

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

In the Matter of)
)
Jonathan G. Morton,)
)
Respondent)
_____)

Proceeding No. D2022-07

FINAL ORDER

The Director of the Office of Enrollment and Discipline (“OED Director”) for the United States Patent and Trademark Office (“USPTO” or “Office”) and Mr. Jonathan G. Morton have submitted a Proposed Settlement Agreement (“Agreement”) to the Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office (“USPTO Director”) for approval.

This agreement, which resolves all disciplinary action by the USPTO arising from the stipulated facts set forth below, is hereby approved. This Final Order sets forth the parties’ joint stipulated facts, joint legal conclusions, and agreed upon sanctions found in the Agreement.

Jurisdiction

1. At all times relevant, Respondent, of Tokyo, Japan, has been a registered patent attorney (Registration Number 74,199) and subject to the USPTO Rules of Professional Conduct.
2. The USPTO Director has jurisdiction over this matter pursuant to 35 U.S.C. §§ 2(b)(2)(D) and 32, and 37 C.F.R. §§ 11.19, 11.20, and 11.26.

Legal Background

A. U.S. Counsel Rule for Trademark Matters

3. The USPTO published a final rule (“U.S. Counsel Rule”) requiring applicants, registrants, or parties to a trademark proceeding whose domicile is not located within the U.S. or its territories to be represented by an attorney who is an active member in good standing of the bar of the highest court of a state in the U.S. *See* Requirement of U.S. Licensed Attorney for Foreign Trademark Applicants and Registrants, 84 Fed. Reg. 31498 (July 2, 2019).

4. The U.S. Counsel Rule became effective on August 3, 2019.

See 37 C.F.R. § 2.11(a).

5. In the few years preceding the U.S. Counsel Rule's effective date, the USPTO had seen many instances of unauthorized practice of law by parties who were not authorized to represent trademark applicants. As a result, increasing numbers of foreign-domiciled trademark applicants were likely receiving inaccurate or no information about the legal requirements for trademark registration in the United States including standards for use of a mark in commerce.

6. The USPTO implemented the requirement for representation by a qualified U.S. attorney in response to the increasing problem of foreign-domiciled applicants who were purportedly *pro se* and filed inaccurate and possibly fraudulent submissions that violate the Trademark Act and the USPTO's rules. For example, such applicants filed applications claiming use of a mark in commerce but frequently supported the claim with mocked-up or digitally altered specimens. A mock-up or representation of how the mark will appear in the sale or advertising of the goods or services is not a proper specimen because it does not demonstrate use in commerce. *See* Trademark Manual of Examining Procedure ("TMEP") §§ 904.03(a), 904.04. Therefore, digitally created or altered specimens do not demonstrate use in commerce. *See* TMEP § 904.04(a)(i).

7. A trademark application filed under section 1 (a) of the Trademark Act must include a specimen. In signing a section 1 (a) trademark application, the practitioner declares that the specimen shows the mark as used in commerce. Such declarations are signed under penalty of perjury with false statements subject to 18 U.S.C. § 1001. Also, the signatory of a document filed with the USPTO represents that all statements made on the signatory's own knowledge are

true and that all statements made on the signatory's information and belief are believed to be true. *See* 37 C.F.R. § 11.18(b)(1).

8. When trademark documents are impermissibly signed and filed with the USPTO, the integrity of the U.S. trademark registration process is adversely affected and a resulting registration may be invalid.

B. Certifications to the USPTO upon Presentation of Papers

9. By presenting any paper to the USPTO (whether by signing, filing, submitting, or later advocating), the party presenting such paper, whether a practitioner or non-practitioner, is certifying that:

- a. All statements made therein of the party's own knowledge are true, all statements made therein on information and belief are believed to be true, and all statements made therein are made with the knowledge that whoever, in any matter within the jurisdiction of the Office, knowingly and willfully falsifies, conceals, or covers up by any trick, scheme, or device a material fact, or knowingly and willfully makes any false, fictitious, or fraudulent statements or representations, or knowingly and willfully makes or uses any false writing or document knowing the same to contain any false, fictitious, or fraudulent statement or entry, shall be subject to the penalties set forth under 18 U.S.C. § 1001 and any other applicable criminal statute, and violations of the provisions of this section may jeopardize the probative value of the paper; and
- b. To the best of the party's knowledge, information and belief, formed after an inquiry reasonable under the circumstances, (i) the allegations and other factual contentions have evidentiary support or, if specifically so identified, are likely to have evidentiary support after a reasonable opportunity for further investigation or discovery and (ii) the denials of factual contentions are warranted on the evidence, or if specifically so identified, are reasonably based on a lack of information or belief.

