UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE DIRECTOR OF THE
UNITED STATES PATENT AND TRADEMARK OFFICE

In the Matter of	)	
	)	
_____,	)	Proceeding No. D2014-05
	)	
Respondent	)	
_____	)	

REDACTED FINAL ORDER

The Director of the Office of Enrollment and Discipline ("OED Director") for the United States Patent and Trademark Office ("USPTO" or "Office") and _____ ("Respondent") have submitted a Proposed Settlement Agreement ("Agreement") to the Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office ("USPTO Director") for approval.

The Agreement, which resolves all disciplinary action by the USPTO arising from the stipulated facts set forth below, is hereby approved. This Final Order sets forth the parties' stipulated facts, legal conclusion, and sanctions

Jurisdiction

1. At all times relevant hereto, Respondent of _____, _____, has been a registered patent attorney (Registration Number _____) and subject to the USPTO Code of Professional Responsibility set forth at 37 C.F.R. § 10.20 *et seq.*[1]

2. The USPTO Director has jurisdiction over this matter pursuant to 35 U.S.C. §§ 2(b)(2)(D) and 32, and 37 C.F.R. §§ 11.19 and 11.26.

Stipulated Facts

Background

3. Respondent of _____, _____, has been registered as a patent attorney since _____, ____. (Registration Number _____).

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[1] The events at issue in this matter occurred prior to May 3, 2013. Therefore, the USPTO Code of Professional Responsibility is applicable. *See* 37 C.F.R. § 10.20 *et seq.* Effective May 3, 2013, the USPTO Rules of Professional Conduct apply to persons who practice before the Office. *See* 37 C.F.R. §§ 11.101 through 11.901.

4. Respondent was admitted to practice law in the State of _____ on _____, ____ and is an attorney in good standing.

Misconduct in connection with Trademark Registration No._____

5. Respondent and his law firm represented _____, Inc., of _____, _____ ("____" or "the client"). Respondent's representation of the client included prosecuting an application to register the mark _____ ("the Mark") with the USPTO and related enforcement matters.

6. On _____, Respondent, on behalf of the client, filed a use-based application with the USPTO seeking to register the Mark in connection with services ultimately identified as: _____. The application claimed _____ as the date of first use of the Mark for the services. The application was assigned Serial No. _____.

7. Before filing the application with the USPTO, Respondent conducted a search of the USPTO records and an Internet search for uses of similar marks. Respondent also had discussions with the client in which the client confirmed its belief that it was the only company using the Mark for its particular services.

8. On_____, Respondent sent a cease and desist letter on the client's behalf to _____ Corporation ("____" or "Corporation"), requesting that Corporation cease use of the Mark and adopt a name that is not likely to cause confusion with the client's Mark.

9. On _____, counsel for Corporation responded to the _____ letter stating that the Mark "is a generic term, inherently and in the marketplace, that is incapable of exclusive appropriation as the name of a business or service _____," and further stating that "it is unprotectable regardless of whether, as you claim, your client's name or mark has acquired a secondary meaning." The letter noted use of the Mark in five businesses in the _____ field, in addition to Corporation, that were using some variation of the term "_____" in their business names.

10. Respondent forwarded the _____ response letter to the client.

11. Respondent had previously looked into one of the companies listed in the letter, _____. Respondent and the client had together determined that they did not believe the _____company was offering the same services as the client. Respondent did not investigate the other four companies listed in the _____ letter.

12. On _____, Respondent sent a second letter to Corporation, stating his disagreement that the Mark is generic, expressing his belief that the Mark has acquired distinctiveness, and reiterating the demand that Corporation cease use of its mark.

13. On _____, the USPTO issued an initial Office Action refusing to register the Mark because it was merely descriptive of the Services under section 2(e)(1) of the Trademark Act of 1946, 15 U.S.C. § 1052(e)(1), and thus not eligible for registration on the

Principal Register. The Examining Attorney noted that "[t]he term _____ is widely used to describe the place where _____ is provided. Further, the term _____ is the field of use applicable to the services."

14. Sometime after receiving the _____ Office Action, but before he received a further letter from Corporation's counsel dated _____, Respondent conducted another internet search to determine how the term "_____" was used in the _____ field. According to Respondent, the search did not disclose another company that was using the Mark as a source identifier.

