter shall be filed with the administrative law judge, which filing shall toll the running of the applicable statute of limitations. Charging letters may be amended or supplemented at any time before an answer is filed, or, with permission of the administrative law judge, afterwards. The Department may unilaterally withdraw charging letters at any time, by notifying the respondent and the administrative law judge.

(b) Notice of issuance of charging letter instituting administrative enforcement proceeding. A respondent shall be notified of the issuance of a charging letter, or any amendment or supplement thereto:

(1) By mailing a copy by registered or certified mail addressed to the respondent at the respondent's last known address;

(2) By leaving a copy with the respondent or with an officer, a managing or general agent, or any other agent authorized by appointment or by law to receive service of process for the respondent; or

(3) By leaving a copy with a person of suitable age and discretion who resides at the respondent's last known dwelling.

(4) Delivery of a copy of the charging letter, if made in the manner described in paragraph (b)(2) or (3) of this section, shall be evidenced by a certificate of service signed by the person making such service, stating the method of service and the identity of the person with whom the charging letter was left. The certificate of service shall be filed with the administrative law judge.

(c) Date. The date of service of notice of the issuance of a charging letter instituting an administrative enforcement proceeding, or service of notice of the issuance of a supplement or amendment to a charging letter, is the date of its delivery, or of its attempted delivery if delivery is refused.

Sec. 280.205 Representation.

A respondent individual may appear and participate in person, a corporation by a duly authorized officer or employee, and a partnership by a partner. If a respondent is represented by counsel, counsel shall be a member in good standing of the bar of any State, Commonwealth or Territory of the United States, or of the District of Columbia, or be licensed to practice law in the country in which counsel resides if not the United States. A respondent personally, or through counsel or other representative who has the power of attorney to represent the respondent, shall file a notice of appearance with the administrative law judge. The Department will be represented by the Office of Chief Counsel for Export Administration, U.S. Department of Commerce.

Sec. 280.206 Filing and service of papers other than charging letter.

(a) Filing. All papers to be filed shall be addressed to "FQA Administrative Enforcement Proceedings," at the address set forth in the charging letter, or such other place as the administrative law judge may designate. Filing by United States mail, first class postage prepaid, by express or equivalent parcel delivery service, or by hand delivery, is acceptable. Filing by mail from a foreign country shall be by airmail. In addition, the administrative law judge may authorize filing of papers by facsimile or other electronic means, provided that a hard copy of any such paper is subsequently filed. A copy of each paper filed shall be

simultaneously served on each party.

(b) Service. Service shall be made by personal delivery or by mailing one copy of each paper to each party in the proceeding. Service by delivery service or facsimile, in the manner set forth in paragraph (a) of this section, is acceptable. Service on the Department shall be addressed to the Chief Counsel for Export Administration, Room H-3839, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC. 20230. Service on a respondent shall be to the address to which the charging letter was sent or to such other address as respondent may provide. When a party has appeared by counsel or other representative, service on counsel or other representative shall constitute service on that party.

(c) Date. The date of filing or service is the day when the papers are deposited in the mail or are delivered in person, by delivery service, or by facsimile.

(d) Certificate of service. A certificate of service signed by the party making service, stating the date and manner of service, shall accompany every paper, other than the charging letter, filed and served on parties.

(e) Computing period of time. In computing any period of time prescribed or allowed by this part or by order of the administrative law judge or the Under Secretary, the day of the act, event, or default from which the designated period of time begins to run is not to be included. The last day of the period so computed is to be included unless it is a Saturday, a Sunday, or a legal holiday (as defined in Rule 6(a) of the Federal Rules of Civil Procedure), in which case the period runs until the end of the next day which is neither a Saturday, a Sunday, nor a legal holiday. Intermediate Saturdays, Sundays, and legal holidays are excluded from the computation when the period of time prescribed or allowed is seven days or less.

Sec. 280.207 Answer and demand for hearing.

(a) When to answer. The respondent must answer the charging letter within 30 days after being served with notice of the issuance of a charging letter instituting an administrative enforcement proceeding, or within 30 days of notice of any supplement or amendment to a charging letter, unless time is extended under § 280.217 of this part.