See 37 C.F.R. § 11.18.

Joint Stipulated Facts

10. At all times relevant, Respondent was a registered patent attorney and a U.S. attorney licensed by, and in good standing with, the State of New York.

11. In 2019, Respondent was approached by several non-practitioner entities seeking his trademark services as U.S. counsel for their foreign-domiciled trademark customers. Respondent agreed to provide such services and began serving as attorney of record for foreign-domiciled trademark applicants.

12. At all relevant times, Respondent has been a solo practitioner working with one non-practitioner assistant. When he began his practice of representing foreign-domiciled trademark applicants around August 3, 2019, Respondent did not limit the volume of his incoming trademark work to ensure he could provide his trademark clients with quality representation. For example, Respondent is currently associated as the attorney of record for over 32,000 trademark applications filed since August 3, 2019; he is currently the attorney of record in over 26,000 live registrations and 7,700 pending trademark applications filed since August 3, 2019. On more than one occasion, Respondent was the attorney of record in over four hundred (400) trademark applications filed with the USPTO in a single day. Respondent represents that, as of April 2021, he has limited the volume of his incoming trademark work to allow for more time and attention to each application.

13. Respondent's typical practice was to receive already prepared trademark applications from trademark services companies located in China. Respondent represents that his clients' trademark applications were sent to him by the trademark entities, reviewed by him or his non-practitioner assistant, personally signed only by him using the USPTO's E-SIGN ON signature method (i.e., where Respondent received an email with a link to open the application and sign it), and then filed by the trademark entities with the USPTO.

14. Respondent acknowledges that his review of a number of the applications was "rushed and sloppy." Respondent explained that, at times during the course of his practice, he

spent between 2½ to 10 minutes reviewing each trademark application, and, for applications reviewed by his non-practitioner assistant, Respondent would rely on the non-practitioner's review of the application rather than conducting the same level of review he gave to applications that he personally reviewed. Respondent signed the oath appurtenant to each application reviewed by his non-practitioner assistant.

15. Respondent also acknowledges that he did not conduct a pre-filing inquiry reasonable under the circumstances with respect to a number of trademark applications to determine whether the specimens submitted in his clients' trademark applications properly depicted the mark as used in commerce. Even though he had not performed a reasonable pre-filing inquiry in certain applications, he signed declarations attesting, among other things, that (a) the clients' marks were in use in commerce and were in use in commerce as of the filing date of the application on or in connection with the goods in the application and (b) the specimen(s) showed the mark as used on or in connection with the goods in the application and as used on or in connection with the goods as of the application filing date.

16. At the beginning of his practice, Respondent did not have a system to check for conflicts of interest. Respondent represents that he recently implemented a conflict check system for every new application.

Additional Considerations

17. Respondent represents that he recently reduced his caseload and implemented a new database to search for conflicts of interest.

18. Respondent cooperated with OED's investigation.

19. Respondent agrees to cooperate fully with the USPTO in any present or future USPTO inquiry made into improper filings of trademark documents filed with the USPTO by trademark entities with whom Respondent works or had worked.

20. Respondent represents that he has personally communicated with scores of foreign-domiciled trademark-filing agencies and associates about the USPTO's efforts to combat the unauthorized practice of trademark law by non-practitioners.

Joint Legal Conclusions

21. Respondent acknowledges that, based on the information contained in the joint stipulated facts above, he violated the following provisions of the USPTO Rules of Professional Conduct:

