

**UNITED STATES PATENT AND TRADEMARK OFFICE  
BEFORE THE ADMINISTRATIVE LAW JUDGE**

In the Matter of:

ELIZABETH PASQUINE,

Respondent.

Proceeding No. 2019-39

August 13, 2021

Appearances:

Sydney O. Johnson, Jr.  
Melinda M. DeAtley  
Eteena J. Tadjigoueu  
John D.V. Ferman  
*Associate Solicitors*  
United States Patent and Trademark Office

Mikhael D. Charnoff  
Perry Charnoff PLLC

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Before: J. Jeremiah **MAHONEY**, United States Administrative Law Judge<sup>1</sup>

**INITIAL DECISION AND ORDER**

This matter arises from a *Complaint and Notice of Proceedings under 35 U.S.C. § 32* (“Complaint”) filed by the Director of the Office of Enrollment and Discipline (“OED Director”) for the United States Patent and Trademark Office (“USPTO” or “Office”) requesting that Elizabeth Pasquine (“Respondent”) be sanctioned for violating its disciplinary rules during her employment by LegalForce, an intellectual property protection law firm. The *Complaint* alleges three counts of misconduct. In Count I, the OED Director claims non-practitioner assistants prepared trademark documents, typed clients’ electronic signatures onto the documents, and then filed them with the USPTO. This conduct occurred in trademark applications for which Respondent was the attorney of record, or on documents prepared by Respondent in trademark applications filed by other LegalForce attorneys. Count II is related in that the OED Director alleges Respondent failed to inform clients that the non-practitioner assistants engaged in such conduct while filing documents related to the clients’ trademark applications. Count III concerns

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<sup>1</sup> Pursuant to an Interagency Agreement in effect beginning March 27, 2013, Administrative Law Judges of the U.S. Department of Housing and Urban Development (HUD) have been appointed by the U.S. Commerce Secretary and are authorized to hear cases brought by the U.S. Patent and Trademark Office.

Respondent's alleged failure to inform the USPTO that documents filed for her clients' trademark applications were impermissibly signed by non-practitioner assistants.

In response, Respondent denies she had the authority to supervise LegalForce's non-practitioner assistants and denies ever authorizing or directing anyone to sign trademark documents with her client's name. Respondent also disputes that she did not meet her obligation to inform her clients and the USPTO of the alleged signature issues, because she never had proof that the alleged signature practices occurred in her cases. Finally, Respondent claims the allegations in the *Complaint* are time-barred based on the statute of limitations applicable to USPTO disciplinary proceedings.

The hearing in this matter was held on February 11, 2020, in Washington, District of Columbia. The testimony of the following witnesses was received: Tanya Amos, Trademark Legal Administrator for the USPTO; Elisabeth Dorsey, staff attorney for the USPTO; and Respondent. The Court also accepted the testimony of Heather Sapp, who previously worked as a senior trademark attorney at the same law firm as Respondent. Ms. Sapp's testimony was taken at a deposition and offered *in lieu* of her live testimony at the hearing.

Following the Court's receipt of the transcript on February 26, 2020, the parties were ordered to file post-hearing briefs and response briefs.<sup>2</sup> After the timely receipt of the Parties' briefs, the record was closed. This matter is ripe for decision.<sup>3</sup>

#### APPLICABLE LAW

The USPTO has the "exclusive authority to establish qualifications for admitting persons to practice before it, and to suspend or exclude them from practicing before it." Kroll v. Finnerty, 242 F.3d 1359, 1364 (Fed. Cir. 2001); see Sperry v. Fla. ex rel. Fla. Bar, 373 U.S. 379 (1963) (upholding the USPTO's exclusive authority against challenge from state bar). The Director of the USPTO may suspend or exclude a person from practice before the Patent and Trademark Office if the person is "shown to be incompetent or disreputable, or guilty of gross misconduct," or if the person violates regulations established by the Office. 35 U.S.C. § 32.

Section 32 authorizes the USPTO to discipline malfeasant practitioners, including by suspending or excluding a person from practice before the Office for violating its rules of conduct. 35 U.S.C. § 32; see also 37 C.F.R. § 11.19(b)(1)(iv). The practitioner must receive "notice and opportunity for a hearing" before such disciplinary action is taken. 35 U.S.C. § 32. Disciplinary hearings are conducted in accordance with USPTO's procedural rules and with section 7 of the Administrative Procedure Act, 5 U.S.C. § 556, by a hearing officer appointed by the USPTO. 37 C.F.R. §§ 11.39, 11.44.

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<sup>2</sup> On March 31, 2020, the OED Director moved the Court, with Respondent's consent, to amend the Transcript to conform to the testimony at the hearing. The Court has reviewed the OED Director's proposed corrections and finds that they are consistent with the testimony offered during the hearing. The proposed corrections do not alter substantive facts, but rather correct minor errors that sometimes occur when spoken words are reduced to writing. As such, the Court finds that the corrections help to ensure an accurate record of the testimony received at the hearing. The OED Director's *Motion to Amend Transcript to Conform to the Testimony* is, therefore, **GRANTED**.

<sup>3</sup> Due to the COVID-19 pandemic, the HUD Office of Hearings and Appeals has been closed since March 13, 2020, but has remained operational with its judges, attorneys, and staff on 100% telework.

The USPTO has duly promulgated regulations governing the conduct of persons authorized to practice before the Office. The USPTO Rules of Professional Conduct (37 C.F.R. §§ 11.101 *et seq.*), are based upon the American Bar Association (“ABA”) Model Code of Professional Responsibility and apply to persons who practice before the Office and became effective May 3, 2013. See CHANGES TO REPRESENTATION OF OTHERS BEFORE THE UNITED STATES PATENT AND TRADEMARK OFFICE, 78 Fed. Reg. 20179 (Apr. 3, 2013) (Final Rule) (codified at 37 C.F.R. §§ 11.101-11.901). The USPTO’s purpose for modelling its disciplinary rules after the ABA’s Model Code of Professional Responsibility was to “provid[e] attorneys with consistent professional conduct standards, and large bodies of both case law and opinions written by disciplinary authorities that have adopted the ABA Model Rules.” *Id.* at 20180.

**Burden of Proof.** The OED Director has the burden of proving the alleged violations by clear and convincing evidence. 37 C.F.R. § 11.49. Thereafter, Respondent has the burden to prove any affirmative defense by clear and convincing evidence. *Id.*

The clear and convincing standard is applied “to protect particularly important interests . . . where there is a clear liberty interest at stake.” *Thomas v. Nicholson*, 423 F.3d 1279, 1283 (Fed. Cir. 2005). This is an intermediate standard “between a preponderance of the evidence and proof beyond a reasonable doubt.” *Addington v. Texas*, 441 U.S. 418, 424-25 (1979). The standard requires evidence “of such weight that it produces in the mind of the trier of fact a firm belief or conviction, without hesitancy, as to the truth of the allegations sought to be established.” *Jimenez v. DaimlerChrysler Corp.*, 269 F.3d 439, 450 (4th Cir. 2001). “Evidence is clear ‘if it is certain, unambiguous, and plain to the understanding,’ and it is convincing ‘if it is reasonable and persuasive enough to cause the trier of facts to believe it.’” *Foster v. Allied Signal, Inc.*, 293 F.3d 1187, 1194 (10th Cir. 2002) (citing *Ortega v. IBP, Inc.*, 874 P.2d 1188, 1198 (Kan. 1994), disapproved of by *In re B.D.-Y.*, 187 P.3d 594 (Kan. 2008)).

## FINDINGS OF FACT

Respondent was admitted to practice law in New York on November 26, 1996, and is currently an active member in good standing. Respondent has practiced almost exclusively before the USPTO for the entirety of her career. From 1997-1999, Respondent worked at the USPTO as a Trademark Examining Attorney. Prior to that employment, Respondent worked at the USPTO as an intern. Respondent has no history of discipline before the USPTO nor any state or federal bar.