(b) Contents of answer. The answer must be responsive to the charging letter and must fully set forth the nature of the respondent's defense or defenses. The answer must admit or deny specifically each separate allegation of the charging letter; if the respondent is without knowledge, the answer must so state and will operate as a denial. Failure to deny or controvert a particular allegation will be deemed an admission of that allegation. The answer must also set forth any additional or new matter the respondent believes supports a defense or claim of mitigation. Any defense or partial defense not specifically set forth in the answer shall be deemed waived, and evidence thereon may be refused, except for good cause shown.

(c) Demand for hearing. If the respondent desires a hearing, a written demand for one must be submitted with the answer. Any demand by the Department for a hearing must be filed with the administrative law judge within 30 days after service of the answer. Failure to make a timely written demand for a hearing shall be deemed a waiver of the party's right to a hearing, except for good cause shown. If no party demands a hearing, the matter will go forward in accordance with the procedures set forth in § 280.216 of this part.

(d) English language required. The answer, all other papers, and all documentary evidence must be submitted in English, or translations into English must be filed and served at the same

time.

Sec. 280.208 Default.

(a) General. Failure of the respondent to file an answer within the time provided constitutes a waiver of the respondent's right to appear and contest the allegations in the charging letter. In such event, the administrative law judge, on the Department's motion and without further notice to the respondent, shall find the facts to be as alleged in the charging letter and render an initial decision containing findings of fact and appropriate conclusions of law and issue an initial decision and order imposing appropriate sanctions. The decision and order may be appealed to the Under Secretary in accordance with the applicable procedures set forth in § 280.222 of this part.

(b) Petition to set aside default--(1) Procedure. Upon petition filed by a respondent against whom a default order has been issued, which petition is accompanied by an answer meeting the requirements of § 280.207(b) of this part, the Under Secretary may, after giving all parties an opportunity to comment, and for good cause shown, set aside the default and vacate the order entered thereon and remand the matter to the administrative law judge for further proceedings.

(2) Time limits. A petition under this section must be made within one year of the date of entry of the order which the petition seeks to have vacated.

Sec. 280.209 Summary decision.

At any time after a proceeding has been initiated, a party may move for a summary decision disposing of some or all of the issues. The administrative law judge may render an initial decision and issue an order if the entire record shows, as to the issue(s) under consideration:

- (a) That there is no genuine issue as to any material fact; and
- (b) That the moving party is entitled to a summary decision as a matter of law.

Sec. 280.210 Discovery.

(a) General. The parties are encouraged to engage in voluntary discovery regarding any matter, not privileged, which is relevant to the subject matter of the pending proceeding. The provisions of the Federal Rules of Civil Procedure relating to discovery apply to the extent consistent with this part and except as otherwise provided by the administrative law judge or by waiver or agreement of the parties. The administrative law judge may make any order which justice requires to protect a party or person from annoyance, embarrassment, oppression, or undue burden or expense. These orders may include limitations on the scope, method, time and place of discovery, and provisions for protecting the confidentiality of classified or otherwise sensitive information.

(b) Interrogatories and requests for admission or production of documents. A party may serve on any party interrogatories, requests for admission, or requests for production of documents for inspection and copying, and a party concerned may apply to the administrative law judge for such enforcement or protective order as that party deems warranted with respect to such discovery. The service of a discovery request shall be made at least 20 days before the scheduled date of the hearing unless the administrative law judge specifies a shorter time period. Copies of

interrogatories, requests for admission and requests for production of documents and responses thereto shall be served on all parties, and a copy of the certificate of service shall be filed with the administrative law judge. Matters of fact or law of which admission is requested shall be deemed admitted unless, within a period designated in the request (at least 10 days after service, or within such additional time as the administrative law judge may allow), the party to whom the request is directed serves upon the requesting party a sworn statement either denying specifically the matters of which admission is requested or setting forth in detail the reasons why the party to whom the request is directed cannot truthfully either admit or deny such matters.

(c) Depositions. Upon application of a party and for good cause shown, the administrative law judge may order the taking of the testimony of any person by deposition and the production of specified documents or materials by the person at the deposition. The application shall state the purpose of the deposition and set forth the facts sought to be established through the deposition.

