

NOTE TO THE FILE

Date: 1/25/2022

By: The Office of the Deputy Commissioner for Trademark Examination Policy

NOTE:

The attached Order for Sanctions (presented without exhibits) was issued on January 25, 2022. A complete version of the Order is presently available at <https://www.uspto.gov/trademarks/trademark-updates-and-announcements/orders-issued-commissioner-trademarks>. The Order was placed into this record because the U.S. Trademark Serial Number and/or Registration Number was identified in the Exhibit A to the Order.

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

In re:)
)
Abtach, Ltd.;)
360 Digital Marketing LLC;)
and)
Retrocube LLC)
)
Respondents)
_____)

FINAL ORDER FOR SANCTIONS

In a Show Cause Order dated November 3, 2021, the United States Patent and Trademark Office (“USPTO” or “Office”) informed Abtach, Ltd., 360 Digital Marketing LLC, and Retrocube LLC, (collectively, with their officers, employees, agents, and affiliates, “Respondents”) of evidence indicating that Respondents engaged in an egregious scheme to deceive and defraud both the USPTO and individual applicants in more than 5,500 trademark applications, including engaging in the unauthorized practice of law and intentionally providing false, fictitious, or fraudulent information to the USPTO in violation of the USPTO’s rules of practice in trademark matters (“USPTO Rules”) and USPTO website terms of use. Respondents were ordered to show cause why certain sanctions should not be imposed for Respondents’ conduct and to answer four requests for information. A response to the Show Cause Order was required by November 17, 2021. To date, the USPTO has not received any response from Respondents¹ although they seem to be aware of the Show Cause Order.²

The Director has authority to sanction those filing trademark submissions in violation of the USPTO Rules and has delegated to the Commissioner for Trademarks the authority to impose such sanctions and to otherwise exercise the Director’s authority in trademark matters. 35 U.S.C. § 3(a)-(b); 37 C.F.R. § 11.18(c); *see also In re Yusha Zhang, et al.*,

¹ On November 10, 2021, the USPTO received emails from info@logoorb.com and info@olivelogo.com, both apparently sent from the same computer, alleging without evidence that these websites have no connection to Respondents. The USPTO has evidence indicating that submissions associated with both “Logo Orb” and “Olive Logo” are associated with this scheme. Nevertheless, the USPTO does not consider these emails as a response filed on behalf of the named Respondents.

² The USPTO has been made aware of several instances where concerned applicants were contacted by representatives of Respondents and told that the Show Cause Order was “routine” and not something to worry about.

2021 TTAB LEXIS 465, at **10, 23-24 (Dir. USPTO Dec. 10, 2021). As discussed below, the sanctions set forth in the Show Cause Order are warranted and are hereby imposed.³

I. Overview of Respondents' acts in violation of USPTO Rules and website terms of use

The Show Cause Order details Respondents' conduct that forms the basis for imposing sanctions and is fully incorporated by reference in this final order. The following summary of the facts is provided for background.

Respondents operate dozens of websites offering logo design services and low-cost assistance filing U.S. trademark applications. The websites hold themselves out as individual U.S.-based companies, though each website is, in reality, under the primary control of Abtach, Ltd., a company in Pakistan presently under investigation by Pakistan's Federal Investigation Agency for criminal fraud.

Respondents would solicit parties interested in applying for a trademark registration by touting falsely low fees and timeframes to obtain registration, or would use deceptive practices to coerce their logo design customers into allowing them to file U.S. trademark applications on their customers' behalf. In certain cases, Respondents would send customers false, yet official-looking letters, bearing the actual seal of the USPTO, threatening customers with legal action if they failed to register their logos with the USPTO within a particular time period. These fake demand letters, misappropriating the USPTO name, logo, and seal, scared customers into paying for unnecessary services that Respondents were not even permitted to undertake because Respondents are not a law firm, nor do they employ licensed attorneys to prosecute U.S. trademark applications.⁴

Respondents provided customers who hired Respondents to file trademark applications with falsified application filing receipts and invoices for inflated fees. Respondents charged customers filing fees for multiple classes of goods and services while, in reality, Respondents only paid the USPTO for single-class applications, often including a different identification of goods or services than those agreed-to by the applicant.

³ A list of the U.S. Trademark Serial Numbers and Registration Numbers affected by this decision is attached as Exhibit A.

