

Trademark Representation Risks: Best Practices for Reducing Malpractice and Ethics Complaints

Recognizing and Eliminating Problem Behavior, Identifying and Preventing Client Conflicts,
and More

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Today's faculty features:

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Trademark Representation Risks: Best Practices For Reducing Malpractice And Ethics Complaints

**Recognizing and Eliminating Problem Behavior, Identifying and Preventing Client
Conflicts, and More**

A Live Interactive 90-Minute Webinar

May 6, 2021

**1:00 p.m. Eastern Time / 12:00 p.m. Central Time /
11:00 a.m. Mountain Time/ 10:00 a.m. Pacific Time**

**Michael E. McCabe, Jr.
Emil J. Ali**

PROBLEM BEHAVIOR AND COMMON PITFALLS

- Fraudulent Specimens or False Statements of Use
- Signature Discrepancies
- Amazon Brand Registry and bona fide usage
- Unauthorized Practice of Law



Regulatory Structure

- Trademark attorneys are barred in at least one state/territory. See 37 CFR 11.14.
- Subject to USPTO Rules of Professional Conduct for practice before the USPTO (as well as other issues that may arise).
- Practice before the USPTO in trademark matters is broad. See 37 CFR 11.5

FRAUDULENT SPECIMENS OR FALSE STATEMENTS OF USE

- TM applicants must submit sworn statements that their mark is in use on all goods/services in application and file a “specimen showing how the applicant uses the mark in commerce.”
- Mock-up of product or packaging that has been digitally created or altered to include mark does not show actual use in commerce.
 - 15 USC § 1127; TMEP §§ 904.04(a), 904.07(a)

“STEALTH” TM EXAMPLE

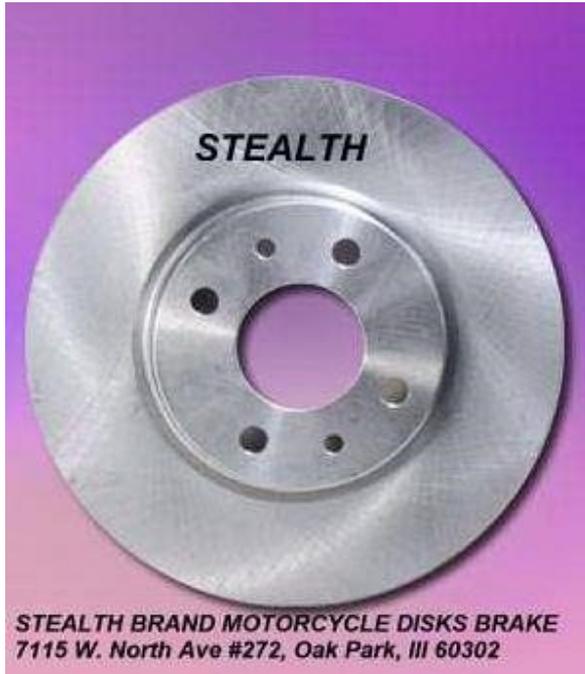
- SN 77424372 for numerous goods, including
 - Golf shoes
 - Brake discs
 - Tennis balls
- Applicant, Leo Stoller Pension Plan LLC, files under 1(a)



“STEALTH” TM EXAMPLE (cont’d)

- PTO issues specimen refusal
- Requires affidavit that “[t]he specimen was in use in commerce at least as early as the filing date of the application”
- Response: “The attached specimen of use is NOT Printer’s Proof, but [is] an actual specimen showing the applied-for mark in use in commerce”

“STEALTH” TM EXAMPLE (cont’d)



STEALTH BRAND GOLF SHOES
7115 W. North Ave #272,
Oak Park, Ill 60302



STEALTH BRAND SPORTING GOODS PRODUCTS
7115 W. North Ave #272 \$8.00 per Doz
Oak Park, Illinois 60302

“STEALTH” TM EXAMPLE (cont’d)

- PTO issues another specimen refusal
- Requires an even stronger worded affidavit, including specific reference to warning that “willful false statements . . . punishable by fine or imprisonment, or both, under 18 USC § 1001 . . .”
- Applicant subsequently goes abandoned

FRAUDULENT SPECIMENS OR FALSE STATEMENTS OF USE (cont'd)

- Practitioners certify “To the best of [their] knowledge, information and belief, formed after an inquiry reasonable under the circumstances . . . allegations and other factual contentions have evidentiary support . . .”
 - 37 CFR §11.18
- OED proactive in investigating practitioners who receive multiple specimen rejections