### I. LegalForce Background

On July 10, 2017, Respondent began working for LegalForce RAPC Worldwide (previously and hereinafter referred to as “LegalForce”). LegalForce is a law firm headquartered in Mountain View, California, with an office in Tempe, Arizona. The firm provides trademark legal services including filing trademark applications, trademark prosecution, and trademark enforcement. In terms of staff size, it would be considered a boutique intellectual property law firm. However, the volume of trademark matters it handles made it the number one trademark filing law firm in the world. LegalForce has been in business for approximately a decade, and during that time, the firm filed at least 40,000 trademark applications before the USPTO. The

firm receives clients through Trademarkia, (www.trademarkia.com), a web portal that applicants may use to purchase trademark legal services rendered by LegalForce.

The firm's U.S. trademark attorneys and legal assistants are located primarily in the Tempe office. However, it was agreed that Respondent would be permitted to work remotely from her home in Arlington, Virginia rather than report to the Tempe office. The firm also has offices in India, South Africa, and Europe. The office in Nagpur, India employs two teams to assist the US attorneys with their filings. Those teams are the Standards Team for new applications, and the Trademark Office Action Team ("TMOA Team") for post-application trademark prosecution. Both the Standards Team and the TMOA Team consisted of non-practitioner assistants.

## II. Respondent's Employment at LegalForce

Respondent was not an owner or partner of LegalForce, which is owned and founded by [REDACTED]. Rather, she was hired as a senior attorney, whose job duties included pre-filing review, trademark prosecution, and representing clients in TTAB proceedings. She continued these duties until she left her employment at Legal Force on March 29, 2019.

Although Respondent was considered a senior attorney, she was not a member of LegalForce's management team. Respondent did not have the authority to hire, terminate, or discipline any LegalForce's employees. And, aside from approving their drafts of trademark filings, Respondent did not manage the non-practitioner assistants with whom she worked.

When Respondent began working for LegalForce, her focus was primarily on new trademark applications. As the attorney of record, Respondent worked with the Standards Team to prepare initial trademark applications for filing with the USPTO. The Standards Team generally handled the initial search of the mark and presented a report for Respondent's review. Respondent would provide details regarding the trademark to the Standards Team, and the Standards Team would then input those details directly into the application. The Standards Team would return the completed trademark application document to Respondent for her review and signature, as attorney-in-fact. If the application was approved and signed by Respondent, the Standards Team would submit the trademark application to the USPTO for filing.

In January of 2018, Respondent began handling more post-application trademark prosecution matters. In this capacity, Respondent caused trademark documents such as Statements of Use, Declarations of Use under Section 8, and Responses to Office Action to be prepared, signed, and filed on behalf of LegalForce clients. Often, Respondent was either the attorney who filed the initial trademark application for the client, or was one of several attorneys listed as being an "other appointed attorney" on the trademark application. On occasion, the document Respondent prepared would also designate Respondent as the attorney of record for a particular trademark application if she was not so designated previously.

LegalForce identified the email address, [REDACTED], as the contact email for all applications to receive USPTO correspondence. Respondent did not have access to this email account. Rather, this account was monitored by non-practitioner assistants and

managed by Ryan Bethell, who was a managing attorney of the firm. When an Office Action was issued by the USPTO, the TMOA Team would review the Office Action and identify the issues stated in the Office Action. The TMOA Team would give each issue a label or code that would automatically generate an email to the client identifying that an Office Action had been received for their trademark, and asking whether the client wanted a LegalForce attorney to respond.

If the Office Action required a Statement of Use or a Declaration of Use under Section 8, and the client agreed to go forward with the process, a legal assistant in the Tempe office would gather information from the client and send it to the email address [REDACTED]. This email account is monitored by one attorney, but the attorney assigned to monitor it could change day-to-day. The attorney assigned to monitor the account would review the information collected and submitted by the Tempe legal assistant. If everything appeared to be in order, the attorney would give their approval for the response to proceed. This would result in the TMOA Team preparing the response by entering the information into the appropriate electronic form and filing it with the USPTO.

LegalForce attorneys and non-practitioner assistants submitted initial trademark applications and post-application prosecution documents to the USPTO through the USPTO's electronic trademark filing and prosecution system, known as the Trademark Electronic Application System ("TEAS"), and which can be accessed via the USPTO.gov website. TEAS is open to public access and allows for the filing of several documents related to trademark registration and post-registration. Via TEAS, trademark documents are electronically prepared, signed, and filed with the USPTO. All forms filed with TEAS must be personally signed. 37 C.F.R. § 2.193(c)(1). It is not permissible for a person to sign another person's name to a TEAS form. To facilitate personal signatures, TEAS offers two methods for affixing electronic signatures and one option for pen-and-ink signatures.

One method of submitting signatures to the USPTO is the ESIGN-ON method, which allows for an electronic signature to be entered onto the trademark document by a third party. With the ESIGN-ON method, a person prepares the document by entering the data onto the form in TEAS. Once the document is prepared, the preparer can select the option to send a link to a third party who opens the link, reviews the facts in that filing, and electronically enters their signature between two forward slashes. The originator of the document can then access the electronically signed document and submit it directly to the USPTO along with paying any necessary fees. This method is typically used by law firms, which send the form to clients for their signatures.

The second method for affixing signatures to documents uploaded to TEAS is the "Direct Sign" ("DIRECT") method. This option is the default signature method for filing trademark documents with the USPTO. Using this method, the originator of the document completes the electronic trademark application document and personally enters their electronic signature by entering any combination of letters, numbers, spaces, or punctuation marks that they have adopted as a signature between two forward slashes. When using the DIRECT signature method,

the computer with which the document is signed must be the same one with which the document is filed with the USPTO through TEAS.<sup>4</sup>

When the Standards Team or TMOA Team prepared documents that required Respondent's signature, the non-practitioner assistants would use the E-SIGN ON method. The non-practitioner assistant that prepared a certain document would send a copy of it for Respondent's review with a link to sign the document if the document was approved. Respondent never found a filing with her electronic signature that she did not personally sign.

The TMOA team also prepared documents that listed the client as the signatory. In such instances, Respondent initially believed that the non-practitioner assistants in the India office were also using the E-SIGN-ON procedure to obtain client signatures. However, Respondent never confirmed this assumption. If Respondent personally prepared a trademark document in TEAS that required a client signature, Respondent would email her clients directly. Her clients typically responded with a scanned copy of their pen-and-ink signature that Respondent would have in her possession as she began the process of creating the filing in TEAS. Once the document was prepared in TEAS, Respondent would electronically attach a copy of her client's signature to the trademark filing and submit it to the USPTO.

Once a trademark application or related document is filed, TEAS generates and sends a filing receipt via email to the person that submitted the filing. LegalForce had a policy of using [REDACTED] for all trademark application correspondence from the USPTO. There is also the option for TEAS to email up to four, additional, courtesy filing receipt copies if additional people are designated to receive them by the filer. Even in instances where Respondent did not personally submit her client's filing through TEAS, Respondent would usually get confirmation that the filing was completed. Each filing receipt includes a "TEAS Stamp," which is essentially data related to the filing such as the date the filing was started, the end time, the date it was submitted, and the IP address from where the filing was submitted.

### III. Allegations of Impermissible Signature Practices at LegalForce

In July of 2018, Heather Sapp, a supervisory attorney at LegalForce, informed Respondent that there were discussions within LegalForce regarding improper signatures. Ms. Sapp explained that issue arose from a trademark application with which Respondent was not involved. Ms. Sapp informed Respondent that email correspondence concerning that trademark

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<sup>4</sup> The Court received uncontroverted testimony that with the DIRECT signature method the signatory, who is usually also the filing preparer, must sign the document before proceeding to the validation page. On the validation page, the preparer can review the details of the document for accuracy and submit the filing immediately or save the document for later review and filing. If the document is saved, it is downloaded as a file that can later be uploaded to TEAS. When the document is downloaded as a file, any signature previously affixed to the document is removed. Indeed, Respondent testified that she would review the completed TEAS documents, but none of the documents she reviewed ever contained any signatures belonging to her clients at the time of her review. Additionally, Tanya Amos, the Trademark Legal Administrator for the USPTO, testified that if the document is saved rather than immediately filed, the preparer must re-sign the document before it can be submitted to the USPTO. See also In re Shia, Proceeding No. D2014-31 at 4 (USPTO Mar. 4, 2016) (final order stating, "[u]sing the Direct sign method, if a trademark document to be filed is saved for later filing, any electronic signature would not be saved on the TEAS form and would need to be reentered – personally by the proper signatory – due to a presumption that the document is being saved to be modified later."). Therefore, if the DIRECT signature method is used, the IP address collected is that of the computer used to both sign the document and file the document through TEAS.

application contained information suggesting that legal assistants in the India office had a regular practice of signing trademark application documents on behalf of clients.

