

Beware of Fraudulent Trademark and Patent Notices Mimicking Official Communications

By David Bell¹ and Hope Hughes²

Certainly everyone has received scam emails from a self-proclaimed Nigerian prince or from hawkers of supposedly legitimate, cheap prescription or virility-enhancing drugs. Less publicly discussed, but probably more worthy of concern to brand owners, are trademark and patent registration scam notifications.

Companies and business owners should beware of notices they receive that claim to originate from official trademark offices and vendors because these notices may be illegitimate. Significantly, trademark registrations are of public record. Unscrupulous companies prey on trademark (and patent) registrants by using information from actual registrations in an attempt to deceive registrants into paying for unneeded services or for services performed for free by the United States Patent and Trademark Office (USPTO) or counterpart agencies in other countries.

A recent case highlights the potential profitability—and illegality—of some of these notices. The Florida Attorney General brought action against defendants that had sent deceptive mailings resembling invoices to approximately 950 brand owners. See *Att’y Gen. v. Federated Inst. for Patent & Trademark Registry*, Case No. 2006-CA-0858 (Cir. Ct. 2d Jud. Cir. Leon County, Fla. Aug. 11, 2010). All 950 recipients had previously submitted trademark registration applications and/or patent applications to governmental agencies. The defendants’ company name—Federated Institute for Patent and Trademark Registry—falsely suggested that it was an official governmental agency. Further, the defendants’ deceptive mailings stated that they originated from a “Registry” and listed a “total due” for “charges of registration.” The mailings also included specific references to information from the targeted companies’ actual trademark registrations, which had become publicly available through the official application process.

The defendants’ scheme was disconcertingly successful. Numerous company officials testified that they had been misled into believing the mailings were invoices for money they owed for actual trademark and patent registration applications to governmental agencies. Moreover, from the approximately 950 companies, the defendants received 1,411 payments that totaled nearly \$2.6 million. The Florida circuit court found violations of the state’s deceptive and unfair trade practices act and levied heavy financial penalties against the defendants, including full reimbursement to the brand owners and millions of dollars in civil penalties.

To avoid such headaches, companies should carefully examine any trademark-related (and patent-related) notices to ensure they were, in fact, sent from the USPTO or other governmental agency. Given that such fraudulent actors often choose company names that imitate official governmental agency names, extra care must be taken. When in doubt, do not respond to such notices, but also do not simply discard them. Instead, we suggest that brand owners forward such notices to their intellectual property counsel for review.

¹ David Bell is a partner in the Dallas, TX office of the law firm of Haynes and Boone, LLP. His practice emphasizes trademark / copyright law. David may be reached at david.bell@haynesboone.com or 214.651.5248.

² Hope Hughes is an associate in the Dallas, TX office of the law firm of Haynes and Boone, LLP. Her practice emphasizes bankruptcy/restructuring. Hope may be reached at hope.hughes@haynesboone.com or 214.651.5033.