(d) Enforcement. The administrative law judge may order a party to answer designated questions, to produce specified documents or things or to take any other action in response to a proper discovery request. If a party does not comply with such an order, the administrative law judge may make a determination or enter any order in the proceeding as the ALJ deems reasonable and appropriate. The ALJ may strike related charges or defenses in whole or in part or may take particular facts relating to the discovery request to which the party failed or refused to respond as being established for purposes of the proceeding in accordance with the contentions of the party seeking discovery. In addition, enforcement by a district court of the United States may be sought under section 15 U.S.C. 5408(b)(6).

Sec. 280.211 Subpoenas.

(a) Issuance. Upon the application of any party, supported by a satisfactory showing that there is substantial reason to believe that the evidence would not otherwise be available, the administrative law judge may issue subpoenas requiring the attendance and testimony of witnesses and the production of such books, records or other documentary or physical evidence for the purpose of the hearing, as the ALJ deems relevant and material to the proceedings, and reasonable in scope. Witnesses summoned shall be paid the same fees and mileage that are paid to witnesses in the courts of the United States. In case of contempt or refusal to obey a subpoena served upon any person pursuant to this paragraph, the district court of the United States for any district in which such person is found, resides, or transacts business, upon application by the United States and after notice to such person, shall have jurisdiction to issue an order requiring such person to appear and give testimony before the administrative law judge or to appear and produce documents before the administrative law judge, or both, and any failure to obey such order of the court may be punished by such court as contempt thereof.

(b) Service. Subpoenas issued by the administrative law judge may be served in any of the methods set forth in § 280.206(b) of this part.

(c) Timing. Applications for subpoenas must be submitted at least 10 days before the scheduled hearing or deposition, unless the administrative law judge determines, for good cause shown, that extraordinary circumstances warrant a shorter time.

Sec. 280.212 Matter protected against disclosure.

(a) Protective measures. The administrative law judge may limit discovery or introduction of evidence or issue such protective or other orders as in the ALJ's judgment may be needed to prevent undue disclosure of classified or sensitive documents or information. Where the administrative law judge determines that documents containing the classified or sensitive matter need to be made available to a party to avoid prejudice, the ALJ may direct that an unclassified and/or nonsensitive summary or extract of the documents be prepared. The administrative law judge may compare the extract or summary with the original to ensure that it is supported by the source document and that it omits only so much as must remain undisclosed. The summary or extract may be admitted as evidence in the record.

(b) Arrangements for access. If the administrative law judge determines that this procedure is unsatisfactory and that classified or otherwise sensitive matter must form part of the record in order to avoid prejudice to a party, the administrative law judge may provide the parties an opportunity to make arrangements that permit a party or a representative to have access to such matter without compromising sensitive information. Such arrangements may include obtaining security clearances or giving counsel for a party access to sensitive information and documents subject to assurances against further disclosure, including a protective order, if necessary.

Sec. 280.213 Prehearing conference.

(a) The administrative law judge, on his or her own motion or on request of a party, may direct the parties to participate in a prehearing conference, either in person or by telephone, to consider:

- (1) Simplification of issues;
- (2) The necessity or desirability of amendments to pleadings;
- (3) Obtaining stipulations of fact and of documents to avoid unnecessary proof; or
- (4) Such other matters as may expedite the disposition of the proceedings.

(b) The administrative law judge may order the conference proceedings to be recorded electronically or taken by a reporter, transcribed and filed with the ALJ.

(c) If a prehearing conference is impracticable, the administrative law judge may direct the parties to correspond with the ALJ to achieve the purposes of such a conference.

(d) The administrative law judge will prepare a summary of any actions agreed on or taken pursuant to this section. The summary will include any written stipulations or agreements made by the parties.

Sec. 280.214 Hearings.

(a) Scheduling. The administrative law judge, by agreement with the parties or upon notice to all parties of not less than 30 days, will schedule a hearing. All hearings will be held in Washington, DC., unless the administrative law judge determines, for good cause shown, that another location would better serve the interests of justice.

(b) Hearing procedure. Hearings will be conducted in a fair and impartial manner by the administrative law judge, who may limit attendance at any hearing or portion thereof to the parties, their representatives and witnesses if the administrative law judge deems this necessary or advisable in order to protect sensitive matter (see § 280.212 of this part) from improper disclosure. The rules of evidence prevailing in courts of law do not apply, and all evidentiary material deemed by the administrative law judge to be relevant and material to the

proceeding and not unduly repetitious will be received and given appropriate weight.