During a subsequent meeting for LegalForce attorneys convened by Mr. Bethell, Respondent was informed that the signature issue previously mentioned by Ms. Sapp was a rare occurrence, and that legal assistants in the India office had been specifically instructed not to sign documents on behalf of clients. Respondent accepted this explanation and was not concerned about client signatures in applications for which she was the attorney of record, because she considered her cases to be relatively new and the USPTO did not yet require post-application trademark prosecution documents to be filed in those cases.

Around the time Respondent learned of the impermissible signature incident from Ms. Sapp and Mr. Bethell, the OED was investigating LegalForce's signature practices. The OED started sending Requests for Information (RFIs) to past and present LegalForce attorneys suggesting trademark filings they prepared were implicated in an investigation into signature practices at LegalForce.

#### IV. OED Investigation of Respondent and LegalForce

On October 17, 2018, the OED sent an initial RFI ("First RFI") to Respondent. In the First RFI, the OED informed Respondent that it had discovered information indicating that owner/applicant signatures on trademark filings for which she was attorney of record may be improper (*e.g.* not in accordance with USPTO signature requirements). The First RFI listed nine specific trademark filings that were of concern and requested additional information from Respondent. In identifying the nine filings, the OED included the serial number for the application, the type of filing that was submitted, the date the filing was submitted, and the name identified in the filing for the signatory. But the First RFI did not explain why the OED suspected signatures were improperly made in Respondent's cases, nor did it offer any indication as to why these nine documents were specifically flagged by OED.<sup>5</sup>

After receiving the First RFI, Respondent looked through records to which she had access to determine whether her clients signed the nine trademark filings at issue. Respondent checked various systems for LegalForce to include the firm's "Admin Panel" and "Piggy Bank" systems, and Respondent's own e-mails.<sup>6</sup> She also checked the USPTO's Trademark Status Document Retrieval System, which is commonly referred to as TSDR.<sup>7</sup> Despite these efforts, Respondent was unable to find information that would confirm whether her clients personally entered their signatures onto trademark documents filed in TEAS. Respondent believed the [REDACTED] email account would have TEAS-generated signature link emails

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<sup>5</sup> At the hearing, Ms. Amos testified that the USPTO's Trademark Image Capture and Retrieval System (TICRS) collects the IP addresses of customers and specifies the method of signature used to sign the document. Such information is available by reviewing TICRS's XML data, but only USPTO employees have access to the system.

<sup>6</sup> "Admin Panel" is the firm's docketing and case management system. "Piggy Bank" is a system that would sort through specific email accounts and file correspondence within the correct case file on the Admin Panel. Both systems employ proprietary software unique to the firm.

<sup>7</sup> TSDR is a publicly available viewing system for all documents filed with the USPTO. It can be accessed by any member of the public.

that would have been used in cases where clients were asked to sign via the ESIGN-ON method. However, Respondent did not have access to that email account. Despite being informed of the OED's suspicions of impermissible signatures on her trademark filings, Respondent never directly inquired with her clients or the legal assistants from the India office as to whether the trademark documents were actually signed by her clients.

Respondent prepared and submitted a response, dated November 21, 2018, to the First RFI. This resulted in the OED sending another RFI ("Second RFI") on December 11, 2018, that sought supplemental information. The Second RFI stated that the OED "has uncovered many more trademark filings by trademark attorneys with LegalForce . . . where the keystrokes constituting the electronic signature of the named signatory were seemingly entered by someone other than the named signatory." This Second RFI identified eleven trademark filings for which the OED was requesting specific information from Respondent. Five of the trademark filings were previously included in the First RFI. Similar to the First RFI, the Second RFI only identified the serial number for the application, the type of filing that was submitted, the date the filing was submitted, and the name identified in the filing for the signatory. This time, however, the trademark filings were split into two tables with no explanation as to why the filings were so sorted. There was an indication, however, that the OED was interested in signature practices on filings that were handled by non-practitioner assistants in the India office.

In December of 2018, [REDACTED] sent emails to clients whose trademark filings had been specifically identified by the OED as potentially bearing an improper signature. These emails were also sent to Respondent's clients who were identified in the First and Second RFIs, and Respondent was copied on the emails as they were sent. In each of the emails, [REDACTED] introduced himself as a shareholder of LegalForce and asked the client, "How was your experience working with our firm?" [REDACTED] would then acknowledge that a particular document was filed for the client's trademark and state, "I want to confirm that you approved this document for filing and to confirm that you signed the declaration portion of this document." [REDACTED] then noted that the USPTO may attempt to contact the client regarding their signature on the document. [REDACTED] added, "If you decide to respond to such a letter (which you are allowed to do), you should speak with independent counsel, as your response may affect your trademark rights as it may be public record." [REDACTED] then warned, "Be careful of scam mailers that you may receive however." [REDACTED] closed his emails inviting the client to contact him with any questions.

Respondent received four or five of the responses that the LegalForce clients sent back to [REDACTED] in response to his email.<sup>8</sup> In two of the responses that Respondent received, the clients confirmed that they signed the document at issue.

The OED continued to bring more allegations of impermissibly signed trademark filings to the attention of LegalForce attorneys through RFIs. On January 29, 2019, Respondent learned that thousands of LegalForce's filings with the USPTO could have been affected by the impermissible signature practice. Indeed, on February 1, 2019, Mr. Bethell sent a firm-wide email acknowledging that the OED has reason to believe the improper signature issue was more widespread than previously reported. Mr. Bethell's email stated that the firm has hired an audit

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<sup>8</sup> The record is unclear as to how many responses [REDACTED] received from Respondent's clients.



team to obtain a list from the USPTO of all the filings that may have been affected, and to ensure future compliance. Mr. Bethell also stated that the firm is “attempting to take all reasonable steps to correct these mistakes.” And, in March of 2019, the firm sent a second set of emails to clients who may have been affected by the alleged impermissible signature practice.

The OED sent a final RFI (“Third RFI”) to Respondent on March 22, 2019. The Third RFI did not identify any additional trademark filings related to Respondent that potentially included an improper signature. Rather, the Third RFI asked whether Respondent had contacted clients who did not personally sign the trademark filings, and whether Respondent had notified USPTO of trademark filings that might be at issue.

Among the three RFIs issued to Respondent, the OED had specifically identified fifteen trademark filings. Respondent reviewed the information she had on these filings and disqualified twelve of the filings as potentially having issues. Specifically, Respondent had records of personally receiving pen-and-ink signatures for five of the filings. Respondent determined that two more filings were filed by the clients, because there was no record of those filings in LegalForce’s systems. One filing concerned an abandoned application, so Respondent believed there was no client to contact regarding the matter. With another filing, Respondent had confirmation from that client that it was personally signed. And for four filings, Respondent worked with legal assistants in the Tempe office, so she believed they would not have signature issues because they did not involve the India office.

Respondent submitted a response to the Third RFI on April 10, 2019. In her response, Respondent informed the OED that her employment with LegalForce ended on March 29, 2019, and she no longer had access to the firm’s records. Respondent stated that she did not have “material facts to establish that there were impermissible signatures with regard to the records specifically identified ... by the OED nor for [her] filings generally.” She added that she did not contact her clients regarding signatures because she had “not been able to independently confirm that [impermissible signatures] occurred in any of [her] cases through review of the firm records that were available ... at the time.” Respondent also stated to the OED that she believed that [REDACTED], contacted the clients whose trademark applications were identified in OED’s RFIs.

V. Filings Identified by the OED Director in the *Complaint*

In the *Complaint*, the OED Director identified 21 specific trademark filings that Respondent is alleged to have caused to be prepared, signed, and filed on behalf of LegalForce clients. The OED Director claims these filings were impermissibly signed by non-practitioner assistants in LegalForce’s India office. At the hearing, the OED Director submitted evidence of 20 of the filings. Each filing purported to bear the signature of a client collected using the DIRECT signature method. After reviewing the record, the Court collected and organized relevant information into the following table.