15. On _____, Corporation's counsel responded to Respondent's March 19 letter. The letter put Respondent on notice of additional evidence that Corporation's counsel thought precluded the client from truthfully asserting that the Mark had acquired distinctiveness. Specifically, the letter further explained Corporation's belief that the Mark is generic and enclosed ten folders of exhibits identifying examples "of the pervasive third party generic uses of "_____." The exhibits were labeled as "generic references" in publications, on websites, in business names, as a reference to services provided by businesses, in press releases, in trade conference agendas, in job category listings, in book titles or text, and as the name of products and services listed in patent and trademark registrations and applications. The letter further asserted that even if the Mark is not generic, the Mark is so highly descriptive that a claim of acquired distinctiveness and secondary meaning in the Mark would fail. The letter also identified two additional business entities which used the term "_____" in their business names.

16. Respondent looked at the _____ letter, but he did not look at the exhibits in the folders. Respondent read the labels on the folder covers, but he did not examine the materials in the folders or investigate any of the companies identified in the letter.

17. Respondent testified in a later court case between his client and Corporation that he deliberately did not look at the exhibits to the _____ letter. Respondent maintained at trial, and later to OED, that he believed that the examples of third-party generic use would not affect his client's claim that the Mark had acquired distinctiveness because he reasonably and honestly believed that the client's use of the Mark was substantially exclusive and continuous as a source identifier such that the client had protectable rights in the Mark.

18. Respondent did not forward the _____ letter to the client or otherwise advise the client of the _____ letter or the examples of third-party use noted in and attached to the letter.

19. Sometime after receiving the _____ letter, Respondent proceeded to work with the client to prepare a declaration for the client's signature to submit in response to the Office Action. The declaration attested to the length and scope of use of the Mark in support of a claim that the Mark had acquired distinctiveness, such that it should be registered under Section 2(f) of the Trademark Act, 15 U.S.C. § 1052(f). In the process of preparing the declaration, Respondent explained to the client the concept of asserting "substantially exclusive and continuous use" of a mark, an assertion which is necessary to support a claim that a mark has acquired distinctiveness under section 2(f).

20. On _____, Respondent responded to the Office Action. In the response, Respondent argued that the Mark is not merely descriptive of the services, and also requested in the alternative that the application be amended to seek registration under section 2(f) on the basis that the Mark had acquired distinctiveness through "proof of substantially exclusive and continuous use" in commerce. In support of the section 2(f) amendment, Respondent submitted the client's declaration.

21. On _____, the USPTO Examining Attorney issued a further Office Action maintaining the refusal to register the Mark. The Examining Attorney deemed the client's declaration insufficient to support the section 2(f) amendment because it did not specifically attest that the Mark had acquired distinctiveness prior to the date of the declaration.

22. On _____, Respondent responded to the _____ Office Action by submitting the following statement, signed and sworn to by Respondent on his own knowledge, that the Mark had acquired distinctiveness:

> The response being filed to the most recent Office Action requests that the subject application be amended to a Section 2(f) application. In conjunction with that request, Applicant submits the following statement regarding acquired distinctiveness.
>
> The mark has become distinctive of the services through Applicant's substantially exclusive and continuous use in commerce for at least the five (5) years immediately before the date of this Statement.
>
> I further declare that all statements herein of my own knowledge are true and that all statements made on information and belief are believed to be true; and further, that these statements are made with knowledge that willful false statements and the like so made are punishable by fine or imprisonment, or both, under Section 1001 of Title 18 of the United States Code, and that such willful false statements may jeopardize the validity of this document or the present trademark application.

23. Relying on Respondent's declaration of acquired distinctiveness, the Examining Attorney accepted the section 2(f) amendment, withdrew the refusal of registration, and allowed the Mark to proceed to registration. On _____, the USPTO issued Registration No. _____ for the Mark.

24. After obtaining the registration for the Mark, the client, on _____, filed a complaint against Corporation in the United States District Court for the _____ District of _____, asserting, among other things, claims of service mark infringement.

25. On _____, Corporation filed its answer and counterclaims. Corporation sought to cancel the client's registration, arguing that it had been procured by fraud by the submission of Respondent's section 2(f) declaration, upon which the Office relied to allow registration of the Mark.

26. Ultimately, a jury found "by clear and convincing evidence" that the registration for the Mark was obtained by fraud based on the evidence presented at trial indicating the necessary factors for fraud, namely, that the claim the Mark had acquired distinctiveness was a false and material misrepresentation made with the intent to deceive the USPTO. The district court affirmed the jury verdict. The client appealed the district court's decision. The appeal settled without the district court's decision finding of fraud being set aside.

27. The jury did not consider attorney-client and attorney work-product privileged documents and information that Respondent provided to OED during its investigation because the privileges were not waived in the litigation. Had the jury considered the privileged information, it may have affected the fraud finding.