(c) Testimony and record. Witnesses will testify under oath or affirmation. A verbatim record of the hearing and of any other oral proceedings will be taken by reporter or by electronic recording, transcribed and filed with the administrative law judge. A respondent may examine the transcript and may obtain a copy by paying any applicable costs. Upon such terms as the administrative law judge deems just, the ALJ may direct that the testimony of any person be taken by deposition and may admit an affidavit or declaration as evidence, provided that any affidavits or declarations have been filed and served on the parties sufficiently in advance of the hearing to permit a party to file and serve an objection thereto on the grounds that it is necessary that the affiant or declarant testify at the hearing and be subject to cross-examination.

(d) Failure to appear. If a party fails to appear in person or by counsel at a scheduled hearing, the hearing may nevertheless proceed, and that party's failure to appear will not affect the validity of the hearing or any proceedings or action taken thereafter.

Sec. 280.215 Interlocutory review of rulings.

(a) At the request of a party, or on the administrative law judge's own initiative, the administrative law judge may certify to the Under Secretary for review a ruling that does not finally dispose of a proceeding, if the administrative law judge determines that immediate review may hasten or facilitate the final disposition of the matter.

(b) Upon certification to the Under Secretary of the interlocutory ruling for review, the parties will have 10 days to file and serve briefs stating their positions, and five days to file and serve replies, following which the Under Secretary will decide the matter promptly.

Sec. 280.216 Proceeding without a hearing.

If the parties have waived a hearing, the case will be decided on the record by the administrative law judge. Proceeding without a hearing does not relieve the parties from the necessity of proving the facts supporting their charges or defenses. Affidavits or declarations, depositions, admissions, answers to interrogatories and stipulations may supplement other documentary evidence in the record. The administrative law judge will give each party reasonable opportunity to file rebuttal evidence.

Sec. 280.217 Procedural stipulations; extension of time.

(a) Procedural stipulations. Unless otherwise ordered, a written stipulation agreed to by all parties and filed with the administrative law judge will modify any procedures established by this part.

(b) Extension of time. (1) The parties may extend any applicable time limitation, by stipulation filed with the administrative law judge before the time limitation expires.

(2) The administrative law judge may, on the judge's own initiative or upon application by any party, either before or after the expiration of any applicable time limitation, extend the time within which to file and serve an answer to a charging letter or do any other act required by this part.

Sec. 280.218 Decision of the administrative law judge.

(a) Predecisional matters. Except for default proceedings under § 280.208 of this part, the administrative law judge will give the parties reasonable opportunity to submit the following, which will be made a part of the record:

- (1) Exceptions to any ruling by the judge or to the admissibility of evidence proffered at the hearing;
- (2) Proposed findings of fact and conclusions of law;
- (3) Supporting legal arguments for the exceptions and proposed findings and conclusions submitted; and
- (4) A proposed order.

(b) Decision and order. After considering the entire record in the proceeding, the administrative law judge will issue a written initial decision. The decision will include findings of fact, conclusions of law, and findings as to whether there has been a violation of the Act, this part, or any order issued thereunder. If the administrative law judge finds that the evidence of record is insufficient to sustain a finding that a violation has occurred with respect to one or more charges, the ALJ shall order dismissal of the charges in whole or in part, as appropriate. If the administrative law judge finds that one or more violations have been committed, the ALJ may issue an order imposing administrative sanctions, as provided in this part. The decision and order shall be served on each party, and shall become effective as the final decision of the Department 30 days after service, unless an appeal is filed in accordance with § 280.222 of this part. In determining the amount of any civil penalty the ALJ shall consider the nature, circumstances and gravity of the violation and, with respect to the person found to have committed the violation, the degree of culpability, any history of prior violations, the effect on ability to continue to do business, any good faith attempt to achieve compliance, ability to pay the penalty, and such other matters as justice may require.

(c) Suspension of sanctions. Any order imposing administrative sanctions may provide for the suspension of the sanction imposed, in whole or in part and on such terms of probation or other conditions as the administrative law judge or the Under Secretary may specify. Any suspension order may be modified or revoked by the signing official upon application by the Department showing a violation of the probationary terms or other conditions, after service on the respondent of notice of the application in accordance with the service provisions of § 280.206 of this part, and with such opportunity for response as the responsible signing official in his/her discretion may allow. A copy of any order modifying or revoking the suspension shall also be served on the respondent in accordance with the provisions of § 280.206 of this part.

