

Trademark Solicitations and Trademark Fraud



Part 1 – Trademark Solicitations

Trademark applicants typically will receive many solicitations for a variety of listing or monitoring services following the filing of a trademark application. Listing services have been discussed in prior posts. Another type of service offered by some solicitations is "trademark monitoring and notification."

So, should you subscribe to one of these services? Let's investigate.

Unfortunately, many of the solicitations that you will receive after filing for trademark registration are not legitimate, at least not in the sense of being a good value. In the past, I've discussed the "smell test" that can be used for illegitimate solicitations. First, if the solicitation is made to look like it came from an "official" government entity, then it is probably bogus and a bad value for you. Second, if the solicitation is sketchy on details, then you should beware that not much is being offered.

Let's look at legitimate services that might be offered.

1. Monitoring of Your Pending Trademark Application

Anytime you file a trademark application, certain deadlines can apply. For example, a large portion of applications will receive an Office Action that requires a timely response. These Office Actions can refuse registration for legal reasons or might just require an amendment or formality. Regardless, the applicant will only have a limited time to reply before the application will be abandoned. It's amazing how easy it can be to miss these deadlines without proper monitoring. Diligent docket management and monitoring is one of the key benefits of being represented by an attorney.

The US Patent and Trademark Office does not remind you of the deadline to respond to an Office Action after the initial action is sent. It is your responsibility to monitor the status of your application. While this seems simple, many trademark applicants simply forget because of procrastination or because they are not set up to do this kind of calendar monitoring. Also, trademark applicant's do not always understand the importance of maintaining accurate contact information with the trademark office. Lastly, applicant's may lose communications that are received by mail or may have email from the USPTO removed as SPAM.

If you are filing *pro se* and need to consider a monitoring service, you should consider how much a service like this is worth to you and find a reputable provider. In the opinion of Trademark Application Headquarters, you should use an attorney to avoid potential pitfalls. The Patent and Trademark Office includes a Warning to USPTO Customers: Trademark Monitoring and Document Filing Companies. If such a company is trying to trick you into believing they are the USPTO, then obviously they are not trustworthy. You can monitor the status of a trademark application or registration directly at no cost through the new Trademark Status and Document Retrieval (TSDR) system. This is a great idea to do even if you have an attorney handling the legal needs and logistics of prosecuting your trademark with the PTO.

What should a monitoring service cost? Personally, I've never recommended one because every trademark applicant can be rightfully advised to hire an attorney instead. If you are going to pay more than \$30 per month for monitoring your pending trademark application, then, in my opinion, you should receive more in return for your money than just monitoring and notice of deadlines. This rate should include legal services and help to file the necessary documents when a deadline approaches. Some Office Actions, such as refusal for "likelihood of confusion," should definitely be brought to an attorney far ahead of the filing deadline to be dealt with professionally.

2. Monitoring Your Trademark for Use by Others

These are referred to by some as "watching" services. These type of services will alert you to trademark filings and/or domain names that are similar to your mark. Another related type of service monitors news sources for mention of your brand. These can monitor everything from periodicals to user groups in effort to find anything that might be considered infringement of your trademark.

While it is good to know if a serious contender plans to infringe your trademark and usurp the goodwill of your company, a monitoring service has an important drawback. Under U.S. Law, a trademark owner has a duty to police their trademarks and take action to enforce them. A failure by a registered trademark owner to stop infringement will eventually result in a loss of all trademark rights. Renewing a trademark registration is not sufficient if you do not also enforce the trademark. Without enforcement, a court will eventually find that you have abandoned your trademark or acquiesced to infringement. Fortunately, the bar is high for a trademark to be lost, and you can avoid this penalty by being reasonable about taking action when detecting

infringement. So, monitoring is good to prevent infringement, but you will need to take action and seek legal counsel once infringement is detected.

Trademark application clients often receive solicitations in the mail from companies that want to list or monitor their trademark for them. These companies are able to farm client data from the public database of application information that is maintained by the US Trademark Office (USPTO). Unfortunately, some unscrupulous companies will use this data in an attempt to game trademark applicants into paying unnecessary fees for unneeded services.

Trademark Application Clients Receive Deceptive Solicitations

Trademark Application listing in international register: An Expensive Solicitation

Recently, a client of mine received one of these solicitations from a company identified as TM-Collection.