FRAUDULENT SPECIMENS OR FALSE STATEMENTS OF USE (cont'd)

Request No. 51

A representative of The Trademark Company has informed the Office of Enrollment and Discipline that the specimen of use filed by The Trademark Company on behalf of Jason Price in U.S. Trademark Application No. 86287285 for the mark “SOUL INSIDE” was not an accurate depiction of the mark as it was used in commerce by the client. According to The Trademark Company representative, the mark was allegedly created as an example for The Trademark Company client but then the false specimen was allegedly inadvertently filed with the United States Patent and Trademark Office. The trademark application and the referenced specimen of use are accessible at <http://tsdr.uspto.gov>.

Are you The Trademark Company employee who created the false specimen of use filed by The Trademark Company in U.S. Trademark Application No. 86287285 for the mark “SOUL INSIDE”?

Matthew H. Swyers v. United States Patent and Trademark Office, et al., No. 16-cv-00015-LO-IDD (E.D. Va. Jan. 6, 2016).

FRAUDULENT SPECIMENS OR FALSE STATEMENTS OF USE (cont'd)

- Excluded on consent on January 26, 2017.
- Final Order alleged Mr. Swyers:
 - “... an experienced trademark lawyer and former USPTO Trademark Examining Attorney, established The Trademark Company, PLLC, and through that business systematically permitted non-attorneys to practice trademark law for him with little or no supervision”
 - “ did not personally review or sign thousands of trademark applications and related documents (including statements of use, § 2(f) declarations, and responses to Office actions) prepared by his non-lawyer employees ...”
 - “...multiple fraudulent or digitally manipulated specimens of use were filed with the Office, which potentially jeopardized the trademark applications of his clients.”

FRAUDULENT SPECIMENS OR FALSE STATEMENTS OF USE (cont'd)

- Excluded on consent AGAIN on January 22, 2021.
- Final Order alleged Mr. Swyers:
 - “...created a new company called TTC Business Solutions.” and filed “over a thousand trademark applications with the USPTO.”
 - Failed to respond to multiple requests.

FRAUDULENT SPECIMENS OR FALSE STATEMENTS OF USE (cont'd)

- OED expects practitioners to:
 - Consult with their clients about the requirements for a valid specimen and use in commerce
 - Vet specimens prior to submission
 - Ask questions
 - If unsure, ask for better proof of use
- Submitting doctored specimens may raise issues of (in)competence and (dis)honesty.
 - 37 C.F.R. §§ 11.101, 11.804(c)

FRAUDULENT SPECIMENS OR FALSE STATEMENTS OF USE (cont'd)

- 37 CFR 11.18 requires a review similar to Rule 11, during prosecution.
- Reasonable inquiry includes information known or that can be reasonably and readily obtained. *See Jeffrey Kaplan v. John Brady, Jr.*, 98 USPQ2d 1830 (TTAB 2011).
- An attorney may rely on information provided by a client, unless the attorney has reason to believe that such information is inaccurate or incomplete. This is fact intensive, including based upon the sophistication of the client.

SIGNATURE DISCREPANCIES

37 CFR § 2.193 Trademark correspondence and signature requirements.

(a) Signature required. Each piece of correspondence that requires a signature must bear:

(1) A handwritten signature personally signed in permanent ink by the person named as the signatory, or a true copy thereof; or

(2) An electronic signature that meets the requirements of paragraph (c) of this section, personally entered by the person named as the signatory. The Office will accept an electronic signature that meets the requirements of paragraph (c) of this section on correspondence filed on paper, by facsimile transmission (§ 2.195(c)), or through TEAS or ESTTA.

SIGNATURE DISCREPANCIES (cont'd)

37 CFR § 2.193 Trademark correspondence and signature requirements.

(c) Requirements for electronic signature. A person signing a document electronically must:

(1) Personally enter any combination of letters, numbers, spaces and/or punctuation marks that he or she has adopted as a signature, placed between two forward slash (“/”) symbols in the signature block on the electronic submission; or

(2) Sign the document using some other form of electronic signature specified by the Director.

SIGNATURE DISCREPANCIES (cont'd)

So what are the signature types?