Sec. 280.219 Settlement.

(a) Cases may be settled before service of a charging letter. In cases in which settlement is reached before service of a charging letter, a proposed charging letter will be prepared, and a settlement proposal consisting of a settlement agreement and order will be submitted to the Assistant Secretary for approval and signature. If the Assistant Secretary does not approve the proposal, he/she will notify the parties and the case will proceed as though no settlement proposal had been made. If the Assistant Secretary approves the proposal, he/she will issue an appropriate order, and no action will be required by the administrative law judge.

(b) Cases may also be settled after service of a charging letter.

(1) If the case is pending before the administrative law judge, the ALJ shall stay the proceedings for a reasonable period of time, usually not to exceed 30 days, upon notification by the parties that they have entered into good faith settlement negotiations. The administrative law judge may, in his/her discretion, grant additional stays. If settlement is reached, a proposal will be submitted to the Assistant Secretary for approval and signature. If the Assistant Secretary approves the proposal, he/she will issue an appropriate order, and notify the administrative law judge that the case is withdrawn from adjudication. If the Assistant Secretary does not approve the proposal, he/she will notify the parties and the case will proceed to adjudication by the administrative law judge as though no settlement proposal had been made.

(2) If the case is pending before the Under Secretary under § 280.222 of this part, the parties may submit a settlement proposal to the Under Secretary for approval and signature. If the Under Secretary approves the proposal, he/she will issue an appropriate order. If the Under Secretary does not approve the proposal, the case will proceed to final decision in accordance with § 280.222 of this part, as appropriate.

(c) Any order disposing of a case by settlement may suspend the administrative sanction imposed, in whole or in part, on such terms of probation or other conditions as the signing official may specify. Any such suspension may be modified or revoked by the signing official, in accordance with the procedures set forth in § 280.218(c) of this part.

(d) Any respondent who agrees to an order imposing any administrative sanction does so solely for the purpose of resolving the claims in the administrative enforcement proceeding brought under this part. This reflects the fact that the Department has neither the authority nor the responsibility for instituting, conducting, settling, or otherwise disposing of criminal proceedings. That authority and responsibility is vested in the Attorney General and the Department of Justice.

(e) Cases that are settled may not be reopened or appealed.

Sec. 280.220 Reopening.

The respondent may petition the administrative law judge within one year of the date of the final decision, except where the decision arises from a default judgment or from a settlement, to reopen an administrative enforcement proceeding to receive any relevant and material evidence which was unknown or unobtainable at the time the proceeding was held. The petition must include a summary of such evidence, the reasons why it is deemed relevant and material, and the reasons why it could not have been presented at the time the proceedings were held. The administrative law judge will grant or deny the petition after providing other parties reasonable opportunity to comment. If the proceeding is reopened, the administrative law judge may make such arrangements as the ALJ deems appropriate for receiving the new evidence and completing the record. The administrative law judge will then issue a new initial decision and order, and the case will proceed to final decision and order in accordance with § 280.222 of this part.

Sec. 280.221 Record for decision and availability of documents.

(a) General. The transcript of hearings, exhibits, rulings, orders, all papers and requests filed in the proceedings and, for purposes of any appeal under § 280.222 of this part, the decision of the

administrative law judge and such submissions as are provided for by § 280.222 of this part, will constitute the record and the exclusive basis for decision. When a case is settled after the service of a charging letter, the record will consist of any and all of the foregoing, as well as the settlement agreement and the order. When a case is settled before service of a charging letter, the record will consist of the proposed charging letter, the settlement agreement and the order.

(b) Restricted access. On the administrative law judge's own motion, or on the motion of any party, the administrative law judge may direct that there be a restricted access portion of the record for any material in the record to which public access is restricted by law or by the terms of a protective order entered in the proceedings. A party seeking to restrict access to any portion of the record is responsible for submitting, at the time specified in paragraph (c)(2) of this section, a version of the document proposed for public availability that reflects the requested deletion. The restricted access portion of the record will be placed in a separate file and the file will be clearly marked to avoid improper disclosure and to identify it as a portion of the official record in the proceedings. The administrative law judge may act at any time to permit material that becomes declassified or unrestricted through passage of time to be transferred to the unrestricted access portion of the record.