**Table of Filings Signed Using the DIRECT Method**

| Application No. | Type of Filing                                     | Document Filing Date | Name of Signatory | Client Location <sup>9</sup> | IP Address <sup>10</sup> |
|-----------------|--|----------------------|-------------------|------------------------------|--------------------------|
| ████████        | Response to Office Action                          | 1/25/2018            | ████████          | Alpharetta, GA               | 27.251.65.163            |
| ████████        | Response to Office Action                          | 2/9/2018             | ████████          | Anaheim, CA                  | 27.251.65.163            |
| ████████        | Declaration of Use under Section 8                 | 3/15/2018            | ████████          | Atlanta, GA                  | 103.229.27.106           |
| ████████        | Declaration of Use under Section 8                 | 3/16/2018            | ████████          | Atlanta, GA                  | 103.229.27.106           |
| ████████        | Response to Office Action                          | 3/16/2018            | ████████          | Broadlands, VA               | 103.229.27.106           |
| ████████        | Declaration of Use under Section 8                 | 3/20/2018            | ████████          | Phoenix, AZ                  | 103.229.27.106           |
| ████████        | Declaration of Use under Section 8                 | 3/20/2018            | ████████          | Hempstead, NY                | 103.229.27.106           |
| ████████        | Response to Office Action                          | 3/21/2018            | ████████          | Saint Charles, MO            | 103.229.27.106           |
| ████████        | Statement of Use                                   | 3/21/2018            | ████████          | Maleny, Australia            | 103.229.27.106           |
| ████████        | Revocation, Appointment, and/or Change of Attorney | 3/29/2018            | ████████          | Saratoga Springs, NY         | 103.229.27.106           |
| ████████        | Response to Office Action                          | 4/19/2018            | ████████          | Zanesville, OH               | 103.106.101.218          |
| ████████        | Declaration of Use under Section 8                 | 5/1/2018             | ████████          | San Diego, CA                | 103.106.101.218          |
| ████████        | Statement of Use                                   | 5/3/2017             | ████████          | Pacific Palisades, CA        | 103.106.101.218          |
| ████████        | Statement of Use                                   | 5/18/2018            | ████████          | Florence, CA                 | 103.229.27.106           |
| ████████        | Response to Office Action                          | 5/21/2018            | ████████          | San Diego, CA                | 103.229.27.106           |

<sup>9</sup> The “client location” is based on the address information contained in the correspondent trademark application.

<sup>10</sup> The IP address is based on the information collected by TEAS when the trademark document is filed.

| Application No. | Type of Filing                     | Document Filing Date | Name of Signatory | Client Location    | IP Address     |
|-----------------|------------------------------------|----------------------|-------------------|--------------------|----------------|
| ██████████      | Response to Office Action          | 5/23/2018            | ██████████        | Las Vegas, NV      | 103.229.27.106 |
| ██████████      | Response to Office Action          | 5/26/2018            | ██████████        | Jackson, WY        | 103.229.27.106 |
| ██████████      | Declaration of Use under Section 8 | 5/29/2018            | ██████████        | Virginia Beach, VA | 103.229.27.106 |
| ██████████      | Statement of Use                   | 6/2/2018             | ██████████        | Kowloon, Hong Kong | 103.229.27.106 |
| ██████████      | Statement of Use                   | 6/8/2018             | ██████████        | Yangzhou, China    | 103.229.27.106 |

None of the clients confirmed or denied personally signing the trademark filings identified.

## DISCUSSION

The Court has considered all issues raised and all documentary and testimonial evidence in the record and presented at hearing. Those issues not discussed herein are not addressed because the Court finds they lack materiality or importance to the decision.

### I. Actions Taken by Non-Practitioner Assistants

At the heart of this matter is the allegation that non-practitioner assistants within LegalForce impermissibly signed trademark documents on behalf of Respondent's clients. The OED Director alleges this occurred in no less than 21 filings submitted to the USPTO. Respondent concedes that such conduct occurred in some cases handled by LegalForce, but disputes that it happened in the instances alleged by the OED Director in this case.

As noted *supra*, the OED Director has the burden of proving the alleged violations by clear and convincing evidence. 37 C.F.R. § 11.49. "Evidence is clear 'if it is certain, unambiguous, and plain to the understanding,' and it is convincing 'if it is reasonable and persuasive enough to cause the trier of facts to believe it.'" Foster v. Allied Signal, Inc., 293 F.3d at 1194.

The OED Director presented numerous exhibits demonstrating that non-practitioner assistants in the India office of LegalForce engaged in the practice of impermissibly entering client signatures. Such exhibits included emails between ██████████ and LegalForce staff regarding a specific trademark filing, documents obtained during investigations into the conduct of other LegalForce attorneys, and settlement agreements between other LegalForce attorneys and the USPTO that were entered as Final Orders. Although these documents offer insight into the OED's investigation of LegalForce and tend to suggest the impermissible signature practice

occurred with filings submitted to the USPTO, the documents were unrelated to the specific trademark filings at issue here, and they do not implicate Respondent.

The OED Director also presented 20 trademark applications at the hearing that contained filings purporting to bear the signature of Respondent's clients. For each filing at issue, the XML data presented shows that the DIRECT signature method was used for the client's signature. Additionally, the XML data shows that each filing was submitted from one of three IP addresses.<sup>11</sup>

As found *supra*, on filings with a DIRECT signature, the IP address collected by TEAS belongs to the computer that both entered the signature into the document and filed the document with the USPTO. This is because there is no mechanism to affix a signature, save the document with the signature, and then file it from another computer when the DIRECT method is used. Therefore, the clients who are purported to have signed the trademark filings identified in this case would have had to either personally submit the filings through TEAS, or they would have had to be present when LegalForce staff submitted the filings so the clients could personally type their signatures into the document. Recognizing that Respondent's clients were located in different parts of the world, and each filing was submitted from one of three IP addresses, it is clear that the signatures on the filings at issue were not personally entered by the client-signatories.<sup>12</sup>

The Court heard uncontroverted testimony that LegalForce's non-practitioner assistants were responsible for collecting client signatures and submitting documents to the USPTO after Respondent or other LegalForce attorneys approved the filings. As a rebuttal, Respondent presented two declarations from former LegalForce staff that worked in the India office at the time of the alleged conduct in this case. The declarations do not address the specific filings cited in the *Complaint* but acknowledge that staff in the India office deviated from appropriate signature practices under the direction of managing attorneys. The declarations also claim it was LegalForce's policy to get signatures directly from clients. Although sworn statements, the Court is not inclined to give the declarations much weight. At the hearing, Respondent testified that she never asked the TMOA Team about potential signature issues on her filings because she

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<sup>11</sup> At the hearing, the OED Director offered GOV Exhibits 50-54 into the record. These exhibits were printouts from the internet site WhatIsMyIPAddress.com, and purport to show that IP addresses identified in the filings have India as the geographic location of the computers that submitted filings through TEAS. Respondent objected on the basis of foundation, because there was no evidence of the website's reliability for determining the geographic location of an IP address. The Court deferred its ruling pending consideration of corroborating evidence that the OED Director intended to introduce.

The Court has reviewed the evidence admitted at the hearing. No evidence was presented that corroborated the information presented in Exhibits 50-54. Although the OED Director offered evidence suggesting non-practitioner assistants in the India office of LegalForce were entering client signatures onto trademark filings, such evidence does not show that the filings at issue in this case were submitted from the India office. Moreover, that the filings at issue in this case were submitted from computers specifically in India is not required to demonstrate the misconduct alleged. As discussed *infra*, the fact that the filings were signed and submitted from one of three IP addresses is sufficient to show that the clients could not have signed the documents filed by LegalForce assistants. Accordingly, Respondent's objection to GOV Exhibits 50-54 is sustained.

<sup>12</sup> Respondent credibly testified that when she personally handled the preparation and filing of a trademark document, she preferred to directly obtain the scanned declaration with pen-and-ink signature from her client and submit it to the USPTO. Such filings are not at issue here.



didn't trust that they would be truthful.<sup>13</sup> Upon consideration of the evidence presented by the Parties on this issue, the Court finds there is clear and convincing evidence that LegalForce's non-practitioner assistants impermissibly signed clients' names onto the trademark documents at issue in this case.

