

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

In the Matter of)

Di Li,)

Respondent)
_____)

Proceeding No. D2021-16

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 Di Li (“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 City of Industry, California, is an attorney in good standing in the State of California. Respondent has engaged in practice before the Office in trademark matters. Respondent is or was authorized to practice before the USPTO in trademark matters. *See* 37 C.F.R. § 11.14(a). Respondent is subject to the USPTO Rules of Professional Conduct, which are set forth at 37 C.F.R. § 11.101 *et seq.*
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, 11.20, and 11.26.

Legal Background

3. The USPTO published a final rule (“U.S. Counsel Rule”) requiring applicants, registrants, or parties to a trademark proceeding whose domicile is not located within the U.S. or its territories to be represented by an attorney who is an active member in good standing of the bar of the highest court of a state in the U.S. *See Requirement of U.S. Licensed Attorney for Foreign Trademark Applicants and Registrants*, 84 FR 31498 (July 2, 2019).

4. The U.S. Counsel Rule became effective on August 3, 2019. *See* 84 FR 31498; 37 C.F.R. § 2.11(a).

5. In the few years preceding the U.S. Counsel Rule’s effective date, the USPTO had seen many instances of unauthorized practice of law (“UPL”) where foreign parties who are not authorized to represent trademark applicants were improperly representing foreign applicants before the USPTO. As a result, increasing numbers of foreign applicants were likely receiving inaccurate or no information about the legal requirements for trademark registration in the U.S., such as the standards for use of a mark in commerce, who can properly aver to matters and sign for the mark owner, or even who the true owner of a mark is under U.S. law. This practice raised legitimate concerns that affected applications and any resulting registrations are potentially invalid, and thus negatively impacting the integrity of the trademark register.

6. Hence, the USPTO implemented the requirement for representation by a qualified U.S. attorney in response to the increasing problem of foreign trademark applicants who purportedly are *pro se* (*i.e.*, one who does not retain a lawyer and appears for himself or herself) and who are filing inaccurate and possibly fraudulent submissions that violate the Trademark Act and/or the USPTO’s rules. For example, such foreign applicants filed applications claiming use of a mark in commerce, but frequently support the use claim with mocked-up or digitally altered specimens

that indicate the mark may not actually be in use. Many appear to be doing so on the advice, or with the assistance, of foreign individuals and entities who are not authorized to represent trademark applicants before the USPTO. This practice undermines the accuracy and integrity of the U.S. trademark register and its utility as a means for the public to reliably determine whether a chosen mark is available for use or registration, and places a significant burden on the trademark examining operation. *See* 84 FR at 31498-31499.

7. Qualified U.S. attorneys are required to provide their bar information when representing applicants and registrants, whether domiciled inside or outside the U.S. *See* 37 C.F.R. §§ 2.17(b)(3), 2.32(a)(4).

8. The USPTO trademark signature rules require that all signatures be personally entered by the named signatory and that a person electronically signing a document must 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. *See* 37 C.F.R. § 2.193(a) and (c) and 37 C.F.R. § 11.18(a).

9. At all relevant times, the following unequivocal published guidance from the USPTO identified the proscription against any person other than the named signatory signing electronically trademark documents filed with the USPTO:

All documents must be personally signed. 37 C.F.R. §§ 2.193(a)(1), (c)(1), 11.18(a). The person(s) identified as the signatory must manually enter the elements of the electronic signature. Another person (*e.g.*, paralegal, legal assistant, or secretary) may not sign the name of a qualified practitioner or other authorized signatory. *See In re Dermahose Inc.*, 82 USPQ2d 1793 (TTAB 2007); *In re Cowan*, 18 USPQ2d 1407 (Comm’r Pats. 1990). Just as signing the name of another person on paper does not serve as the signature of the person whose name is written, typing the electronic signature of another person is not a valid signature by that person.

Trademark Manual of Examining Procedure § 611.01(c).

10. Trademark applications contain declarations that are signed under penalty of perjury, with false statements being subject to punishment under 18 U.S.C. § 1001. Signatories to declarations in trademark applications make specific representations regarding applicants' use of the mark in commerce and/or their intent to use the mark in commerce. The USPTO relies on such declarations signed under penalty of perjury in trademark applications in the course of examining trademark applications and issuing registrations.

