

Ethics in the Trademark Arena

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I. Introduction

While there are many respected resources on legal ethics generally, this chapter brings together guidance on ethical issues that are specific to the area of trademark law. It is intended to serve as a practical and focused resource for trademark attorneys and paralegals. We discuss U.S. and international rules and

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practices in the realms of searching, advising clients, trademark prosecution, litigation, and other areas important to the practice of trademark law.

Where possible, this chapter provides citations to case law, rules, and other legal authority. However, there are some important ethical questions for which there is no clear legal guidance or explicit authority. This chapter aims to provide practical ideas and suggestions, but it is possible that a client or tribunal could disagree with such strategies. Counsel should always evaluate for themselves whether their practices conform to ethical requirements and should seek out ethics counsel to advise them when appropriate.

Section II focuses on ethical rules and enforcement in the United States, while Section III provides an overview of what international rules apply and how they are enforced, as well as special ethical considerations in an international context. The duties of competence, confidentiality, avoidance of conflicts of interest, and advising clients, and other topics specific to trademark practice, are covered. Section IV focuses on practice before the United States Patent and Trademark Office (USPTO). Section V addresses the unauthorized practice of law as applied to trademark administrators and paralegals, in the United States and elsewhere. Section VI covers trademark clearance and searching; Section VII deals with U.S. litigation and conflicts; and Section VIII focuses on trademark bullying. Investigations are covered in Section IX; negotiations for acquisition of IP rights and licensing are covered in Section X; and additional international issues are discussed in Section XI.

II. United States Rules of Ethics

What ethics rules apply in the United States, and who enforces them? The USPTO Rules of Professional Conduct (“USPTO Rules” or “Rules”), 37 C.F.R. Part 11, govern practitioners before the USPTO. In 2013, the USPTO updated its ethics rules for practitioners before the Office to rules based on the 2011 update to the American Bar Association (ABA) Model Rules of Professional Conduct

(“ABA Model Rules” or “Model Rules”).¹ In addition to the USPTO Rules, trademark attorneys are bound by their state’s ethical rules, which, in all states other than California, as well as in the District of Columbia and the U.S. Virgin Islands, are also based on the ABA Model Rules.² Thus, case law based on states’ enforcement of their ethical rules can provide guidance to trademark law practitioners. (In addition, paralegals or other trademark administrators who are members of the National Association of Legal Assistants (NALA) are bound by the ten canons of the NALA Code of Ethics.)³ The comments and annotations to the ABA Model Rules are also helpful, but they are not binding on the USPTO.⁴ Overall, because the Model Rules have been so widely adopted, the revised USPTO Rules provide trademark practitioners with consistent and almost nationwide standards, while also addressing issues that are particular to trademark (and patent) law.⁵

The current version of the USPTO Rules became effective on May 3, 2013. The former rules, found at 37 C.F.R. Part 10, apply to activity prior to the effective

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- ¹ See William R. Covey, *A Summary of Recent Activity at OED*, USPTO (Mar. 18, 2015) (AIPLA Webinar), http://www.uspto.gov/sites/default/files/documents/AIPLA_Webinar.pdf; Changes to Representation of Others Before the United States Patent and Trademark Office, 78 Fed. Reg. 20,179 (Apr. 3, 2013), <https://www.federalregister.gov/articles/2013/04/03/2013-07382/changes-to-representation-of-others-before-the-united-states-patent-and-trademark-office>. Information on the ABA Model Rules can be found at http://www.americanbar.org/groups/professional_responsibility/publications/model_rules_of_professional_conduct/model_rules_of_professional_conduct_table_of_contents.html.
- ² See http://www.americanbar.org/groups/professional_responsibility/publications/model_rules_of_professional_conduct/alpha_list_state_adopting_model_rules.html.
- ³ See <https://www.nala.org/certification/nala-code-ethics-and-professional-responsibility>.
- ⁴ See William R. Covey, *Harmonized Ethical Standards: The New USPTO Rules of Professional Conduct*, USPTO (July 9, 2013), http://www.uspto.gov/ip/boards/oed/TM_OED_Slides_9July2013.pdf.
- ⁵ *Id.*

date.⁶ The Rules are enforced by the USPTO through its Office of Enrollment and Discipline (OED).⁷

Grievances against practitioners can originate from outside the USPTO, whether from clients or colleagues; from within the USPTO; or from other sources, such as published decisions or news articles.⁸ Frequent causes for grievances include neglect, such as failure to reply to Office actions or failure to communicate with a client; dishonesty, fraud, deceit, or misrepresentation, such as misrepresenting to a client the status of an abandoned application as pending; and fee-related issues, such as improper commingling of a client's advance legal fees with the practitioner's funds.⁹

When a grievance is received by the OED, the allegations are screened preliminarily and information is requested from the practitioner. An investigation is conducted, with an opportunity for the practitioner to respond. At that point, the OED may close the investigation without further action; it may issue a non-public warning¹⁰ to the practitioner; or it may enter into a settlement agreement.¹¹ Alternatively, the OED can convene a panel of the Committee on Discipline (COD) to determine whether there is probable cause to file a disciplinary action against the practitioner.¹² The COD panel then decides whether there is probable cause to believe that a Rule has been violated; if

⁶ See William R. Covey, *Professional Responsibility at the USPTO*, USPTO (Apr. 17, 2015) (presented at 2015 BIO IPCC Spring Conference), <http://www.uspto.gov/sites/default/files/documents/2015%20BIO%20IPCC%20Spring%20Conference%2004%2017%2015.pdf>.

⁷ See <http://www.uspto.gov/about-us/organizational-offices/office-general-counsel/office-enrollment-and-discipline-oed>.

⁸ William R. Covey, *Harmonized Ethical Standards: The New USPTO Rules of Professional Conduct*, USPTO (July 9, 2013).

⁹ *Id.*

¹⁰ 37 C.F.R. § 11.21.

¹¹ 37 C.F.R. § 11.22(h).

¹² 37 C.F.R. § 11.32.