- DIRECT
 - Attorney signs filing
- ESIGN-ON
 - Attorney sends signature link via e-mail to client (or receives from support staff)
- HSIGN-ON
 - Attorney uploads hand signed document to TEAS

SIGNATURE DISCREPANCIES (cont'd)

- Signature duty not delegable
- Whomever is signing—whether it is the attorney or the applicant—the paper must include that person's signature
- Some practitioners have been disciplined for conduct that includes allowing someone else to sign the TM submission

SIGNATURE DISCREPANCIES (cont'd)

“When [the company] began operations all trademark applications were signed by customers using the E-SIGN ON procedure. However, from a period starting in 2017 until early in 2018, non-practitioner [the company] employees used a procedure that cut and pasted customers' signatures onto trademark applications, usually after [the company] customers reviewed the application summaries and agreed to the same verifications required on the USPTO application.”

SIGNATURE DISCREPANCIES (cont'd)

“Mr. Meikle's company provided paralegal services to trademark clients. He had ultimate managerial authority over his nonpractitioner assistants even though the non-practitioner assistants took directions from, and were generally supervised by, others (i.e., client trademark practitioners). Contrary to the above regulations and TMEP guidance, Mr. Meikle mistakenly relied on consent from each named signatory and permitted his non-practitioner assistants to improperly sign trademark filings on behalf of the named signatory in up to thirty-five (35) trademark filings.”

In re Meikle, Proceeding No. D2019-17 (USPTO, March 21, 2019)

AMAZON BRAND REGISTRY AND BONA FIDE USAGE

- Amazon.com “brand registry” program
- Participants must have registered mark
- Amazon proactively identifies and removes suspected infringing content:
 - Products incorrectly using participants TMs
 - Images containing participant’s logo for products that don’t carry participant’s brand name
 - Sellers shipping from countries in which participant does not make or distribute their brand

AMAZON BRAND REGISTRY AND BONA FIDE USAGE (cont'd)

- Amazon sellers worldwide race to register marks sold via Amazon
- Fastest way to register is 1(a) use in commerce, filed with specimen
- May be contributing to increase in fraudulent or doctored specimens, particularly from foreign sources trying to get on Amazon registry

The logo for Amazon Brand Registry, featuring the word "amazon" in a bold, lowercase sans-serif font with a yellow curved arrow underneath it, followed by the words "brand registry" in a smaller, lowercase sans-serif font.

UNAUTHORIZED PRACTICE OF LAW

- Administrative Procedure Act – basis for practice before the USPTO in non-patent matters
- Any licensed attorney in good standing with the highest court of any state/territory (and not suspended or excluded by the USPTO) may file trademarks or otherwise appear



UNAUTHORIZED PRACTICE OF LAW (cont'd)

§ 11.505 Unauthorized practice of law.

A practitioner shall not practice law in a jurisdiction in violation of the regulation of the legal profession in that jurisdiction, or assist another in doing so.

UNAUTHORIZED PRACTICE OF LAW (cont'd)

§ 11.503 Responsibilities regarding non-practitioner assistance.

With respect to a non-practitioner assistant employed or retained by or associated with a practitioner:

(a) A practitioner who is a partner, and a practitioner who individually or together with other practitioners possesses comparable managerial authority in a law firm shall make **reasonable efforts** to ensure that the **firm has in effect measures giving reasonable assurance** that the person's conduct is compatible with the professional obligations of the practitioner;

(b) A practitioner having direct supervisory authority over the non-practitioner assistant shall make **reasonable efforts** to ensure that the person's conduct is compatible with the professional obligations of the practitioner; and

HYPOTHETICAL (AND NOT SO HYPOTHETICAL) CASE STUDIES

- Patent agent “representing” applicants in TM matters before the USPTO
 - *In re Shia*, Proc. No. D2014-31 (Aug. 1, 2016)
- Administratively suspended attorneys not in “good standing” with their state bar
 - E.g. failure to timely pay state bar dues or meet CLE requirements
- Paralegals, other non-practitioners, providing advice to clients without adequate supervision

HYPOTHETICAL (AND NOT SO HYPOTHETICAL) CASE STUDIES

- Lawyer agrees to provide \$25 per class TM applications when client engages her through a non-law firm that helps prepare applications.
 - Completing a TM application constitutes “practice before the Office.” 37 C.F.R. § 11.5
- May raise issues of:
 - Independent professional judgment
 - Fee-sharing with non-practitioner
 - Duty to communicate with client
 - Aiding UPL

BEST PRACTICES TO MINIMIZE RISK OF CLAIMS IN TRADEMARK REPRESENTATIONS

- It starts at intake
- Attorney should counsel prospective TM clients, and then confirm for selves:
 - Filing basis
 - Specimens
 - Statement of use
 - Properly tailored identification of goods/services
 - Verifiable date of use
 - Bona fides of ITU
 - Proper signatory

BEST PRACTICES TO MINIMIZE RISK OF CLAIMS IN TRADEMARK REPRESENTATIONS (cont'd)

- Trust but verify
- Scrutinize specimens, particularly for whether it meets particular requirements of U.S. law
- If in doubt, ask questions
- Use common sense
 - Is a pension fund *really* selling tennis balls and motorcycle brakes?