- a. 37 C.F.R. § 11.101 (practitioner shall provide competent representation to a client) by accepting a large volume of clients such that he could not devote sufficient time to reviewing his clients' trademark filings, failing to put in place procedures to ensure compliance with USPTO regulations, and failing to have a system in place to check for conflicts of interest;
- b. 37 C.F.R. § 11.103 (practitioner shall act with reasonable diligence and promptness in representing a client) by failing to devote sufficient time to client matters, failing to put procedures in place to comply with USPTO regulations, and failing to adequately review trademark applications listing him as attorney of record including failure to properly review specimens to confirm the mark showed actual use in commerce;
- c. 37 C.F.R. § 11.503 (practitioner shall take reasonable efforts to ensure that non-practitioners' conduct is compatible with the professional obligations of the practitioner) by (i) allowing non-practitioners to prepare and file trademark documents with the USPTO on behalf of his clients without properly reviewing and vetting such documents prior to their filing and (ii) not adequately reviewing legal work performed by his non-practitioner assistant prior to the documents reviewed by the non-practitioner being signed and filed with the USPTO;
- d. 37 C.F.R. § 11.505 (practitioner shall not assist another in practicing law in a jurisdiction in violation of the legal profession in that jurisdiction) by (i) allowing non-practitioners to prepare and file trademark documents with the USPTO on behalf of his clients without properly reviewing and vetting such

documents and (ii) not adequately reviewing legal work performed by his non-practitioner assistant prior to documents reviewed by the non-practitioner being signed and filed with the USPTO;

- e. 37 C.F.R. § 11.804(c) (misrepresentation) and (d) (conduct prejudicial to the USPTO trademark registration process) by signing declarations attesting that (a) the clients' marks were in use in commerce and were in use in commerce as of the filing date of the application on or in connection with the goods in the application and (b) the specimen(s) showed the mark as used on or in connection with the goods in the application and as used on or in connection with the goods in the application as of the application filing date where Respondent had not always performed an inquiry reasonable under the circumstances to so attest; and
- f. 37 C.F.R. § 11.804(i) (practitioner shall not engage in other conduct that adversely reflects on the practitioner's fitness to practice before the Office in trademark matters) by engaging in the foregoing acts and omissions to the extent that such acts and omissions do not constitute a violation of the specific provisions of the USPTO Rules of Professional Conduct as set forth in subparagraphs a. through e.

Agreed Upon Sanction

22. Respondent freely and voluntarily agrees, and it is hereby ORDERED that:
- a. Respondent shall be, and hereby is, suspended from practice before the Office in patent, trademark, and non-patent law for twenty-four (24) months, which shall commence the date this Final Order is signed;
 - b. Respondent may file a written notice of his intent to seek reinstatement and a petition for reinstatement at eighteen (18) months after the date of this Final Order;
 - c. The OED Director shall not grant a petition for reinstatement until after the expiration of the two (2) year period of suspension;
 - d. Respondent shall serve a probationary period commencing on the date this Final Order is signed and continuing for twelve (12) months after the date on which the OED Director grants Respondent's petition for reinstatement pursuant to 37 C.F.R. § 11.60;
 - e. As a condition of reinstatement, Respondent shall provide to the OED Director a sworn affidavit or verified declaration attesting, and evidence demonstrating, that Respondent successfully completed six (6) hours of continuing legal education credit on ethics/professional responsibility;

- f. Respondent shall remain suspended from practice before the USPTO until the OED Director grants Respondent's petition for reinstatement pursuant to 37 C.F.R. § 11.60;
- g. (1) In the event the OED Director is of the opinion that Respondent, during the probationary period, failed to comply with any provision of the Agreement, the Final Order, or any disciplinary rule of the USPTO Rules of Professional Conduct, the OED Director shall:
 - (A) issue to Respondent an Order to Show Cause why the USPTO Director should not order that Respondent be immediately suspended for up to an additional twelve (12) months for the violations set forth in the Joint Legal Conclusions, above;
 - (B) send the Order to Show Cause to Respondent at the last address of record Respondent furnished to the OED Director; and
 - (C) grant Respondent fifteen (15) days to respond to the Order to Show Cause;
- (2) In the event that after the 15-day period for response and after the consideration of the response, if any, received from Respondent, the OED Director continues to be of the opinion that Respondent, during the probationary period, failed to comply with any provision of the Agreement, the Final Order, or any disciplinary rule of the USPTO Rules of Professional Conduct, the OED Director shall:
 - (A) deliver to the USPTO Director or his designee: (i) the Order to Show Cause; (ii) Respondent's response to the Order to Show Cause, if any; and (iii) argument and evidence causing the OED Director to be of the opinion that Respondent failed to comply with any provision of the Agreement, the Final Order, or any disciplinary rule of the USPTO Rules of Professional Conduct during the probationary period; and
 - (B) request that the USPTO Director immediately suspend Respondent for up to an additional twelve (12) months for the violations set forth in the Joint Legal Conclusions, above;
- h. Nothing herein shall prevent the OED Director from seeking discrete discipline for any misconduct that formed the basis for an Order to Show Cause issued pursuant to the preceding paragraph;
- i. In the event the USPTO Director suspends Respondent pursuant to subparagraph g., above, and Respondent seeks a review of the suspension, any such review of the suspension shall not operate to postpone or otherwise hold in abeyance the suspension;