⁴ At all times relevant to this proceeding, the USPTO rules have provided that only attorneys admitted to practice before the bar of the highest court of a U.S. state or jurisdiction may practice before the USPTO in trademark matters on behalf of others. 37 C.F.R. §§ 2.17(a), 11.1, 11.14(a); *see also* 5 U.S.C. § 500(b). Practice before the USPTO in trademark matters includes all "law-related service[s] that comprehend[] any matter connected with the presentation to the Office . . . relating to a client's rights, privileges, duties, or responsibilities under the laws or regulations administered by the Office for the . . . registration of a trademark." 37 C.F.R. § 11.5(b). Individuals who are not U.S. licensed attorneys may not, on behalf of others, (1) give advice to an applicant or registrant in contemplation of filing a U.S. trademark application or application-related document; (2) prepare or prosecute any U.S. trademark application, response, or post-registration maintenance document; (3) sign amendments to applications, responses to Office actions, petitions to the Director, or request to change correspondence information; or (4) authorize any other amendments to an application or registration." 37 C.F.R. §§ 11.5(b), 11.14(b).

Respondents hid their improper conduct from their customers by providing a false email address for the owner in the application—an email that was actually controlled by Respondents—to intercept all communications from the USPTO. Respondents would then make material changes to USPTO correspondence before forwarding it on to their customers. Filing receipts were modified by Respondents to make it seem like additional classes were included in applications and multiple class fees were paid to the USPTO, when that was not the case.

Respondents intentionally filed applications with errors to cause the USPTO to issue an Office action, creating unnecessary delay in prosecution of the applications. Like the filing receipts, Respondents would intercept notice of the Office actions, make material changes to create artificial issues, and then forward the modified Office actions to their customers in order to charge the customer additional fees to respond to the Office actions. At all times, Respondents had no authority to practice before the Office and were not permitted to communicate with the Office on applicants' behalf or counsel trademark applicants regarding their rights.

Respondents filed thousands of submissions through USPTO.gov accounts they established with false information. They then impermissibly shared access to these accounts with multiple users who all filed submissions that they were not authorized to file while routinely and improperly entering the electronic signatures of the applicants on those submissions.⁵ The majority of Respondents' submissions to the USPTO were new applications filed via TEAS, which require a verified statement alleging, among other things, that the facts set forth in the application are true. See 37 C.F.R. §§ 2.33(a)-(b). The application form begins with a requirement for the filer to identify his or her role (i.e. the applicant or an attorney) and ends with explicit averments requiring acknowledgement and a declaration signed by a proper signatory pursuant to 37 C.F.R. § 2.193. Respondents routinely misrepresented their role and misidentified the filer of the applications as the applicant, even though the filer was neither the applicant nor a qualified attorney. In many cases, whether in the initial application or in a response to an Office action, Respondents improperly entered the signature of the named signatory on declarations explicitly stating that "false statements and the like are punishable by fine or imprisonment, or both, under 18 U.S.C. § 1001, and that such willful false statements and the like may jeopardize the validity of the application or submission or any registration resulting therefrom."⁶

⁵ The USPTO Rules require that any signature on documents submitted to the USPTO in a trademark matter be *personally* signed by the named signatory. 37 C.F.R. § 2.193(a). No person may delegate the authority to sign trademark-related submissions, and no one may sign the name of another electronically or otherwise. *Zhang*, 2021 TTAB LEXIS 465, at *13; *In re Dermahose Inc.*, 82 USPQ2d 1793, 1796 (TTAB 2007); *In re Cowan*, 18 USPQ2d 1407 (Comm'r Pats. 1990).

⁶ See 37 C.F.R. § 2.20; see also 37 C.F.R. § 11.18(b)(1).

II. Sanctions ordered

In determining appropriate sanctions, the USPTO considers many factors including whether the conduct was willful or negligent, whether it was part of a pattern of activity or an isolated event, whether it infects the entire record or is limited to a single submission, whether the conduct was intended to injure a party, what effect the conduct has on the agency, and what is needed to deter similar conduct by others. See 73 Fed. Reg. 47650, 47653 (Aug. 14, 2008).

Here, the record establishes that Respondents are engaged in a widespread, intentional and coordinated effort to defraud both applicants and the USPTO by providing false, fictitious, and fraudulent information in submissions to the USPTO and sending fake or altered USPTO correspondence to applicants. Each submission by Respondents violates the USPTO Rules and USPTO's website terms of use.