TM-COLLECTION

2011 - INTERNATIONAL REGISTER OF TRADEMARKS

TM-Collection
PO Box 201
9701 Szombathely
HU

Tax ID: HU13633538

Bank: MKB Bank Nyrt.
Vaci u. 38. Budapest HU-1056
SWIFT: MKKBHUHB
IBAN: HU83 10300002-84100177-26304014

Date: 15 May 2011

Reference No.: BA16/11-001002
No. de référence:

Registration costs	USD 1650,00
Extra charges	USD 00,00
Total	USD 1650,00

Left mentioned data constitute a sample registration. By transferring the amount indicated, you approve this offer for listing in the TM-Collection – Edition 2011. In case of any changes kindly inform us by e-mail info@tm-collection.com. After printing you will receive a complimentary copy of the publication. Above sum is payable in advance, by remitting a cheque, or by money transfer.

This unrequested solicitation led to several questions by the client:

- Did the attorney for applicant receive a copy of this?
- Does this mean we have our trademark registration?
- What does this fee cover?
- Do I have to pay this? *Client Comment: "It seems to just be a fee to list our trademark in their publication."*

According to Kelvin Davis with Greymouse Education, this letter from TM-Collection is a scam by Gabor Nemeth, which may not even be a real name.

Mr. Davis outlines in detail in his article [TM Collection SCAM](#) how this letter is often repeated in order to try to get the unsuspecting trademark applicant to send money unnecessarily. Previously, I highly recommend reading this article to make yourself aware of how some of these solicitations will work to trick you into thinking they are legitimate. However, Mr. Davis has removed his website and the letter since this post was originally written.

Answers to Questions Above

No, the attorney did not receive a copy of the TM-Collection letter. Since the trademark application at issue was still pending, this is sure evidence that the letter is a solicitation. During pendency of a trademark application, the official government agency will only communicate with the applicant's attorney.

No. The unsolicited communication from TM-Collection came before the allowance and registration of the mark. A pending trademark application and all of its data is public record. This includes the applicant's address, phone number and other information. Therefore, it is not difficult for a party like TM-Collection to collect mailing information about the application and send them a letter.

A listing service??? The fee charged by a solicitation that is not wanted will cover services or products that are being offered to you, if it is not just a scam to take your money. Best I can tell, TM-Collection is asking \$1650 to list a trademark in a book. WOW, that is a lot of money to be in a list. Not to mention, your trademark is already listed in the USPTO database, forever. Sometimes, you might receive an unwanted solicitation that offers valid services such as trademark monitoring and policing. However, you should compare these services, understand what you are getting, and make an informed decision. You should never engage in previously unwanted services without understanding the basic questions discussed below of what, who, why and where.

No. You do not have to pay to have your trademark listed anywhere when you filed a trademark application. The U.S. government maintains a database and public record of all United States filed trademark registrations and applications that is referenced by people around the world who are searching for trademarks.

Avoiding Scams with Your Trademark Registration

Do not take steps without answering the questions, What, Who, Why and Where. If you go it alone in registering a trademark, be extra careful, ask lots of questions, and understand each step of the process. A trademark application is important for your brand, but you should not have to spend more money than necessary to protect it.

The trademark registration list maintained by the U.S. Patent and Trademark Office is public and can be mined and collected by others. The fact that trademark owners do not completely understand trademark laws and are interested in protecting their brand, building a business and making money leads to opportunity for others. Thus, third parties will use the USPTO database of trademarks to send solicitations to you when you trademark a name.

Following is an example of a third party solicitation for international listing of a trademark.

You should ask yourself some basic questions anytime that you receive an invoice or solicitation from someone new.

What?

What is the solicitation for? Does the text or information provided on the invoice make it clear what it is for and what service is being provided? Looking the TM-Collection letter, the only place that the service is described is in the fine print where it says you approve listing in the TM- Collection Edition 2011. But, what is the 2011 Edition? What is it for? Who needs to read it? Is it required. **None** of these questions are answered.

Who?

Who is the solicitation from? Anytime someone wants your money, you should know them. I make it a rule not to give money to a business or charity unless I have sought them out in the first place. This basic rule helps protect from succumbing to trickery and pressure. In this case, no one knows who TM-Collection really is, according to Greymouse Education's investigation. So, anytime you receive a solicitation from an unknown source, you should first verify the identity of the source before giving them your hard-earned money.

Why?

Why are you receiving the solicitation? The TM-Collection letter attempts to answer this question through careful placement of wording such as "International Registration" and listing in the body of the letter. I believe the type-font and layout of the letter are carefully chosen to deceive people into believe the communication is from an official government organization. Anytime, you receive a request for money, you should ask yourself why the money is due? Why do you owe? If the answer to the question "why" seem buried and unclear, then pause and ask more questions before proceeding.