Joint Stipulated Facts

11. At all times relevant hereto, Respondent has been a U.S. attorney in good standing in the State of California.

12. Since at least 2019, Respondent has been providing trademark legal services to clients. She is the principal founder of the Di Li Law, P.C. law firm, which employs an associate attorney, several non-attorney assistants, and two attorneys who are provisionally licensed by the State of California to practice law. In addition to trademarks, the law firm practice areas also include immigration, business, and real estate law.

13. In July of 2019, Respondent agreed to collaborate with an entity known as Seller Growth ("Shenzhen Qianhai Bishengdao Network Technology Co., Ltd."). Seller Growth is a company that serves as a full service agency that provides various kinds of translation and consulting services for online retailers (generally referred to as "sellers" by Sellers Growth) who desire to sell their products in foreign channels of commerce, including e-commerce. Seller Growth is headquartered in Shenzhen in the People's Republic of China ("PRC"), but it also has offices throughout the PRC.

14. Respondent described going through three "stages" in her firm's relationship with Seller Growth.

15. The first stage started in August and ended in September of 2019, when Respondent became aware of suspicious specimen filings in trademark applications submitted by Seller Growth in applications where she was the attorney of record for the foreign domiciled trademark applicants. Once she became aware of the filing of digitally altered specimens, she directed her law firm to take corrective action, including informing the USPTO and her clients. She also endeavored to inform the public via her blog. About 700 to 900 trademark applications were implicated during the first stage.

16. The second stage started in October of 2019 and ended in November of 2020. The second stage began with a cessation period (for new trademark applications filed for the months of October and November in 2019) where Respondent implemented some specimen pre-review/approval protocols and believed Seller Growth would comply with the protocols and also fix issues with suspicious specimens going forward from December of 2019.

17. During this second stage, Respondent's agreement with Seller Growth indicated that, beginning on December 2, 2019, she would receive \$1,000-\$3,000 per month going forward for reviewing between 100-300 application filings per month, along with providing 1-20 "free Responses to Office Actions."

18. Respondent indicated to OED that Seller Growth filed a lot more applications than her agreements contemplated during the latter part of this second stage, which resulted in a high level of poorer quality specimens being filed with the USPTO, especially in the month of September 2020. About 1,086 trademark applications were implicated with improperly entered signatures during the second stage.

19. The second stage ended when Respondent received OED's initial Request for Information letter on November 16, 2020, which triggered another cessation period.

20. The third stage started in November of 2020 and ended in February of 2021. Respondent represents that the third stage of her relationship with Seller Growth began with the cessation period transitioning from a wind-down period in December 2020 through to an official termination of the relationship on February 15, 2021. About 20 trademark applications were implicated, where Seller Growth either filed or continued to file cases during the month of December (purportedly for approved applications in the 'pipeline').

21. Respondent represents that she personally entered about 6,348 proper signatures in her other applications between August 1, 2019 to January 31, 2021 – which represents almost 80% of the over 8,000 matters where she became counsel of record in the same approximate time period.

22. Respondent represents that, over all three stages in her relationship with Seller Growth as described above, her name and improper signature appeared on over 1,100 suspect trademark applications associated with Seller Growth and its customers. Respondent acknowledges that she agreed to allow Seller Growth to impermissibly enter her name on the documents filed with the USPTO.

23. Respondent represents that she was unfamiliar with the USPTO signature requirements for direct or emailed key stroke entry into TEAS forms, specifically, the requirement that a signature must be personally entered. Only after receiving the initial letter from OED did Respondent research and gain additional understanding of the signature requirements.

24. Respondent represents that she had taken corrective action with regards to specimen review and the U.S. Counsel rule before being informed of OED's investigation of her conduct.

25. During OED's investigation, Respondent continued to take corrective actions to further improve specimen review as well as entering into full compliance with USPTO signature

requirements (e.g., moving from about 80% compliance when associated with Seller Growth to endeavoring for complete compliance by terminating her relationship with Seller Growth).

Additional Considerations

26. Respondent has expressed contrition for her prior lack of understanding of the ethics and trademark rules and how her acts and omissions implicated multiple provisions of the USPTO Rules of Professional Conduct.

27. Respondent has expressed her understanding of the seriousness of the violations of the USPTO Rules of Professional Conduct stipulated to herein, and she acknowledges how her acts and omissions had potential adverse impact to (a) her clients' intellectual property rights due to trademark filings not complying with the USPTO's trademark rules and regulations and (b) the integrity of the federal trademark registration process

28. Respondent represents that she has never been the subject of professional discipline by the USPTO, any court, or any state bar.

29. Respondent has been fully cooperative with OED's investigation, including providing candid responses to requests for information, offering *sua sponte* supplemental responses to her original responses to requests for information, and engaging in multiple interviews with OED.