## II. Violations of the USPTO Disciplinary Rules

Respondent was implicated in each of the 20 trademark applications presented by the OED Director at the hearing. For many of the applications, Respondent prepared the initial application filing and was listed as the attorney of record with several other LegalForce attorneys being identified as "other appointed attorneys." In some instances, Respondent did not prepare the initial application, but was later designated as the attorney of record in a post-application prosecution document.

Upon review of the evidence, the Court finds that Respondent is not responsible for the following four filings referenced in the *Complaint* and identified in the previous table: the Response to Office Action filed on April 19, 2018 in the 87/662,856 application; the Response to Office Action filed on May 21, 2018 in the 87/743,518 application; the Response to Office Action filed on May 23, 2018 in the 87/701,052 application; and the Response to Office Action filed on May 26, 2018 in the 87/659,3321 application. In these cases, Respondent prepared the initial trademark application, but identified other LegalForce attorneys as also being appointed by the client. Based on the attorney information on these four Responses to Office Action, these filings were handled by one of the other appointed attorneys. The Court does not find Respondent engaged in misconduct as to the four filings handled by other attorneys.

### a. Supervision of Non-Practitioner Assistants

The OED Director claims that Respondent engaged in misconduct because she failed to supervise the non-practitioner assistants tasked with collecting client signatures, preparing the documents, and submitting filings to the USPTO. In addition, the OED Director alleges Respondent failed to take remedial action after the misconduct by non-practitioner assistants was brought to her attention by the OED.

Practitioners having direct supervisory authority over a non-practitioner assistant shall make reasonable efforts to ensure that the person's conduct is compatible with the professional obligations of the practitioner. 37 C.F.R. § 11.503(b). A practitioner shall also be responsible for the misconduct of a non-practitioner assistant if the practitioner has direct supervisory authority over the non-practitioner assistant and fails to take reasonable remedial action. 37 C.F.R. § 11.503(c)(2). These provisions apply in instances where the non-practitioner assistant is employed or retained by or associated with a practitioner. 37 C.F.R. § 11.503.

The record fails to demonstrate that Respondent had direct supervisory authority over the non-practitioner assistants. She was not a managing attorney with the firm, nor did she have any

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<sup>13</sup> Respondent specifically testified, "I don't know that I would have found it useful to ask the team in India what they did...I don't see that they would have told me the truth. I didn't know them very well, and I didn't have any authority over them."

input into the hiring or training of assistants. Although Respondent could review and approve the work of assistants in certain cases, Respondent did not dictate how or when the work was done. Indeed, Respondent explained that she often decided to handle filings herself rather than to correct the work of the assistants. Respondent also had little contact with non-practitioner assistants in the India office due to distance and time differences. In some cases, the extent of her communications was simply responding to an email to say that a response was approved so that the filing process could go forward. Accordingly, the Court finds the OED Director failed to prove that Respondent violated these disciplinary rules, because she did not have direct supervisory authority over the non-practitioner assistants. See In re Myers, 584 S.E.2d 357, 360 (2003) (stating that “direct supervisory authority” is a necessary element of the violation).<sup>14</sup>

b. Representing Client Matters with Reasonable Diligence

The OED Director claims Respondent violated the USPTO disciplinary rules, because she was not reasonably diligent in representing her clients. Specifically, the OED Director claims Respondent failed to monitor the filing process handled by legal assistants and learn whether the assistants were properly obtaining client signatures on the documents they filed.

The USPTO Rules of Professional Conduct requires practitioners to “act with reasonable diligence and promptness in representing a client.” 37 C.F.R. § 11.103. “Reasonable . . . when used in relation to conduct by a practitioner means the conduct of a reasonably prudent and competent practitioner.” In re Flindt, Proceeding No. D2016-04 at 20 (citing 37 C.F.R. § 11.1).<sup>15</sup> Whether a practitioner fails to act reasonably in terms of this rule cannot be resolved by a categorical determination of what constitutes diligence and promptness but must be examined in context of the surrounding circumstances. See Atty. Griev. Comm’n of Md. v. Ruddy, 981 A.2d 637, 651 (2009) (stating that reasonable diligence and promptness “must be examined in the context of the surrounding circumstances.”)

After Respondent was hired, she experienced frustration when LegalForce’s procedures seemed unclear. Whenever she asked how and by whom a response to an Office Action would be handled internally, she received conflicting information. At one point, she asked a managing attorney for a procedure manual, but was never provided one. Eventually, she came to understand that the TMOA Team handled the filing of post-application trademark prosecution documents with the USPTO, although the actions they took after she approved a document was never clear to her. Nevertheless, when assigned certain post-application trademark prosecution matters, Respondent handed off the important step of filing the document to non-practitioner assistants who were not under her supervision. It was not reasonably diligent of Respondent to do so. See e.g., In re Op. No. 24 of Comm. on Unauthorized Practice of Law, A-91 September Term 1991, 1992 N.J. LEXIS 1049, at \*29 (May 14, 1992) (“Attorneys may delegate legal tasks to paralegals if they maintain direct relationships with their clients, supervise the paralegal’s work and remain responsible for the work product.”)

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<sup>14</sup> Decisions and opinions issued by state bars that have also adopted the ABA Model Rules are “useful to understanding the PTO Rules.” In re Flindt, Proceeding No. D2016-04, n.5 (USPTO Aug. 4, 2017)

<sup>15</sup> USPTO disciplinary decisions cited herein are available at <https://foiadocuments.uspto.gov/oed/>.

Respondent understood that obtaining appropriate signatures was a fundamental step in the filing process, but she never determined how or whether the assistants were completing these tasks. Instead, Respondent simply assumed the assistants were carrying out their duties correctly. Respondent also did not follow up after she approved the content of a filing to see if the matter was properly handled. At the hearing, Respondent admitted that she expected to see the documents after she initially approved them, but that did not happen. Respondent attributed her failure to realize that the documents were not being sent back to her was due to her heavy caseload.<sup>16</sup> However, this does not excuse Respondent's failure to use reasonable diligence. See In re Henry Zhang, 376 Fed.Appx. 104, 116 (May 10, 2010) ("although Zhang may not have *intended* to neglect his clients, it was Zhang's decision to greatly increase his caseload without making adequate provision to protect his clients from the risks inherent in an overstretched practice."). After all, "a busy practice can be a mistake-prone practice." In re Kroll, Proceeding No. D2014-14 at 16 (USPTO Apr. 24, 2015) (affirmed by a Final Order dated March 4, 2016).

Moreover, although it was LegalForce's procedure to have non-practitioner assistants fill out electronic trademark forms, obtain the necessary signatures, and file the forms with the USPTO, Respondent was not required to follow that process. In fact, Respondent often opted to personally complete the documents and collect client signatures before they were filed. That Respondent chose to allow non-practitioner assistants to handle the filings at issue in this case without properly supervising those assistants or attempting to ensure the assistants were completing tasks appropriately demonstrates a lack of reasonable diligence. Accordingly, the Court finds Respondent conduct violated 37 C.F.R. § 11.103.

c. Conduct Involving Dishonesty, Fraud, Deceit, or Misrepresentation

The OED Director alleges Respondent engaged in dishonest conduct in violation of the USPTO disciplinary rules. The conduct is claimed to be dishonest and fraudulent on two fronts. First, Respondent is alleged to have been dishonest towards her clients by causing documents to be filed in their trademark matters that deceptively bore their signatures. Second, Respondent is alleged to have misled the USPTO by causing the impermissibly signed documents to be filed through TEAS.

Practitioners shall not engage in conduct involving dishonesty, fraud, deceit, or misrepresentation. 37 C.F.R. § 11.804(c). Deceit is dishonest behavior or behavior that is meant to fool or trick someone. In re Fred Lane, Proceeding No. D2013-07 at 14 (USPTO Mar. 11, 2014). A misrepresentation is the act of making a false or misleading assertion about something, usually with the intent to deceive, and includes not just written or spoken words but also any other conduct that amounts to a false assertion. Id. (citing *Black's Law Dictionary* (9th ed. 2009)).

During most of Respondent's employment at LegalForce, she did not suspect non-practitioner assistants on the TOMA Team were impermissibly signing documents filed for her client's trademarks. When she began her employment with LegalForce, she initially worked

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<sup>16</sup> On this issue, Respondent testified to the following, "But at the time, I was writing a substantive response a day, six to eight hours on that, new matters plus my existing client base. So... I guess it wasn't apparent to me that I wasn't getting [the documents] back."

with the Standards Team, because they assisted with initial trademark applications. Although she did not supervise or direct the Standards Team assistants, she found their work to be scrupulous. More importantly, there was never a concern about signature practices, because Respondent would personally sign the initial trademark applications.