Where?

Where is the money being sent if you respond to the solicitation? You should understand the destination address and be able to verify it. In the TM-Collection example, the address listed in in Hungary. What in the world does Hungary have to do with a U.S. Trademark Application? Nothing, of course. But the headline on the letter, the style of the letter, and the fine print sure do make it look relevant to your trademark registration. Don't be fooled by the word "International." Anybody can use words to make a solicitation LOOK legitimate.

Answering the above questions carefully should prevent you from making errant decisions along the path to trademark registration and protection.

Part 2 - Fraud vs. Improper Use

Registered trademark symbol fraud

Improper use of a registered trademark symbol can be fraud when done deliberately. The TMEP section 906.02 teaches that it is illegal to intentionally deceive or mislead the public about trademarks. Common trademark frauds include improper use of the registration symbol and also false marking of products with a trademark on knock-off products. Often, these fraudulent activities will be combined to seriously deceive the public into purchasing goods from illegitimate vendors.

Common Mistakes in Using the Registration Symbol

Trademark law can be confusing to regular business people who are not experts in legal matters. As a result, misunderstandings about use of the federal registered trademark symbol are more frequent than occurrences of actual fraudulent intent. According to the USPTO common reasons for improper use of the federal registration symbol that do not indicate fraud are:

- Mistakes as to the requirements for giving notice (confusion often occurs between notice of trademark registration, which may not be given until after registration, and notice of claim of copyright, which must be given before publication by placing the notice © on material when it is first published);
- Inadvertence in not giving instructions (or adequate instructions) to the printer, or misunderstanding or voluntary action by the printer;
- The mistaken belief that registration in a state or foreign country gives a right to use the registration symbol (see *Brown Shoe Co., Inc. v. Robbins*, 90 USPQ2d 1752 (TTAB 2009); *Du-Dad Lure Co. v. Creme Lure Co.*, 143 USPQ 358 (TTAB 1964));
- Registration of a portion of the mark (see *Coca-Cola Co. v. Victor Syrup Corp.*, 218 F.2d 596, 104 USPQ 275 (C.C.P.A. 1954));
- Registration of the mark for other goods (see *Duffy-Mott Co., Inc. v. Cumberland Packing Co.*, 424 F.2d 1095, 165 USPQ 422 (C.C.P.A. 1970), *aff'g* 154 USPQ 498 (TTAB 1967); *Meditron Co. v. Meditronic, Inc.*, 137 USPQ 157 (TTAB 1963));
- A recently expired or cancelled registration of the subject mark (see *Rieser Co., Inc. v. Munsingwear, Inc.*, 128 USPQ 452 (TTAB 1961));
- Another mark to which the symbol relates on the same label (see *S.C. Johnson & Son, Inc. v. Gold Seal Co.*, 90 USPQ 373 (Comm'r Pats. 1951)).

See TMEP 906.02 regarding improper use of the registered trademark symbol

USPTO Notice of Improper Use of the Registered Trademark Symbol

You will be notified if you file a new trademark application specimen of use, and your specimen include improper use of the registered trademark symbol. If the Trademark Office's examining attorney sees use of

the symbol in your specimens, he or she will research the USPTO records and determine whether or not such mark is registered by the owner in the application.

If the trademark in the application is not registered in the U.S. and does not appear registered in an appropriate foreign country (see TMEP §906.01), the examining attorney will point out to the applicant that the records of the USPTO do not show that the mark with which the symbol is used on the specimens is registered. Notice is also provided to the applicant that the registration symbol may not be used until a mark is registered in the USPTO.

If you receive this notice, you should take steps to remove the offending registered trademark symbol from your product or service so that your improper use does not become deliberate and intentional.

When Improper Use of ® Becomes Fraud

Deliberate: **Intends to deceive or mislead the public or USPTO**

If you use the registration symbol ® in these two ways, then you are committing fraud as discussed in the TMEP section 906.04. See *Copelands' Enterprises Inc. v. CNV Inc.*, 945 F.2d 1563, 20 USPQ2d 1295 (Fed. Cir. 1991); *Wells Fargo & Co. v. Lundeen & Associates*, 20 USPQ2d 1156 (TTAB 1991).

While the Trademark Office attorney will not issue a refusal of registration for your trademark application based on fraud. The attorney will follow the procedures outlined in TMEP §720 if it appears that fraud on the USPTO has been committed. It is best to avoid this procedure altogether and learn how to properly use the registered trademark symbol.