- j. Respondent shall cooperate fully with the USPTO in any present or future USPTO inquiry made into purported improper filing of trademark documents with the USPTO by trademark entities with whom Respondent works or had worked;
- k. Respondent shall comply with 37 C.F.R. §§ 11.58 and 11.60 with the following modifications regarding the time to fulfill certain responsibilities and regarding electronic communication:
 - (1) Within sixty (60) days from the date of the Final Order, Respondent shall withdraw from representation in all matters pending before the Office;
 - (2) Within sixty (60) days from the date of the Final Order, Respondent shall provide all clients having immediate or prospective business before the Office in patent, trademark, or other non-patent matters written notice of his suspension and a copy of the Final Order translated into the client's native language;
 - (3) As Respondent has communicated that he may encounter difficulty sending mail to clients outside of Japan, when providing written notice to clients pursuant to 37 C.F.R. § 11.58(c)(3) and (c)(5), Respondent may provide clients who are located outside of Japan with notice and a copy of the Final Order translated into the client's native language by electronic communication so long as (i) Respondent maintains a record of the notices, and (ii) the electronic communication service utilized by Respondent provides the ability to request a delivery receipt or Respondent requests written confirmation from the client confirming receipt of Respondent's notice;
 - (4) Within seventy-five (75) days after the date of the Final Order, Respondent shall file with the OED Director an affidavit of compliance certifying that Respondent has fully complied with the provisions of the Final Order, with 37 C.F.R. § 11.58 as provided for in the Final Order, and with 37 C.F.R. § 11.116 for withdrawal from representation;
- l. Nothing in the Agreement or this Final Order shall prevent the Office from considering the record of this disciplinary proceeding, including the Final Order: (1) when addressing any further complaint or evidence of the same or similar misconduct concerning Respondent brought to the attention of the Office; and/or (2) in any future disciplinary proceeding against Respondent (i) as an aggravating factor to be taken into consideration in determining any discipline to be imposed, and/or (ii) to rebut any statement or representation by or on Respondent's behalf, and/or (3) in connection with any request for reconsideration submitted by Respondent

pursuant to 37 C.F.R. § 11.60;

- m. Respondent is granted limited recognition to practice before the Office beginning on the date the Final Order is signed and expiring sixty (60) days after the date the Final Order is signed;
- n. The OED Director shall electronically publish the Final Order at OED's electronic FOIA Reading Room, which is publicly accessible at: <http://foiadocuments.uspto.gov>;
- o. The OED Director shall publish a notice in the *Official Gazette* that is materially consistent with the following:

Notice of Suspension and Probation

This notice concerns Jonathan G. Morton of Tokyo, Japan, a registered patent practitioner (Registration No. 74,199) and trademark attorney licensed in the state of New York. The United States Patent and Trademark Office ("USPTO") has suspended Mr. Morton for twenty-four (24) months from practice before the USPTO. Mr. Morton will also serve a probationary period.

In 2019, Respondent began serving as attorney of record for a large volume of foreign-domiciled trademark applicants. Respondent served as attorney of record on thousands of trademark applications; he did not limit the size of his practice to ensure that he provided his clients with quality representation. Respondent received already-prepared trademark applications from foreign-domiciled companies and firms and did not conduct an adequate review of such applications before signing them and authorizing their filing with the USPTO. Respondent represented that he spent between 2½ to 10 minutes reviewing each application that listed him as attorney of record. In addition, he allowed a non-practitioner assistant, who is not a U.S. attorney, to review many of the trademark applications on his behalf before signing. He signed declarations under 18 U.S.C. § 1001 attesting that his clients' specimens showed the marks as used in commerce without conducting an inquiry reasonable under the circumstances. Furthermore, despite the large volume of clients, Respondent did not have a system to check for conflicts of interest.