Respondent was employed with LegalForce for roughly a year before Ms. Sapp informed her about an instance where a non-practitioner assistant with the TOMA Team signed a client's name to a filing. By then, the trademark documents at issue in this case had already been impermissibly signed and submitted to the USPTO. Due to her lack of diligence, Respondent did not know or have reason to know that there were issues with the documents when they were being filed through TEAS. Thus, there is no clear and convincing evidence that Respondent attempted to mislead her clients or the USPTO when she gave the TOMA Team her approval to proceed with preparing and filing trademark documents. See In re Piccone, Proceeding No. D2015-06 at 48 (USPTO June 16, 2016) (finding that OED Director did not present clear and convincing evidence that a respondent's actions were anything more than negligent, and the most that could be inferred is that the respondent simply did not engage in the necessary due diligence.); Atty. Griev. Comm'n of Md. v. Ruddy, 981 A.2d at 665 (finding that an attorney's proffer of incorrect information was not intentional or deceitful, and did not violate the rule because he did not knowingly misrepresent facts to the court"). Accordingly, the Court finds Respondent did not violate 37 C.F.R. § 11.804(c).

#### d. Communication with Clients

The *Complaint* alleges Respondent failed to adequately communicate with her clients in violation of the USPTO disciplinary rules, because she did not promptly inform them of the impermissible signatures, and she did not explain to them the potential consequences the situation.

A practitioner is required to "keep the client reasonably informed about the status of the matter." 37 C.F.R. § 11.104(a)(3). In addition, a practitioner must also explain the matter "to the extent reasonably necessary to permit the client to make informed decisions regarding the representation." 37 C.F.R. § 11.104(b).

The record demonstrates that Respondent did not have reason to believe her clients were affected by the impermissible signature practices of the TMOA Team until after the OED sent her the First RFI in October of 2018. Until that time, the only information she possessed came from the conversation with Ms. Sapp, and a staff meeting during which LegalForce management explained that the previous signature issue was a one-time occurrence that was immediately addressed preventing future problems. And, because Respondent worked remotely from her home in Arlington, Virginia, Respondent was isolated from other LegalForce attorneys who began receiving RFIs from the OED, and water-cooler conversations that may have shed light on the extent of the impermissible signature issue.



However, once Respondent received the First RFI, she was on notice that the impermissible signature practice could have occurred with some of the filings she approved.<sup>17</sup> Certainly, it was reasonable for Respondent to investigate the OED's allegations before communicating with her clients. However, after searching LegalForce and the USPTO's systems and being unable to confirm that the documents at issue were personally signed, Respondent should have reached out to her clients. Not only would such communications be helpful in determining whether her clients personally entered their signatures into the filings, but they could have started the process of mitigating any potential damage caused by an impermissible signature.

Respondent makes much ado about her inability to find anything that corroborated the OED's claims in the RFIs. She claims if she had such evidence, she would have properly informed her clients. And yet, Respondent's inability to verify OED's claims in the RFIs is largely due to the procedures put in place by LegalForce that Respondent willingly followed. For instance, documents prepared by LegalForce's attorneys and non-practitioner assistants would identify [REDACTED] as the appropriate email account for correspondence. As such, this account would receive all incoming USPTO correspondence. It is also the account used for incoming and outgoing emails whenever a signature link needed to be sent to the appropriate signatory, because the ESIGN-ON method was being used. However, Respondent never had access to this account. And, although she mentioned to a managing attorney that ESIGN-ON emails would likely be in the [REDACTED] account, she never followed up to see if any such emails were found.

By December 2018, [REDACTED] had reached out to Respondent's clients regarding potential issues with signatures. However, Respondent cannot rely on this attempt at communication to satisfy her duty to keep her clients reasonably informed. The emails sent to Respondent's clients failed to accurately inform them of the situation. The emails did not disclose the true purpose of the correspondence, but instead suggested LegalForce was reaching out to ensure client satisfaction. There was no information regarding the possibility that the documents were impermissibly signed, which could jeopardize the validity of clients' trademarks. In fact, when one client inquired further, [REDACTED] stated he was conducting an audit to "make sure [LegalForce's] attorneys are doing their job properly and to ensure that [LegalForce's] clients are satisfied with the services they are receiving." The email purposely omitted the necessary fact that this client's trademark application was directly implicated in an investigation into impermissibly signed documents. Without such information, the clients were deprived of the ability to make an informed decision on how to proceed and potentially mitigate damage to the validity of their trademarks.

Not later than January 29, 2019, Respondent understood that thousands of applications and registrations could be affected by the impermissible signature practice. Then just a few days later, Mr. Bethell sent an email to the entire firm acknowledging that the impermissible signature practice was widespread. When faced with this information, it was unreasonable for Respondent not to have initiated communications with her clients that may have been affected. Accordingly, the Court finds Respondent failed to communicate with her clients as required by 37 C.F.R.

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<sup>17</sup> It should be noted that of the trademark filings identified in this matter, only nine were specifically brought to Respondent's attention by the OED before the *Complaint* was filed.

§ 11.104(a)(3) and (b).

e. Conduct Prejudicial to the Administration of Justice

The OED Director claims Respondent engaged in conduct prejudicial to the administration of justice by causing impermissibly signed declarations to be filed with the USPTO and failing to take remedial measures to regarding those declarations.

The USPTO disciplinary rules state that it is misconduct for a practitioner to engage in conduct that is prejudicial to the administration of justice. 37 C.F.R. § 11.804(d). Such misconduct includes “conduct which impedes or subverts the process of resolving disputes” or “frustrates the fair balance of interests or ‘justice’ essential to litigation or other proceedings.” In re Friedman, 23 P.3d 620, 628 (Alaska 2001). Generally, an attorney engages in such conduct when his behavior negatively impacts the public’s perception of the courts or legal profession or undermines public confidence in the efficacy of the legal system. Att’y Grievance Comm’n v. Rand, 981 A.2d 1234, 1242 (Md. 2009).

As found *supra*, Respondent’s delegation of filing and signature collecting responsibilities to non-practitioner assistants resulted in impermissibly signed declarations being filed with the USPTO. Even assuming Respondent’s lack of diligence was the root cause of the assistants’ misconduct, there is no evidence Respondent acted intentionally or knowingly to commit a fraud on the USPTO. Respondent’s failure to ensure her clients matters were properly handled reflects poorly only on herself and does not implicate the legal profession as a whole. Accordingly, the Court finds Respondent did not violate this disciplinary rule. See In re Kroll, Proceeding No. D2014-14 at 17 (finding a practitioner’s neglect of his duties and failure to conduct an adequate inquiry for his client was not prejudicial to the administration of justice).

f. Candor toward the USPTO

The OED Director claims Respondent failed to bring the impermissible signature issue to the USPTO’s attention, which constitutes misconduct. Specifically, Respondent is alleged to have knowingly failed to correct documents that were submitted to the USPTO bearing false representations or to inform the USPTO of the impermissible signature practice that occurred at LegalForce.

Practitioners shall not knowingly fail to correct a false statement of material fact or law previously made to the USPTO. 37 C.F.R. § 11.303(a)(1). If a practitioner comes to know that evidence they offered to the USPTO is false, the practitioner is required to take reasonable remedial measures, which may include disclosure to the USPTO. Id. at § 11.303(a)(3). If a practitioner representing a client before the USPTO knows that a person intends to engage in fraudulent conduct, the practitioner shall take remedial measures such as notifying the USPTO. Id. at § 11.303(b). Also, in an *ex parte* proceeding, the practitioner is required to inform the USPTO of all material facts known to the practitioner that will enable the USPTO to make an informed decision, regardless of whether the facts are adverse. 37 C.F.R. § 11.303(d). An essential element of Respondent’s duty of candor towards the USPTO is knowledge. Indeed, each of the disciplinary rules cited in the preceding paragraph use some form of the words

“know” which is defined as having “actual knowledge of the fact in question.” Id. § 11.1. The definition further explains that “a person’s knowledge may be inferred from the circumstances.” Id.