(c) Availability of documents--(1) Scope. All charging letters, answers, initial decisions, and orders disposing of a case will be made available for public inspection in the BXA Freedom of Information Records Inspection Facility, U.S. Department of Commerce, Room H-6624, 14th Street and Pennsylvania Avenue, NW, Washington, DC 20230. The complete record for decision, as defined in paragraphs (a) and (b) of this section will be made available on request.

(2) Timing. Documents are available immediately upon filing, except for any portion of the record for which a request for segregation is made. Parties that seek to restrict access to any portion of the record under paragraph (b) of this section must make such a request, together with the reasons supporting the claim of confidentiality, simultaneously with the submission of material for the record.

Sec. 280.222 Appeals.

(a) Grounds. A party may appeal to the Under Secretary from an order disposing of a proceeding or an order denying a petition to set aside a default or a petition for reopening, on the grounds:

- (1) That a necessary finding of fact is omitted, erroneous or unsupported by substantial evidence of record;
- (2) That a necessary legal conclusion or finding is contrary to law;
- (3) That prejudicial procedural error occurred; or
- (4) That the decision or the extent of sanctions is arbitrary, capricious or an abuse of discretion. The appeal must specify the grounds on which the appeal is based and the provisions of the order from which the appeal is taken.

(b) Filing of appeal. An appeal from an order must be filed with the Office of the Under Secretary for Export Administration, Bureau of Export Administration, U.S. Department of Commerce, Room H-3898, 14th Street and Constitution Avenue, NW., Washington, DC 20230, within 30 days after service of the order appealed from. If the Under Secretary cannot act on an appeal for any reason, the Under Secretary will designate another Department of Commerce official to receive and act on the appeal.

(c) Effect of appeal. The filing of an appeal shall not stay the operation of any order, unless the order by its express terms so provides or unless the Under Secretary, upon application by a party and with opportunity for response, grants a stay.

(d) Appeal procedure. The Under Secretary normally will not hold hearings or entertain oral argument on appeals. A full written statement in support of the appeal must be filed with the appeal and be simultaneously served on all parties, who shall have 30 days from service to file a reply. At his/her discretion, the Under Secretary may accept new submissions, but will not ordinarily accept those submissions filed more than 30 days after the filing of the reply to the appellant's first submission.

(e) Decisions. The decision will be in writing and will be accompanied by an order signed by the Under Secretary giving effect to the decision. The order may either dispose of the case by affirming, modifying or reversing the order of the administrative law judge or may refer the case back to the administrative law judge for further proceedings.

(f) Delivery. The final decision and implementing order shall be served on the parties and will be publicly available in accordance with § 280.221 of this part.

(g) Judicial review. The charged party may appeal the Under Secretary's written order within 30 days to the appropriate United States District Court pursuant to section 9(b)(3) of the Act (15 U.S.C. 5408(b)(3)) by filing a notice of appeal in such court within 30 days from the date of such order and by simultaneously sending a copy of such notice by certified mail to the Chief Counsel for Export Administration, Room H-3839, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230. The findings and order of the Under Secretary shall be set aside by such court if they are found to be unsupported by substantial evidence, as provided in section 706(2) of title 5 United States Code.

Subpart D--Recordal of Insignia

Sec. 280.300 Recorded insignia required prior to offer for sale.

Unless the specifications provide otherwise, if a fastener is required by the applicable consensus standard(s) to bear an insignia identifying its manufacturer, the manufacturer must:

(a) Record the insignia with the U.S. Patent and Trademark Office prior to any sale or offer for sale of the fastener; and

(b) Apply the insignia to any fastener that is sold or offered for sale. The insignia must be readable, and must be applied using the method for applying a permanent insignia that is provided for in the applicable consensus standard(s), or, if the applicable consensus standard(s) do(es) not specify a method for applying a permanent insignia, through any means of imprinting a permanent impression.

The Written Application

Sec. 280.310 Application for insignia.

(a) Each manufacturer must submit a written application for recordal of an insignia on the

Fastener Insignia Register along with the prescribed fee. The application must be in a form prescribed by the Director, USPTO.