BEST PRACTICES TO MINIMIZE RISK OF CLAIMS IN TRADEMARK REPRESENTATIONS (cont'd)

- USPTO using OED to help stem tide of false/fraudulent TM activity
- Rule now requires foreign applicants to be represented by “practitioner”
 - Hope is that U.S. counsel involvement will deter false or incorrect filings
 - Practitioners have more to lose than *pro se* foreign applicants.

BEST PRACTICES TO MINIMIZE RISK OF CLAIMS IN TRADEMARK REPRESENTATIONS (cont'd)

- Conflict checks prior to accepting representation
- Check process should include similar marks for similar goods/services
- Renewed during prosecution.
 - E.g. Client application rejected for likelihood of confusion with another client's application—may attorney represent both?
 - 37 C.F.R. § 11.107(a)(1) and/or 11.107(a)(2)

BEST PRACTICES TO MINIMIZE RISK OF CLAIMS IN TRADEMARK REPRESENTATIONS (cont'd)

- POA ends upon issuance of registration.
- However, that does not necessarily mean attorney does not still have an a-c relationship with client. Consider:
 - Termination letters
 - Who is responsible for docketing/reminding and carrying out post-registration activities such as statements of use
 - Many MP carriers suggest IP firms get out of the renewal business.

THE ENGAGEMENT AGREEMENT

- Really good idea
- Should define the client
 - Particularly important for entity clients
 - Identify who is not the client
- Identify who speaks for client
 - Particularly important for joint clients
- Scope of representation
 - Consider limiting scope to discrete tasks
 - Temporal limitations, esp. with post-issuance

FOREIGN COUNSEL

- Who is the Client?
- “Foreign patent attorneys representing applicants for U.S. patents through local correspondent firms surely must be held to the same standards of conduct which apply to their American counterparts; a double standard of accountability would allow foreign attorneys and their clients to escape responsibility for fraud or inequitable conduct merely by withholding from the local correspondent information unfavorable to patentability and claiming ignorance of United States disclosure requirements.”

Gemveto Jewelry Co. v. Lambert Bros., Inc., 542 F. Supp. 933, 216 USPQ 976 (S.D. N.Y. 1982)

FOREIGN COUNSEL

- USPTO published two notices in the 1980s:
 - Practitioner's Responsibility to Avoid Prejudice to the Rights of a Client/Patent Applicant, 1086 O.G. 457 (Dec. 10, 1987) (the 1987 Notice)
 - Responsibilities of Practitioners Representing Clients in Proceedings Before the Patent and Trademark Office, 1091 O.G. 26 (May 25, 1988) (the 1988 Notice).

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- The 1987 Notice explained that when a practitioner is “aware that there is an agreement between the client/patent applicant and the liaison or agent” the practitioner “may fully rely upon the advice of the liaison or agent as to the wishes of the client/patent applicant.”

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- “In practice, it is common for instructions relating to the application of an inventor or trademark owner, who is the client of the U.S. practitioner, to be passed to the U.S. practitioner through intermediaries, such as corporate liaisons or foreign agents.”
- “Clearly, a client may choose to use a corporate liaison or a foreign agent to convey instructions, etc., to a practitioner. In such an arrangement, the practitioner may rely upon instructions of, and accept compensation from, the corporate liaison or the foreign agent as to the action to be taken in a proceeding before the Office **so long as the practitioner is aware that the client has consented to have instructions conveyed through the liaison or agent.** See 37 CFR 10.68(a) and (b).”

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- “An agreement between the client and the liaison or agent establishes an agency relationship between the liaison or agent and the client such that the U.S. practitioner can rely upon the liaison or agent as the representative of the client for the purpose of communicating the client's instructions about the proceeding to the U.S. practitioner.”
- “The PTO will assume that the client has an agreement with the liaison or agent to be represented by the liaison or agent.”
- “It is the responsibility of the client to notify the practitioner that the agency relationship between the client and the liaison or agent has ceased to exist and that instructions from the liaison or agent should no longer be accepted.”

Questions

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