28. Respondent reported the finding of fraud to the OED Director. An investigation followed, the matter was referred to the Committee on Discipline for a probable cause determination that Respondent's conduct violated certain USPTO disciplinary rules, and a probable cause determination was returned.

Joint Legal Conclusions

29. Respondent acknowledges that, based on the information contained in the above-stipulated facts, he violated 37 C.F.R. § 10.23(c)(15) (proscribing signing a paper filed in the Office in violation of the provisions of § 11.18) and 37 C.F.R. § 10.77(b) (proscribing handling a legal matter without preparation adequate in the circumstances) by failing to conduct an inquiry reasonable under the circumstances to determine whether there was evidentiary support for the verified statement his client signed and he submitted, and the verified statement he signed and submitted to the Office, attesting that the client's Mark had "become distinctive of the services through Applicant's substantially exclusive and continuous use in commerce for at least the five (5) years immediately before the date of" the statements. In particular, Respondent had in his possession evidence which the provider of the evidence told Respondent established that the mark was generic or had not acquired distinctiveness. It was unreasonable and inadequate preparation under the circumstances for Respondent, prior to submitting the statements, not to examine the potentially contrary evidence in his possession in order to make an informed determination as to whether the client's claim of "substantially exclusive and continuous use" could be truthfully asserted.

30. Because of factual circumstances unique to this case, the USPTO Director has chosen to issue a private reprimand for this misconduct.

Agreed Upon Sanction

31. Respondent freely and voluntarily agrees and it is hereby ORDERED that:

a. Respondent is hereby privately reprimanded;

b. The OED Director shall publish a redacted Final Order with identifying indicia removed, pursuant to 37 C.F.R. § 11.59(a), in the form attached

hereto as Exhibit A, in the OED's electronic FOIA Reading Room, which is publicly accessible through the Office's website at: http://e-foia.uspto.gov/Foia/OEDReadingRoom.jsp;

c. The OED Director shall publish a notice in the *Official Gazette* that is materially consistent with the following:

Notice of Private Reprimand

A practitioner, whose identity is not being disclosed, has been privately reprimanded by the United States Patent and Trademark Office ("USPTO" or "Office") for violating 37 C.F.R. §§ 10.23(c)(15) (proscribing signing a paper filed in the Office in violation of the provisions of § 11.18) and 10.77(b) (proscribing handling a legal matter without preparation adequate in the circumstances). The practitioner submitted to the Office sworn statements from his client and himself attesting that the client's mark had acquired distinctiveness and should be registered by the USPTO due to the client's "substantially continuous and exclusive use" of the client's mark in commerce. Prior to submitting the statements to the Office, the practitioner had received materials that the provider of the materials specifically told the practitioner contained evidence contrary to a claim that his client's mark had acquired distinctiveness. The practitioner failed to look at the materials or share them with his client before submitting the statements to the Office. This constitutes inadequate preparation and an unreasonable inquiry under the circumstances. Although the practitioner maintains that he reasonably believed he did not need to consider the materials, under the circumstances, the practitioner had a duty to examine the potentially contrary evidence in his possession in order to make an informed determination as to whether the claim of "substantially exclusive and continuous use" of the mark could be truthfully asserted. Practitioners are reminded of their duty to investigate and ensure the truth and accuracy of statements made to the USPTO.

This action is the result of a settlement agreement between the practitioner and the OED Director pursuant to the provisions of 35 U.S.C. §§ 2(b)(2)(D) and 32, and 37 C.F.R. §§ 11.20, 11.26, and 11.59. Disciplinary decisions involving practitioners are posted at the OED's Reading Room, which is publicly accessible at: http://e-foia.uspto.gov/Foia/OEDReadingRoom.jsp.

d. Nothing in the Agreement or this Final Order shall prevent the Office from considering the record of this disciplinary proceeding, including the Final Order:

(1) when addressing any further complaint or evidence of the same or similar misconduct brought to the attention of the Office; and/or

(2) in any future disciplinary proceeding against Respondent (i) as an aggravating factor to be taken into consideration in determining any discipline to be imposed and/or (ii) to rebut any statement or representation made by or on Respondent's behalf; and

e. The OED Director and Respondent shall each bear their own costs incurred to date and in carrying out the terms of this Agreement.

APR - 1 2014

JAMES O. PAYNE
Deputy General Counsel for General Law
United States Patent and Trademark Office

Date

on behalf of

Michelle K. Lee
Deputy Under Secretary of Commerce for Intellectual Property
and Deputy Director of the United States Patent and Trademark Office

cc:

Director of the Office of Enrollment and Discipline
United States Patent and Trademark Office

_____, Respondent
c/o Donald R. Dunner
Respondent's counsel
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