(b) The written application must be in the English language and must include the following:

- (1) the name of the manufacturer;
- (2) the address of the manufacturer;
- (3) the entity, domicile, and state of incorporation, if applicable, of the manufacturer;
- (4) either:

(i) a request for recordal and issuance of a unique alphanumeric designation by the Director, USPTO, or

(ii) a request for recordal of a trademark, which is the subject of either a duly filed application or a registration for fasteners in the name of the manufacturer in the U.S. Patent and Trademark Office on the Principal Register, indicating the application serial number or registration number and accompanied by a copy of the drawing that was included with the application for trademark registration, or a copy of the registration;

(5) a statement that the manufacturer will comply with the applicable provisions of the Fastener Quality Act;

(6) a statement that the applicant for recordal is a “manufacturer” as that term is defined in 15 U.S.C. 5402;

(7) a statement that the person signing the application on behalf of the manufacturer has personal knowledge of the facts relevant to the application and that the person possesses the authority to act on behalf of the manufacturer;

(8) a verification stating that the person signing declares under penalty of perjury under the laws of the United States of America that the information and statements included in the application are true and correct; and

(9) the application fee.

(c) A manufacturer may designate only one trademark for recordal on the Fastener Insignia Register in a single application. The trademark application or registration that forms the basis for the fastener recordal must be in active status, that is, a pending application or a registration which is not expired, or canceled, at the time of the application for recordal.

(d) Applications and other documents should be addressed to: Box Fastener, Director, United States Patent and Trademark Office, Washington DC 20231.

Sec. 280.311 Review of the application.

The Director, USPTO will review the application for compliance with § 280.310. If the application does not contain one or more of the elements required by § 280.310, the Director, USPTO will not issue a certificate of recordal, and will return the papers and fees. The Director, USPTO, will notify the applicant for recordal of any defect in the application. Applications for recordal of an insignia may be re-submitted to the Director, USPTO, at any time.

Sec. 280.312 Certificate of recordal.

(a) If the application complies with the requirements of § 280.310, the Director, USPTO, shall

accept the application and issue a certificate of recordal. Such certificate shall be issued in the name of the United States of America, under the seal of the United States Patent and Trademark Office, and a record shall be kept in the United States Patent and Trademark Office. The certificate of recordal shall display the recorded insignia of the manufacturer, and state the name, address, legal entity and domicile of the manufacturer, as well as the date of issuance of such certificate.

(b) Certificates that were issued prior to June 8, 1999 shall remain in active status and may be maintained in accordance with the provisions of § 280.320 of this subpart, but only if:

- (1) The certificate is held by a manufacturer, and
- (2) The fasteners associated with the certificate are fasteners that must bear an insignia pursuant to 15 U.S.C. 5407.

Sec. 280.313 Recordal of additional insignia.

(a) A manufacturer to whom the Director, USPTO, has issued an alphanumeric designation may apply for recordal of its trademark for fasteners if the trademark is the subject of a duly filed application or is registered in the United States Patent and Trademark Office on the Principal Register. Upon recordal, either the alphanumeric designation or the trademark, or both, may be used as recorded insignias.

(b) A manufacturer for whom the Director, USPTO, has recorded a trademark as its fastener insignia, may apply for issuance and recordal of an alphanumeric designation as a fastener insignia. Upon recordal, either the alphanumeric designation or the trademark, or both, may be used as recorded insignias.

Post-Recordal Maintenance

Sec. 280.320 Maintenance of the certificate of recordal.

(a) Certificates of recordal remain in an active status for five years and may be maintained in an active status for subsequent five-year periods running consecutively from the date of issuance of the certificate of recordal upon compliance with the requirements of paragraph (c) of this section.

(b) Maintenance applications shall be required only if the holder of the certificate of recordal is a manufacturer at the time the maintenance application is required.

(c) Certificates of recordal will be designated as inactive unless, within six months prior to the expiration of each five-year period running consecutively from the date of issuance, the certificate holder files the prescribed maintenance fee and the maintenance application. The maintenance application must be in the English language and must include the following:

- (1) the name of the manufacturer;
- (2) the address of the manufacturer;
- (3) the entity, domicile, and state of incorporation, if applicable, of the manufacturer;
- (4) a copy of manufacturer's certificate of recordal;
- (5) a statement that the manufacturer will comply with the applicable provisions of the Fastener Quality Act;
- (6) a statement that the applicant for recordal is a "manufacturer" as that term is defined

in 15 U.S.C. 5402;

(7) a statement that the person signing the application on behalf of the manufacturer has knowledge of the facts relevant to the application and that the person possesses the authority to act on behalf of the manufacturer;

(8) a verification stating that the person signing declares under penalty of perjury under the laws of the United States of America that the information and statements included in the application are true and correct; and

(9) the maintenance application fee.

