

THE LATEST FRAUD SCHEME AT THE USPTO: BE VIGILANT IN REVIEWING AND MONITORING YOUR TRADEMARKS

Hodgson Russ Intellectual Property & Technology Alert
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As a trademark owner, you must be diligent in reviewing and maintaining your trademarks at the United States Patent and Trademark Office (USPTO). Many trademark owners rely on their counsel to be vigilant and monitor their trademarks on their behalf. At Hodgson Russ, our intellectual property team reviews USPTO records in association with our clients' trademark portfolios.

Recently, while conducting monitoring services for a client, a well-known clothing company, it came to our attention that an unknown third party filed a trademark application in our client's name using counterfeit specimens to evidence use. The fraudulent application was filed to appear as if our client filed the application itself. All of the filing information was accurate, except the name and email address used within the correspondent information was fictitious, and the email used traced back to an IP address located in China, not associated with our client.

Pursuant to 37 C.F.R. §2.146(a)(3) we filed a petition to the Director of the USPTO to strike and remove any and all documents related to the fraudulent trademark application. As a result of our investigation and with the help of the Director's Office in the USPTO, the USPTO uncovered approximately 10 additional fraudulent filings emanating from the same IP address which all targeted well-known brands and included sworn and verified signatures of well-known persons (e.g. William Jefferson Clinton), not associated with the trademark owners.

The Director immediately issued a show cause order to the applicant for violating the USPTO's rules of practice and requesting that the applicant show cause why the USPTO should not:

“(1) strike any trademark-related document submitted by you; (2) permanently preclude you from submitting further trademark-related documents on your own behalf or on behalf of others; (3) direct the USPTO's Office of the Chief Information Officer to permanently terminate or deactivate any USPTO accounts used by the same in any matter in which related contact information appears; and (4) terminate any proceedings determined to have been initiated by you.”

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The applicant apparently responded to the Show Cause Order, however, the content of the response was not made public. Nevertheless, it would seem that the response confirmed that the filings were all fraudulent.

Pursuant to 37 CFR §11.18(c), the Director issued sanctions to terminate the fraudulent applications and ordered that the fraudulent filings be given no evidentiary weight in future proceedings before the USPTO; and the USPTO may remove the filings from public view within TESS/TSDR search results. The fraudulent filer was also permanently excluded from submitting trademark filings on his own behalf and on behalf of others; and his USPTO account was terminated and deactivated. The USPTO also advised that it would take steps to prevent future enrollment by the filer to obtain a USPTO account.

We suspect that the fraudulent application was filed with the intention to transfer or assign the mark after registration in order to take control of brand stores or other e-commerce type listings which now require proof of registration.[1] Since the fraudulent application listed the correspondent as the fraudulent filer, the true owner may never have learned of this filing.

The Hodgson Russ Intellectual Property attorneys keep apprised of evolving standards and decisions relating to trademarks and are able to assist with all your trademark needs. Please contact [Neil Friedman](#) (646.218.7605), [Ryan McGonigle](#) (646.218.7537) or any member of our [Intellectual Property & Technology](#) practice should you have any questions.

[1] For example, Amazon has created the [Amazon Brand Registry](#) which provides trademark owners the ability to manage the sale of goods under their registered trademarks on Amazon's e-commerce website. Among some of the powers granted to a trademark owner on Amazon's platform is the ability to terminate third party sales of goods under the same trademark. In order to enroll in Amazon's Brand Registry, you must own a registered trademark. To verify that a brand registry application is being filed by the actual trademark owner, Amazon sends a special authentication code to the correspondent listed within USPTO trademark registration records. Therefore, for a Brand Registry applicant, having the correct information within USPTO records is paramount.