Legal Conclusions

30. Respondent acknowledges that, based on the information contained in the joint stipulated facts, above, that Respondent's acts and omissions violated the following provisions of the USPTO Rules of Professional Conduct:

- a. 37 C.F.R § 11.101 (practitioner shall provide competent representation) by failing to familiarize herself with the U.S. Counsel Rule and USPTO

trademark rules and regulations, which resulted in violations of those rules in the course of representing trademark clients;

- b. 37 C.F.R. § 11.103 (practitioner shall act with reasonable diligence and promptness in representing a client) by failing to take reasonable steps to ensure that her clients' trademark filings were filed in accordance with the U.S. Counsel Rule and USPTO trademark rules and regulations;
- c. 37 C.F.R. § 11.104(a) and (b) (communications with client) by not informing some of her clients as to the actual or potential adverse consequences of her failure to comply with the U.S. Counsel Rule and USPTO trademark rules and regulations, so that those clients could make informed decisions about their trademark applications and/or issued registrations;
- d. 37 C.F.R. § 11.804(d) (conduct prejudicial to the integrity of the U.S. trademark registration system) by failing to take reasonable steps to ensure that trademark documents, including declarations, filed with the USPTO were signed by the named signatory (*i.e.*, documents impliedly falsely representing that the named signatory was the person who actually signed the document) and were adequately reviewed prior to signing as required by the U.S. Counsel Rule; and
- e. 37 C.F.R. § 11.804(i) (practitioner shall not engage in other conduct adversely reflecting on fitness to practice before the Office) by, prior to entering into the business relationship with a third party, where Respondent would serve as U.S. Counsel for foreign-domiciled trademark applicants, not making an inquiry reasonable under the circumstances whether and how the

third party would (i) communicate directly with the applicants and (ii) sign and file trademark applications where the acts and omissions of the third party actually or potentially adversely affected the integrity of the federal trademark registration process.

Agreed Sanction

31. Respondent agrees and it is hereby ORDERED that:
- a. Respondent be publicly reprimanded;
 - b. Respondent be placed on probation for twelve (12) months beginning on the date of the Final Order;
 - c. Before the conclusion of the probationary period, Respondent shall provide to the OED Director a sworn affidavit or verified declaration attesting, and evidence demonstrating, that Respondent has successfully completed six (6) hours of continuing legal education: two (hours) on ethics/professional responsibility and four (hours) on trademark law;
 - d. Before the conclusion of the probationary period, Respondent shall provide to the OED Director a sworn affidavit or verified declaration attesting that Respondent has reviewed thoroughly (1) all provisions of the Trademark Manual of Examining Procedure (TMEP), including, but not limited to, the provisions regarding the USPTO's signature requirements, (2) 37 C.F.R. § 2.11, and (3) the commentary on the *Requirement of U.S. Licensed Attorney for Foreign Trademark Applicants and Registrants*, found at 84 FR 31498, 31503-31506 (July 2, 2019);

- e. On at least a weekly basis throughout the term of the 12-month probationary period, Respondent shall (i) search the USPTO Trademark Electronic Search System (“TESS”) for applications identifying her as the attorney of record and (ii) promptly inform the appropriate persons at the USPTO of any filings identifying her as the attorney of record that were not made by her or with her knowledge and consent;
- f. On a quarterly basis throughout the term of the 12-month probationary period, Respondent shall submit a written report to the OED Director stating that she has completed the searches of the USPTO TESS database required by section e., above, and, if applicable, stating that she identified no applications in which she was named as the attorney of record that were not made by her or without her knowledge and consent;
- g. (1) if the OED Director is of the good faith opinion that Respondent, during Respondent’s probationary period, failed to comply with any provision of the Agreement, this Final Order, or any provision of the USPTO Rules of Professional Conduct, the OED Director shall:
 - (A) issue to Respondent an Order to Show Cause why the USPTO Director should not enter an order immediately suspending the Respondent for up to nine (9) months for the violations set forth in the Legal Conclusions, above;
 - (B) send the Order to Show Cause to Respondent at the last address of record Respondent furnished to the OED Director;
 - (C) grant Respondent fifteen (15) days to respond to the Order to Show Cause; and

(2) in the event that after the 15-day period for response and consideration of the response, if any, received from Respondent, the OED Director continues to be of the opinion that Respondent, during Respondent's probationary period, failed to comply with the USPTO Rules of Professional Conduct, the OED Director shall:

- (A) deliver to the USPTO Director: (i) the Order to Show Cause;
- (ii) Respondent's response to the Order to Show Cause, if any; and
- (iii) argument and evidence supporting the OED Director's position; and
- (B) request that the USPTO Director enter an order immediately suspending Respondent for up to nine (9) months for the violations set forth in the Legal Conclusions above;

- h. Nothing herein shall prevent the OED Director from seeking discrete discipline for any misconduct that formed the basis for an Order to Show Cause issued pursuant to the preceding subparagraph;
- i. In the event the Respondent seeks a review of any action taken pursuant to subparagraph g., above, such review shall not operate to postpone or otherwise hold in abeyance the suspension;
- j. The OED Director shall electronically publish the Final Order at the OED's electronic FOIA Reading Room, which is publicly accessible through the Office's website at: <https://foiadocuments.uspto.gov/oed/>;
- k. The OED Director shall publish a notice in the *Official Gazette* that is materially consistent with the following:

Notice of Public Reprimand and Probation

This notice concerns Ms. Di Li of City of Industry, California, who is authorized to practice before the United States Patent and Trademark Office ("USPTO") in

trademark and other non-patent matters. Ms. Li is hereby reprimanded and placed on probation for twelve (12) months for violating 37 C.F.R. §§ 11.101, 11.103, 11.104(a) and (b), and 11.804(d) and (i). Ms. Li is permitted to practice before the Office in trademark and other non-patent matters during her probationary period unless she is subsequently suspended by order of the USPTO Director.

These violations are predicated on Ms. Li's acts and omissions during the course of her business relationship with Shenzhen Qianhai Bishengdao Network Technology Co., Ltd. ("Seller Growth"). As explained below, Ms. Li agreed to act as the attorney of record on trademark applications filed with the USPTO on behalf of clients – foreign domiciled trademark applicants – obtained via her association with Seller Growth.

In July and December of 2019, Ms. Li entered into agreements with Seller Growth which, *inter alia*, provided for Ms. Li to receive payment from Seller Growth in exchange for being listed as the attorney of record on trademark applications and allowing Seller Growth to enter her signature on documents filed with the USPTO on behalf of clients obtained via her association with Seller Growth. Accordingly, Ms. Li did not adequately ensure that her signature was properly entered on many of the applications associated with Seller Growth prior to their submission to the USPTO; nor did she comply with her ethical obligations to clients and the USPTO under the U.S. Counsel Rule (discussed below).

Ms. Li recognized her ethical lapses, demonstrated genuine contrition, and accepted responsibility for her conduct. Acknowledging that she personally has a duty to take remedial steps, Ms. Li represents that she has taken corrective actions by, *inter alia*, (a) terminating her business relationship with Seller Growth; (b) improving specimen and use review protocols; and (c) ensuring that her firm and its foreign associates comply with trademark signature entry requirements.

Practitioners who represent trademark applicants before the USPTO have an ethical obligation to the USPTO not to engage in conduct prejudicial to the administration of justice. *See* 37 C.F.R. § 11.804(d). Accordingly, practitioners who represent trademark applicants before the USPTO are reasonably expected not to file, or allow to be filed, declarations that are not signed by the named signatory. Trademark filings bearing declarations – such as a TEAS Plus Application, a Trademark/Service Mark Statement of Use pursuant to 15 U.S.C. § 1051(d) or a Combined Declaration of Use and Incontestability Under Sections 8 and 15 – are relied upon by the USPTO when examining trademark applications, registering marks, and renewing registrations. When such filings are impermissibly signed and filed with the USPTO, the integrity of the federal trademark registration process is adversely affected. If signed by a person

determined to be an unauthorized signatory, a resulting registration may be invalid.

Trademark practitioners engaged in practice before the USPTO on behalf of foreign domiciled applicants are also to be reasonably well informed as to the U.S. Counsel Rule. The rule became effective on August 3, 2019, and requires applicants, registrants, or parties to a trademark proceeding whose domicile is not located within the U.S. or its territories to be represented by an attorney who is an active member in good standing of the bar of the highest court of a state in the U.S. *See* 84 FR 31498; 37 C.F.R. § 2.11(a).