(d) Where no maintenance application is timely filed, a certificate of recordal will be designated inactive. However, such certificate may be designated active if the certificate holder files the prescribed maintenance fee and application and the additional surcharge within six months following the expiration of the certificate of recordal.

(e) After the six-month period following the expiration of the certificate of recordal, the certificate of recordal shall be deemed active only if the certificate holder files a new application for recordal with the prescribed fee for obtaining a fastener insignia and attaches a copy of the expired certificate of recordal.

(f) A separate maintenance application and fee must be filed and paid for each recorded insignia.

Sec. 280.321 Notification of changes of address.

The applicant for recordal or the holder of a certificate of recordal shall notify the Director, USPTO, of any change of address or change of name no later than six months after the change. The holder must do so whether the certificate of recordal is in an active or inactive status.

Sec. 280.322 Transfer or amendment of the certificate of recordal.

(a) The certificate of recordal cannot be transferred or assigned.

(b) The certificate of recordal may be amended only to show a change of name or change of address.

Sec. 280.323 Transfer or assignment of the trademark registration or recorded insignia.

(a) A trademark application or registration which forms the basis of a fastener recordal may be transferred or assigned. Any transfer or assignment of such an application or registration must be recorded in the United States Patent and Trademark Office within three months of the transfer or assignment. A copy of such transfer or assignment must also be sent to: Box Fastener, Director, United States Patent and Trademark Office, Washington, DC 20231.

(b) Upon transfer or assignment of a trademark application or registration which forms the basis of a certificate of recordal, the Director, USPTO, shall designate the certificate of recordal as inactive. The certificate of recordal shall be deemed inactive as of the effective date of the transfer or assignment. Certificates of recordal designated inactive due to transfer or assignment of a trademark application or registration cannot be reactivated.

(c) An assigned trademark application or registration may form the basis for a new application for recordal of a fastener insignia.

(d) A fastener insignia consisting of an alphanumeric designation issued by the Director, USPTO, can be transferred or assigned.

(e) Upon transfer or assignment of an alphanumeric designation, the Director, USPTO, shall designate such alphanumeric designation as inactive. The alphanumeric designation shall be deemed inactive as of the effective date of the transfer or assignment. Alphanumeric designations which are designated inactive due to transfer or assignment may be reactivated upon application by the assignee of such alphanumeric designation. Such application must meet all the requirements of § 280.310 and must include a copy of the pertinent portions of the document assigning rights in the alphanumeric designation. Such application must be filed within six months of the date of assignment.

(f) An alphanumeric designation that is reactivated after it has been transferred or assigned shall remain in active status until the expiration of the five year period that began upon the issuance of the alphanumeric designation to its original owner.

Sec. 280.324 Change in status of trademark registration or amendment of the trademark.

(a) The Director, USPTO, shall designate the certificate of recordal as inactive, upon:

- (1) issuance of a final decision on appeal which refuses registration of the application which formed the basis for the certificate of recordal;
- (2) abandonment of the application which formed the basis for the certificate of recordal;
- (3) cancellation or expiration of the trademark registration which formed the basis of the certificate of recordal; or
- (4) an amendment of the mark in a trademark application or registration that forms the basis for a certificate of recordal. The certificate of recordal shall become inactive as of the date the amendment is filed.

(b) Certificates of recordal designated inactive due to cancellation, expiration, or amendment of the trademark registration, or abandonment or amendment of the trademark application, cannot be reactivated.

Sec. 280.325 Cumulative listing of recordal information.

The Director, USPTO, shall maintain a record of the names, current addresses, and legal entities of all recorded manufacturers and their recorded insignia.

Sec. 280.326 Records and files of the U. S. Patent and Trademark Office.

The records relating to fastener insignia shall be open to public inspection. Copies of any such records may be obtained upon request and payment of the fee set by the Director, USPTO.