The Trademark Manual of Examining Procedure is an excellent reference for many trademark questions that you may have, as well as Trademark Application Headquarters.

There are legal limitations in most countries that use the registered trademark symbol ® on exactly when the circle R can be used. The countries that use this special trademark symbol include the United States and the following foreign nations:

- Belgium
- China (People's Republic)
- Costa Rica
- Denmark
- Ecuador
- Germany
- Guatemala
- Hungary
- Luxembourg
- Netherlands
- Nicaragua
- Poland
- Sweden

As stated in the Trademark Manual of Examining Procedure (TMEP 906), a federal registration symbol should be used only on a registered trademark. In other words, when a trademark application has not been filed or,

if an application is filed, but still pending, the registration symbol may not be used until the mark is officially registered after allowance by the Patent and Trademark Office.

Use of ® Limited to Listed Goods or Services

In addition to the required registration, the registered trademark symbol may only be used "on or in connection with the goods or services that are listed in the registration." Therefore, when you are building your brand and business and expanding into new products and services, you should use the TM or SM symbol until the mark becomes federally registered with your new goods or services listed. You will be required to pay registration fees to the USPTO for each international class of goods and services that you register.

When you do decide to expand, you should also be aware of the possibility that your trademark may not be available to use on some goods or services because of infringement, i.e. the same trademark for use on other products may be owned by someone else. This can be a surprise to some businesses. You do not automatically have the right to use your trademark on different products, especially when those products or services are in a new area of commerce for your business.

Many trademark owners mistakenly use the registered trademark symbol ® when they shouldn't. Such mistakes should be avoided to prevent deception of the public and legal troubles for fraudulent use of the registration symbol. One cause of confusion for business owners is registration of a mark within a particular state. This seems like a plausible way to gain registration and then use the registration symbol. However, registration in a state of the United States does not entitle a person to use the federal registration notice, which include the ® symbol. *Du-Dad Lure Co. v. Creme Lure Co.*, 143 USPQ 358 (TTAB 1964).

United States Trademark Law

Use of the ® symbol in the United States is governed by regulations and U.S. law. 15 U.S.C. §1111 sets forth the following:

Notwithstanding the provisions of section 1072 of this title, a registrant of a mark registered in the Patent and Trademark Office, may give notice that his mark is registered by displaying with the mark the words "Registered in U.S. Patent and Trademark Office" or "Reg. U.S. Pat. & Tm. Off." or the letter R enclosed within a circle, thus ®; and in any suit for infringement under this chapter by such a registrant failing to give such notice of registration, no profits and no damages shall be recovered under the provisions of this chapter unless the defendant had actual notice of the registration.

TM and SM Trademark Symbols

The registered trademark symbol ® is only one of the various designation symbols used for trademarks. The ®, TM, and SM symbols are all used to alert the public of your claim to a mark.

Use TM Symbol for Goods (not registered trademark)

When you do not have a federally registered mark, but you do want to protect a trademark to distinguish yourself, then you should use the TM or SM symbols. These symbols are used for common law marks that may be given some legal protection through mere use of the mark to indicate the source of a product or service. Common law trademarks exist without any official registration of the trademark.

In the example of DEERCON below, the mark became registered and may now use the ® symbol. However, until then, the product was marketed using the TM symbol as shown while the trademark application was pending.

Registered trademark symbol TM example:



Use SM Symbol for Services (not registered trademark)

When you are selling your services instead of a product, you may use the SM symbol as a way of claiming ownership of your mark. Both the TM and SM symbols give notice to the public, much like the registered trademark symbol discussed above. However, the status provided by the TM and SM symbols make clear that the mark is protected, but not yet registered. Each of these symbols and the way that they are used help indicate the level of protection that a trademark owner has.

The ® indicates a stronger level of protection, an incentive for trademark owners to register a trademark with the PTO. However, as discussed above, the trademark registration symbol may only be used by an owner following registration with a national authority, which is the USPTO in the United States.

Once your trademark is registered, proudly display the ® symbol as a superscript following your mark. This gives notice of your registration with a national government authority. With proper notice and use of the ®, you can maximize your damages from anyone who decides to infringe on your brand name. If for some reason you are not able to use the ® symbol because of limitations with typing, then use the legal equivalent. In the U.S., you can state "Registered in United States Patent and Trademark Office," or, "Reg. U.S. Pat. & Tm. Off." to indicate your legal status.