

Conn. IP Attys Cite Ethical Unease On Texting, Chinese Filings

By Sameer Rao

Law360 (December 7, 2021, 4:43 PM EST) -- A range of 21st century concerns, ranging from recent surges in fraudulent U.S. Patent and Trademark Office filings from China-based companies to the pitfalls of texting with clients, present ethical concerns and risks that veteran intellectual property attorneys from Connecticut and beyond examined during a Connecticut Bar Association webinar Tuesday afternoon.

The virtual session, titled "Hot Topics in Ethics for Intellectual Property Attorneys" and presented by the professional organization's IP section, allowed the four panelists to share expertise on both novel and ongoing issues they face while pursuing intellectual property registrations for clients. One such concern involves the disproportionate increase in USPTO filings from entities registered in China, which the agency has said represent a quarter of trademark applicants, are frequently fraudulent and contribute to a massive backlog.

Josh Gerben, the namesake founder of Washington, D.C.-based IP law firm Gerben Perrott PLLC, linked this increase in part to a possible attempted trade war with the United States, as well as local governments in China paying bounties for successful U.S trademark registrations.

"If you do the math, if somebody gets between three and four trademarks registered [per] month in the U.S., that's actually equivalent to a living wage in China under some of these bounties once you subtract their filing [costs]," Gerben explained, adding that one of the USPTO's primary ways of stemming the flood — a requirement for foreign applicants to have U.S. legal representation — risks exposing U.S. attorneys to unwitting participation in fraud.

To tackle potential ethical issues with fraudulent registrants, Gerben recommended that firms take various safeguards to ensure they are representing legitimate companies. These measures include basic due diligence steps, like searching for an established internet presence and trying to speak with an actual employee of the company, to root out possible fraud. Gerben also suggested making sure a possible foreign client is willing to undergo its own trademark search.



Todd E. Garabedian

"If somebody is not willing to run the search, and they're just looking to make filings — especially if they're looking to make 20 or 30 filings — that's a red flag that they're just trying to throw something at the wall and see what sticks, and maybe these filings are not legit," he said.

Ethical considerations about possible extraterritorial interference extends to law firms' cybersecurity as well, according to Cantor Colburn LLP partner and life sciences practice co-chair Todd E. Garabedian. The Hartford-based attorney and former scientist noted "an uptick in cyberattacks [on] law firms" that are most likely connected to Chinese, Russian and other "overseas actors."

"They're looking for confidential information [and] financial information, and intellectual property firms are carrying lots of high-tech information," Garabedian said.

Garabedian also cautioned webinar viewers about the general importance of keeping comprehensive records of digital communications with clients in safe locations. He emphasized the preponderance of clients and attorneys texting, and while he noted one case in which a client's lack of strong internet access made texting essential, he advised attorneys to limit it while taking extra steps to catalog SMS-based interactions in electronic client files.

"When we're working from home and working with all of these new electronic modes of communication [like] texting, emailing, video calls, Zoom, we have to understand and appreciate how this technology works and mitigate the risks regarding our law practice and, in our case, inadvertent disclosure of confidential information," said Garabedian, whose firm focuses on intellectual property.

Fellow Hartford-area lawyer and Horton Dowd Bartschi & Levesque PC managing partner Brendon H. Levesque, who frequently represents attorneys in grievance proceedings before the USPTO, said these records are crucial for patent and trademark lawyers whose clients allege miscommunication-based misconduct under Rule 1.4 of the state's Rules of Professional Conduct. Such violations of the rule, which regulates attorney-client contact, account for about 30% of all grievances filed against Connecticut lawyers, which he said was "just a massive number." One of his suggestions was to detail any phone call's contents in a follow-up email.

"When things go sideways, your client ... will not remember things the same way that you do," he said. "It just doesn't ever work out that way."

The panel was moderated by counsel Jamie Sternberg of Saunders & Silverstein LLP, an Essex County, Massachusetts-based intellectual property boutique firm, who also serves as secretary of the Connecticut Bar Association's intellectual property section.

--Additional reporting by Bill Donahue. Editing by Rich Mills.