Respondent consistently and credibly testified that she did not actually know the trademark documents she handled were signed and filed by non-practitioner assistants. That her clients’ trademark applications may have been affected by impermissible signatures was first brought to Respondent’s attention by the OED in the First RFI. However, none of the RFIs explained why the OED came to believe her clients were affected, nor did the RFIs disclose the information the OED relied upon to reach the conclusion that non-practitioner assistants in India were specifically to blame. By the time Respondent discovered the OED was relying on IP addresses collected through TEAS, Respondent no longer had access to filing receipts that would have contained the IP address in the TEAS stamp, because she had left LegalForce. Searches of TSDR would have been in vain, because the IP addresses in the TEAS stamps are redacted from public disclosure. At best, Respondent could use TSDR to determine the signature method used for each filing. However, the process to do so as described by OED’s investigating attorney, Elizabeth Dorsey, was complex requiring over a dozen steps and two different computer applications. That process is also not typically undertaken by even the most experienced TEAS users. Respondent has used TEAS since its inception, and yet she did not know the signature method for each filing could be found in XML data until the Parties exchanged documents after the *Complaint* was filed.

The Court recognizes that Respondent did not know the filings in this case contained false signatures due in part to her own lack of diligence and because she never attempted to personally confirm with the assistants or her clients that the documents were appropriately signed. Nevertheless, the requirement to correct evidence or report fraudulent actions to the USPTO requires actual knowledge. Accordingly, the Court finds there is not clear and convincing evidence to prove these violations.

### III. Respondent’s Statute of Limitations Argument

Respondent claims the investigation into the impermissible signature practice at LegalForce began as early as June 21, 2018, when the OED issued an RFI to a former LegalForce employee. Respondent asserts the allegations of misconduct contained in the *Complaint* are thus barred by the statute of limitations, because the OED Director did not file the *Complaint* until July 2, 2019.

On September 16, 2011, Congress enacted the Leahy-Smith America Invents Act (“AIA”), which replaced 28 U.S.C. § 2462, for USPTO purposes, with an amended version of 35 U.S.C. § 32. As amended, 35 U.S.C. § 32 includes the following two-stage limitations period:

A disciplinary proceeding shall be commenced not later than the earlier of either the date that is 10 years after the date on which the misconduct forming the basis for the proceeding occurred, or 1 year after the date on which the misconduct forming the basis for the proceeding is made known to an office or employee of the

Office. 35 U.S.C. § 32. The USPTO procedural rules more specifically require that, “A complaint shall be filed within one year after the date on which the OED Director receives a grievance forming the basis of the complaint.”

35 U.S.C. § 32; see also, Leahy-Smith America Invents Act, Pub. Law No. 112-29, § 3(k), 125 Stat. 291 (2011).

The USPTO regulation promulgated pursuant to the AIA states that:

A complaint shall be filed within one year after the date on which the OED Director receives a grievance forming the basis of the complaint. No complaint shall be filed more than ten years after the date on which the misconduct forming the basis for the proceeding occurred.

37 C.F.R. § 11.34(d). The USPTO thus considers the misconduct to be “made known” when a grievance is received. A “grievance” is defined as a “written submission from any source received by the OED Director that presents possible grounds for discipline of a specified practitioner.” 37 C.F.R. § 11.1.

Neither party has produced a grievance implicating Respondent that, once received, would commence the clock on the statute of limitations. Undoubtedly, the conduct was made known at some point in time for the OED Director to have filed the *Complaint* at bar. However, that point in time is not clear. Respondent claims the OED was aware of the impermissible signature issue at LegalForce as early as June 21, 2018. In support, Respondent produced a copy of an RFI issued to a former LegalForce attorney soliciting information about the firm’s signature practices. The RFI does not implicate Respondent and suggests the attorney that received the RFI left LegalForce over a year before Respondent was hired. At the hearing, Ms. Dorsey acknowledged the June 21, 2018 RFI concerned LegalForce’s signature practice. However, Ms. Dorsey also testified that the OED did not specifically know of Respondent’s misconduct until July of 2018.

It might be reasonable to infer the OED knew of Respondent’s misconduct when it issued the June 21, 2018 RFI to the other attorney. However, it is just as likely that the First RFI issued in this matter was tied to the beginning of what became a wider investigation. Ms. Dorsey’s testimony is at least as probable, because the earliest filing at issue in this case had not been submitted to the USPTO until early 2018. With the sheer number of trademark applications and documents filed by LegalForce on an annual basis, it is likely that Respondent’s involvement took time to uncover. There is no evidence—direct or circumstantial—establishing passage of the statute of limitations. As that is an affirmative defense, the burden falls on Respondent to prove it. 37 C.F.R. § 11.49. Respondent has not proven, by clear and convincing evidence, that the misconduct forming the basis for the *Complaint* was made known to the OED more than a year before the *Complaint* was filed. See Jimenez v. DaimlerChrysler Corp., 269 F.3d at 450 (The standard requires evidence “of such weight that it produces in the mind of the trier of fact a

firm belief or conviction, without hesitancy, as to the truth of the allegations sought to be established.”).

### **SUMMARY OF VIOLATIONS FOUND**

Based on the foregoing, the Court finds clear and convincing evidence exists to show that Respondent engaged in misconduct in violation of the USPTO disciplinary rules. Specifically, Respondent failed to act with reasonable diligence in violation of 37 C.F.R. § 11.103, because she left important tasks to non-practitioner assistants without adequately supervising them or ensuring they were carrying out their duties appropriately. Respondent also failed to reasonably communicate with her clients in violation of 37 C.F.R. § 11.104(a)(3) and (b), because she never contacted them regarding the likelihood that their signatures had been impermissibly entered into trademark documents filed with the USPTO.

### **DETERMINATION OF SANCTIONS**

The OED Director requests that the Court sanction Respondent by entering an order that excludes Respondent from practice before the Office. Before sanctioning a practitioner, the Court must consider the following four factors:

- (1) Whether the practitioner has violated a duty owed to a client, to the public, to the legal system, or to the profession;
- (2) Whether the practitioner acted intentionally, knowingly, or negligently;
- (3) The amount of the actual or potential injury caused by the practitioner’s misconduct; and
- (4) The existence of any aggravating or mitigating factors.

37 C.F.R. § 11.54(b). When considering if and what sanction is appropriate, “[w]e start from the premise that protection of the public and bar, not punishment, is the primary purpose of attorney discipline and that we must accordingly consider relevant mitigating and aggravating circumstances.” In re Burmeister, Proceeding No. D1999-10 at 11 (USPTO Mar. 16, 2004) (quoting Coombs v. State Bar of California, 779 P.2d 298, 306 (Cal. 1989)).

#### **1. Violations of Duties Owed.**

The practitioner-client relationship is a fiduciary relationship in which the practitioner owes the client a duty to represent his or her interests diligently and in good faith. See Moatz v. Bender, Proceeding No. D00-01, at 20 (USPTO Sept. 30, 2003) (“Respondent owed a fiduciary duty individually to each of his clients.”); Carter v. ALK Holdings, Inc., 605 F.3d 1319, 1325 (Fed. Cir. 2010) (referencing patent practitioner’s expected fiduciary duties to clients); see also In re Petition of Bd. of Law Examiners, Examination of 1926, 210 N.W. 710, 711 (Wis. 1926) (“An attorney occupies a fiduciary relationship towards his client. It is one of implicit confidence and of trust. . . . There is no field of human activity which requires fuller realization with respect to fiduciary relationship than that which exists between the lawyer and his client.”). In a fiduciary relationship “there has been a special confidence reposed in one who in equity and

good conscience is bound to act in good faith and with due regard to the interests of the one reposing confidence.” McCants v. Nat’l Collegiate Athletic Ass’n, 201 F. Supp. 3d 732, 747 (M.D.N.C. 2016) (quoting Dalton v. Camp, 353 N.C. 647, 548 S.E.2d 704, 707–08 (2001)).

Respondent breached the fiduciary duty she owed to her clients by not ensuring their matters were handled with reasonable diligence. Rather than confirming that trademark prosecution documents were appropriately submitted to the USPTO, Respondent allowed this important task to fall to non-practitioner assistants, who impermissibly signed the documents with the clients’ names. Respondent did not oversee the assistants to whom such tasks were delegated, nor did Respondent confirm the methods the assistants used. Even after Respondent was informed of serious concerns involving the propriety of these filings, Respondent never inquired of the assistants involved to determine whether the impermissible signatures were entered into her clients’ documents. Respondent never informed her clients of the likelihood that their trademark applications had been affected. In sum, Respondent violated her duty to her clients.