Respondents have engaged in the unauthorized practice of law and have been involved in filing submissions in more than 5,500 trademark matters before the USPTO. Many such submissions contain impermissibly-entered signatures of the named signatory on declarations and verifications that render them invalid. Essentially all contain false correspondence information and application information different from what the actual applicants intended to be filed, such as identifications of goods and services that are material to the issuance of a trademark registration. Respondents could not reasonably or in good faith have believed that their actions before the USPTO were proper or permissible.

Respondents' submission of thousands of trademark documents containing false representations of fact upon which the USPTO relied in determining entitlement to registration was both willful and fraudulent. See, e.g., *In re Bose Corp.*, 580 F.3d 1240, 1243, 91 USPQ2d 1938, 1939 (Fed. Cir. 2009) ("Fraud in procuring a trademark registration or renewal occurs when an applicant knowingly makes false, material representations of fact in connection with his application."); *Chutter, Inc. v. Great Mgmt. Grp., LLC*, 2021 USPQ2d 1001 at *13 (TTAB 2021) (holding that "willful" includes reckless behavior and "as a matter of law that reckless disregard satisfies the requisite intent for fraud on the USPTO in trademark matters"), *appeal filed*, No. 22-1212 (Fed. Cir. Nov. 30, 2021); *Fuji Med. Instruments Mfg. Co., Ltd. v. Am. Crocodile Int'l Grp., Inc.*, 2021 USPQ2d 831 (TTAB 2021) (finding fraud where an attorney signed the declaration at issue). Respondents' acts may not be corrected or cured. See, e.g., *Univ. of Ky. v. 40-0, LLC*, 2021 USPQ2d 253 (TTAB 2021); *G&W Labs. Inc. v. GW Pharma Ltd.*, 89 USPQ2d 1571, 1573 (TTAB 2009) ("fraud cannot be cured merely by deleting from the registration those goods...on which the mark was not used at the time of the signing of a use-based application..."); cf. *Therasense, Inc. v. Becton, Dickinson and Co.*, 649 F. 3d 1276, 1288-89 (Fed. Cir. 2011) (explaining that inequitable conduct renders the patent unenforceable and "cannot be cured by reissue or reexamination") (internal citations omitted).

Respondents' actions have caused, and continue to cause, immeasurable harm to thousands of applicants. Through their improper conduct, Respondents have caused

unnecessary delay and increased the cost of proceedings before the Office, while simultaneously eroding trust in the U.S. trademark registration process. Continued reports of misuse of USPTO insignia and misrepresentations of these proceedings to Respondents' customers suggests that Respondents' bad acts are continuing.

Serious sanctions are warranted to address Respondents' egregious conduct and deter Respondents' and others from flouting the USPTO Rules and making improper submissions in trademark matters. See *Zhang*, 2021 TTAB LEXIS 465, at *13.

Accordingly, the following sanctions are ordered:

A. Proceedings involving submissions filed by Respondents are terminated

As discussed above, the conduct at issue was willful and part of a pattern of activity intended to circumvent the USPTO Rules. The conduct infected thousands of applications, resulted in false and fraudulent submissions being made to the USPTO, and adversely affected the integrity of the federal trademark registration process. "A scheme involving intentional circumvention of the USPTO Rules and defrauding the USPTO is the epitome of egregious misconduct warranting termination." *Zhang*, 2021 TTAB LEXIS 465, at *35. In this case, a lesser sanction than termination of proceedings would not remedy the conduct or deter Respondents or third parties from engaging in similar conduct.

While individual applicants were likely unaware of the nature and scope of Respondents' misconduct, the acts and omissions of a representative who files documents with the USPTO, including a representative not authorized under USPTO rules, are imputed to the applicant. See *Pioneer Inv. Servs. Co. v. Brunswick Assoc. Ltd. P'ship*, 507 U.S. 380, 396-97 (1993) (reciting the principle that generally "clients must be held accountable for the acts and omissions of their attorneys"); see also *Chutter*, 2021 USPQ2d 1001 at *14-33 (the validity of a registration may be impaired by the improper conduct of a party's representative).