In the few years preceding the U.S. Counsel Rule's effective date, the USPTO had seen many instances of unauthorized practice of law where foreign parties who are not authorized to represent trademark applicants were improperly representing foreign applicants before the USPTO. As a result, increasing numbers of foreign applicants were likely receiving inaccurate or no information about the legal requirements for trademark registration in the U.S., such as the standards for use of a mark in commerce, who can properly aver to matters and sign for the mark owner, or even who the true owner of a mark is under U.S. law. This practice raised legitimate concerns that affected applications and any resulting registrations are potentially invalid, and thus negatively impacting the integrity of the trademark register. Hence, the USPTO implemented the requirement for representation by a qualified U.S. attorney in response to the increasing problem of foreign trademark applicants who purportedly are *pro se* (*i.e.*, one who does not retain a lawyer and appears for himself or herself) and who are filing inaccurate and possibly fraudulent submissions that violate the Trademark Act and/or the USPTO's rules. For example, such foreign applicants filed applications claiming use of a mark in commerce, but frequently support the use claim with mocked-up or digitally altered specimens that indicate the mark may not actually be in use. Many appear to be doing so on the advice, or with the assistance, of foreign individuals and entities who are not authorized to represent trademark applicants before the USPTO. This practice undermines the accuracy and integrity of the U.S. trademark register and its utility as a means for the public to reliably determine whether a chosen mark is available for use or registration, and places a significant burden on the trademark examining operation. *See* 84 FR at 31498-31499.

The U.S. Counsel Rule is intended to increase USPTO customer compliance with U.S. trademark law and USPTO regulations, improve the accuracy of trademark submissions to the USPTO, and safeguard the integrity of the U.S. trademark register. For example, practitioners who represent trademark applicants before the USPTO are expected to, among other things, undertake a bona fide review of specimens submitted to the USPTO in support of a trademark application. A practitioner's failure to comply with his or her ethical obligations under the U.S.

Counsel rule potentially adversely affects the integrity of the USPTO trademark registration process.

A USPTO practitioner has an ethical obligation under the USPTO Rules of Professional Conduct to know the identity of the client and how signatures may be entered when filing documents before the Office. *See* 37 C.F.R. §§ 11.101 (concerning competency), 11.103 (diligence) and 11.804(i) (concerning other conduct that adversely reflects on a practitioner’s fitness to practice before the Office). “The PTO expects practitioners to know the identities of their clients and to take reasonable steps to avoid foreseeable prejudice to the rights of their clients.” *See Responsibilities of Practitioners Representing Clients in Proceedings Before The Patent and Trademark Office*, 1421 CNOG 2690 (December 29, 2015) (citing 50 FR 5164 (Feb. 6, 1985) and 1086 Trademark Official Gazette 357 (Jan. 5, 1988)).

Where a trademark practitioner works with a foreign intermediary, the client is the trademark applicant. *See Responsibilities of Practitioners Representing Clients in Proceedings Before The Patent and Trademark Office*, 1091 OG 26 (May 25, 1988); *Strojirenstvi v. Toyoda*, 2 USPQ 2nd 1222 (Comm’r Pat. 1986) (explaining, in part, that a U.S. practitioner who receives instructions from a trademark owner through a foreign agent does not change the fact that the client is still the trademark owner rather than the foreign or agent).

Ms. Li has been fully cooperative with OED’s investigation, including providing candid responses to requests for information and engaging in two interviews with OED.

This action is the result of a settlement agreement between Ms. Li and the OED Director pursuant to the provisions of 35 U.S.C. §§ 2(b)(2)(D) and 32 and 37 C.F.R. §§ 11.19, 11.20, and 11.26. Disciplinary decisions involving practitioners are posted for public reading at the Office of Enrollment and Discipline Reading Room accessible at: <https://foiadocuments.uspto.gov/oed/>;

- I. Nothing in the Agreement or the 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 concerning Respondent brought to the attention of the Office and (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 by or on Respondent’s behalf;

- m. The Respondent waives all rights to seek reconsideration of the Final Order under 37 C.F.R. § 11.56, waives the right to have the Final Order reviewed under 37 C.F.R. § 11.57, and waives the right otherwise to appeal or challenge the Final Order in any manner; and
- n. The OED Director and Respondent shall each bear their own costs incurred to date and in carrying out the terms of this Agreement and any Final Order.

Users,
Long, Stacy

Digitally signed by
Users, Long, Stacy
Date: 2021.10.07
11:31:58 -04'00'

Stacy Long
Acting Deputy General Counsel
Office of General Law
United States Patent and Trademark Office

Date

on delegated authority by

Andrew Hirshfeld
Performing the Functions and Duties of the
Under Secretary of Commerce for Intellectual Property and
Director of the United States Patent and Trademark Office