The Court does not find that Respondent violated any duty to the public, the legal profession, or the USPTO. As previously found, Respondent did not have the requisite knowledge required for her to inform the USPTO of the assistants’ misconduct or to take remedial measures. The consequences of her misconduct and the duties she failed to meet affect her clients only and do not implicate the legal profession or the USPTO.

## 2. Respondent’s misconduct was negligent.

Respondent’s conduct was negligent. “Negligence is the failure to take reasonable care.” In re Flindt, Proceeding No. D2016-04 at 52. Respondent did not act with reasonable care when she allowed the important tasks of collecting client signatures and filing trademark prosecution documents to fall upon assistants over whom she had no supervisory authority. Respondent assumed the assistants would conduct their duties appropriately, but she never checked to make sure. The Court recognizes, however, that Respondent did not simply throw caution to the wind. Rather, she was following procedures that were put in place by her employer, and that were followed by other attorneys in the firm. Nevertheless, had she conducted an initial inquiry into the methods the assistants were using, or followed up at some point to ensure the trademark documents were appropriately signed and filed, Respondent’s culpability would have been diminished.

Respondent also failed to act with reasonable care by failing to communicate with her clients when she had reason for concern that her clients’ trademarks had been affected. When she became aware that the issue was wide-spread, Respondent should have taken the initiative to communicate with her clients. Instead, Respondent allowed [REDACTED] to be her proxy, although his communications failed to inform her clients of the true nature of the situation and the potential adverse consequences if their trademarks were affected. Accordingly, the Court finds Respondent’s conduct was negligent.

3. Respondent's misconduct did not cause actual or potential injury.

There is no evidence that actual injury to Respondent's clients. However, there is evidence that Respondent's misconduct has the potential to cause actual injury to the clients, because their trademark registrations could be subject to cancellation.

4. Aggravating and mitigating factors in this case.

The Court often looks to the ABA's Standards for Imposing Lawyer Sanctions ("ABA Standards") when determining whether aggravating or mitigating factors exist. See In re Chae, Proceeding No. D2013-01, slip op. at 4 (USPTO Oct. 21, 2013). A review of the record reveals that three aggravating and a mitigating factor exist in this case.

First, Respondent engaged in a pattern of misconduct, which is an aggravating factor. Respondent's lack of diligence was not a one-time slip up. Rather, over a period of five months, sixteen trademark documents were filed with impermissible signatures. With each document, Respondent affirmatively give approval for assistants to finalize the documents and file them with the USPTO. Respondent then failed to supervise the filings or otherwise ensure that the assistants were conducting their duties appropriately.

Second, Respondent's misconduct constitutes multiple offenses of the USPTO disciplinary rules, which is an aggravating factor. Not only did Respondent fail to act with reasonable diligence, but she also failed to adequately inform her clients of the problem after the fact.

Third, Respondent has substantial experience in the practice of law and, more specifically, practice before the Office in trademark law. Respondent has practiced almost exclusively before the USPTO for the entirety of her career, which began in 1996. Respondent has even worked for the USPTO as a Trademark Examining Attorney. Respondent's experience filing trademark applications and prosecution documents even predates the TEAS system. As a result of Respondent's extensive experience, Respondent understands the signature requirements of the USPTO, and the consequences if those requirements are not met. Nevertheless, Respondent's lack of diligence resulted in her clients' trademark documents being impermissibly signed and submitted to the USPTO. Accordingly, the Court finds Respondent's substantial experience practicing before the Office in trademark matters to be an aggravating factor.

The OED Director suggests Respondent selfishly failed to communicate with her clients regarding the signature issue, because Respondent was attempting to protect her professional reputation. Respondent testified credibly that she did not want to contact her clients until she had actual evidence of impermissible signatures occurring in their trademark documents. Although Respondent never made any inquiries directly with the non-practitioner assistants, Respondent investigated the matter diligently in an attempt to determine whether the invalid signature practice actually occurred. Respondent was mistaken to believe that she should not communicate with her clients regarding this issue until she had concrete proof. But, there is no evidence that her failure to contact her clients was selfishly motivated. Accordingly, the Court disagrees that this aggravating factor is applicable in this case.

Finally, the OED Director claims Respondent's refusal to acknowledge the wrongful nature of her conduct constitutes an aggravating factor. The Court also disagrees with this assessment. At the hearing, Respondent demonstrated regret that she did not inquire into the practices of the TMOA Team, or push harder for management to provide her access to certain systems that would shed more light on whether her clients actually signed the documents at issue. Evidence in the record also demonstrates that, were Respondent able to find evidence of impermissible signatures occurring in her cases, she would have contacted her clients. Accordingly, the Court finds Respondent did not refuse to acknowledge the wrongful nature of her conduct.

Respondent's long career of practicing law is also a relevant consideration as a mitigating factor. Since Respondent began her career in private practice, she has appeared as the attorney of record in no less than 820 trademark applications. Until this case, Respondent has not been found to have engaged in unethical conduct. Indeed, she has no prior disciplinary record. This is a mitigating factor.

The Court has considered the factors set forth in 37 C.F.R. § 11.54(b) to include additional aggravating and mitigating factors and determines that a sanction is warranted. Respondent's conduct was negligent, but not egregiously so. Accordingly, the Court finds the one-month suspension sought by the OED Director is not warranted in this case. See In re Flindt, Proceeding No. D2016-04 at 57 (The USPTO disciplinary rules must be upheld, but "the penalty assessed should be proportionate to the violation committed.").

Respondent has acknowledged she should have conducted more oversight for her client matters and there is no evidence the impermissible signature issue continued after Respondent was made aware of it. The misconduct in this case appears to be unique to LegalForce because the firm's remote workflow and procedures made it difficult for Respondent to uncover the problem.

Accordingly, the Court finds a public reprimand and a probationary period will sufficiently serve the purpose of deterring similar conduct and protecting the public. In re Hill, Proceeding No. D2001-06 at 12 (USPTO July 26, 2004) (final order stating, "A public reprimand puts all practitioners on notice of a problem of due care that may be of greater likely consequence to other potential clients than it was to the client here.").

### CONCLUSION AND ORDER

The OED Director met his burden to prove by clear and convincing evidence that Respondent engaged in misconduct in violation of the USPTO disciplinary rules. Respondent's affirmative defense was not proven. After consideration of the factors set forth in 37 C.F.R. § 11.54(b), the Court finds a sanction of **PUBLIC REPRIMAND** and a twelve (12) month probationary period to be warranted.

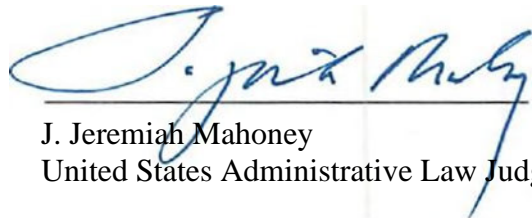
The OED Director shall publish a notice in the USPTO Official Gazette that is materially consistent with the following:



### **Notice of Public Reprimand and Probation**

This notice concerns non-registered practitioner, Elizabeth Pasquine of Arlington, Virginia, who is hereby publicly reprimanded and placed on probation for twelve (12) months for violating 37 C.F.R. §§ 11.103 and 37 C.F.R. § 11.104(a)(3) and (b). The violations are predicated on non-practitioner assistants electronically signing numerous USPTO trademark filings on behalf of named signatories in violation of the USPTO trademark electronic signature regulations and guidance in trademark matters where Ms. Pasquine was either the attorney of record or the attorney who prepared, reviewed, and/or caused to be filed trademark documents where another attorney was the attorney of record. Respondent 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. Disciplinary decisions involving practitioners are posted for public reading at the Office of Enrollment and Discipline's Reading Room located at: <https://foiadocuments.uspto.gov/oed/>.

So **ORDERED**.



J. Jeremiah Mahoney  
United States Administrative Law Judge

**Notice of Appeal Rights:** Within thirty (30) days of this initial decision, either party may appeal to the USPTO Director. 37 C.F.R. § 11.55(a).