The USPTO and the public rely on the truth and accuracy of the contents of documents and declarations submitted in support of registration.⁷ Facts in the applications and other documents submitted by Respondents were false. Often, the goods and services authorized by the applicants were not those identified by Respondents in the submitted applications. In each case, the email addresses identified as belonging to the applicants in the filed applications were those of Respondents. Additionally, most applications were supported by verifications or declarations that were not signed by a proper person and

⁷ See *Norton v. Curtiss*, 433 F.2d 779, 794, 167 USPQ 532, 544 (CCPA 1970) ("With the seemingly ever-increasing number of applications before it, the [USPTO] . . . must rely on applicants for many of the facts upon which its decisions are based."); accord *Chutter*, 2021 USPQ2d 1001, at *25 ("The agency, as well as applicants and registrants, and all who rely on the accuracy of the Registers of marks and the submissions made to the USPTO in furtherance of obtaining or maintaining registration, must be able to rely on declarations and the truth of their contents.").

the signatures were not personally entered by the named signatory, rendering them invalid.

None of the submissions may be relied upon to support or maintain registration and therefore may not be given any weight. Additionally, applications and any post-registration submissions filed by Respondents are fatally defective because they are supported by invalid verifications and declarations and involved fraud on the USPTO. *See Zhang*, 2021 TTAB LEXIS 465, at *13; *see also Ex parte Hipkins*, 20 USPQ2d 1694, 1969-97 (BPAI 1991); *In re Cowan*, 18 USPQ2d at 1409. A trademark registration obtained by fraud is not valid. Under the facts presented, the applications and any post-registration filings are effectively void, and the defect cannot be cured. It does not benefit the applicants, registrants, or the USPTO to devote time and resources to further examining applications or post-registration filings known to have such fatal defects. *Cf. The Last Best Beef*, 506 F. 3d at 341 (“It hardly makes sense for the USPTO to conduct administrative proceedings on [the] applications if registration, at the culmination of those proceedings, would run afoul of the statute.”).

Accordingly, all trademark application proceedings involving submissions by Respondents or filed through a USPTO.gov account registered to, associated with, or controlled by Respondents are ordered terminated. All applications listed in attached Exhibit A are terminated and the USPTO’s electronic records will be updated in due course to include the sanctions order and an appropriate entry in the application prosecution history in the Trademark Status and Document Retrieval System to indicate that the application was terminated upon entry of sanctions.

If any marks identified in Exhibit A have proceeded to register, the USPTO’s electronic records will be updated to include this order and an appropriate entry in the prosecution history indicating that the registration was subject to an order for sanctions. Any pending post-registration submissions will be given no weight, and affected registrants should note that findings made in the sanctions order may affect the underlying validity of the registration. However, the USPTO will not *sua sponte* cancel the issued registrations in this case.

Insofar as any applicant, registrant, or party to a proceeding before the Trademark Trial and Appeal Board has a proceeding terminated by this Order, but can demonstrate that the particular proceedings did not involve submissions made by Respondents, parties may seek review via a Petition to the Director under 37 C.F.R. § 2.146.

B. Respondents are precluded from further correspondence or submissions

To deter and prevent Respondents from continuing to engage in unauthorized practice in trademark matters before the Office and otherwise violate the USPTO Rules and website terms of use, Respondents (as well as their employees, officers, and agents) are precluded from preparing, signing, or submitting any trademark-related documents or presenting or contesting any issue in any ongoing application proceeding or any future trademark proceeding before the USPTO on behalf of others.


The USPTO may remove correspondence information associated with Respondents in the USPTO electronic records for all affected applications and registrations in due course. If correspondence or contact information associated with Respondents appears in any trademark-related document filed after issuance of this order, the Office will remove such information from the USPTO electronic records.

In addition, the USPTO's Office of the Chief Information Officer is directed to permanently deactivate any USPTO accounts in which contact information related to Respondents appears, and to take all reasonable efforts to prevent Respondents from creating or activating further accounts.

* * * * *

The sanctions ordered herein are immediate in effect and are without prejudice to the USPTO taking any subsequent appropriate actions to protect its systems and users from Respondents' continued improper activity, including issuing additional orders or referring Respondents' conduct to relevant law enforcement agencies.

So ordered,

Users, Gooder,  Digitally signed by Users,
Gooder, David S.
Date: 2022.01.25
13:23:32 -05'00'

David S. Gooder
Commissioner for Trademarks

January 25, 2022
Date

on delegated authority by

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