As a result of the above misconduct, Mr. Morton violated the following provisions of the USPTO Rules of Professional Conduct: 37 C.F.R. §§ 11.101 (practitioner shall provide competent representation to a client), 11.103 (practitioner shall act with reasonable diligence and promptness in representing a client), 11.503 (practitioner shall take reasonable efforts to ensure that non-practitioners' conduct is compatible with the professional obligations of the practitioner), 11.505 (practitioner shall not assist another in practicing law in a jurisdiction in violation of the regulation of the legal profession in that jurisdiction), 11.804(c) (practitioner shall not engage in conduct involving misrepresentation), 11.804(d) (practitioner shall not engage in conduct that is prejudicial to the administration of justice), and 11.804(i) (practitioner shall not engage in other conduct that reflects adversely on the practitioner's fitness to practice before the Office).

Trademark practitioners engaged in practice before the USPTO on behalf of foreign-domiciled applicants are to be reasonably well informed as to the U.S. Counsel Rule. The rule became effective on August 3, 2019 and requires applicants, registrants, or parties to a trademark proceeding whose domicile is not in the United States or its territories to be represented by an attorney who is an active member in good standing of the bar of the highest court of a state in the U.S. *See* Requirement of U.S. Licensed Attorney for Foreign Trademark Applicants and Registrants, 84 Fed. Reg. 31498 (July 2, 2019) ("the U.S. Counsel Rule").

In the few years preceding the U.S. Counsel Rule's effective date, the USPTO had seen many instances of unauthorized practice of law where parties who were not authorized to represent trademark applicants were improperly representing foreign-domiciled applicants before the USPTO. As a result, increasing numbers of foreign-domiciled applicants were likely receiving inaccurate or no information about the legal requirements for trademark registration in the U.S., such as standards for use of a mark in commerce. Hence, the USPTO implemented the requirement for representation by a qualified U.S. attorney in response to the increasing problem of foreign-domiciled trademark applicants who were purportedly *pro se* filing inaccurate and possibly fraudulent submissions that violate the Trademark Act and/or the USPTO's rules. For example, such foreign-

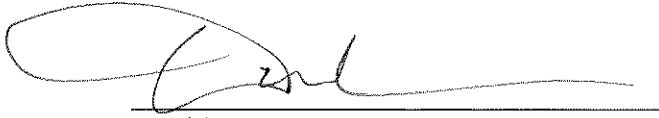
domiciled applicants filed applications claiming use of the mark in commerce but frequently supported the use claim with mocked-up or digitally altered specimens that indicated the mark may not actually be in use. This practice undermined the accuracy and integrity of the U.S. trademark register and its utility as a means for the public to reliably determine whether a chosen mark is available for use or registration. *See* 84 FR 31498-31499.

The U.S. Counsel Rule is intended to increase compliance with U.S. trademark law and USPTO regulations, improve the accuracy of trademark submissions to the USPTO, and safeguard the integrity of the U.S. trademark register. For example, practitioners who represent trademark applicants before the USPTO are expected to, among other things, undertake a bona fide review of specimens submitted to the USPTO in support of a trademark application. A practitioner's failure to comply with his or her ethical obligations under the U.S. Counsel rule potentially adversely affects the integrity of the USPTO trademark registration process.

Mr. Morton cooperated with the OED investigation and has taken steps to communicate with non-practitioner trademark intermediaries regarding the USPTO's efforts to combat the unauthorized practice of trademark law.

This action is the result of a settlement agreement between Mr. Morton and the OED Director pursuant to the provisions of 35 U.S.C. §§ 2(b)(2)(D) and 32 and 37 C.F.R. §§ 11.19, 11.20, and 11.26. Disciplinary decisions involving practitioners are posted for public reading at the OED Reading Room, available at: <http://foiadocuments.uspto.gov>;

- p. Respondent waives all rights to seek reconsideration of the Final Order under 37 C.F.R. § 11.56, waives the right to have the Final Order reviewed under 37 C.F.R. § 11.57, and waives the right otherwise to appeal or challenge the Final Order in any manner; and
- q. The OED Director and Respondent shall each bear their own costs incurred to date in carrying out the terms of the Agreement and this Final Order.



David Berdan
General Counsel
United States Patent and Trademark Office

4/28/2022
Date

on delegated authority by

Kathi Vidal
Under Secretary of Commerce for Intellectual Property and
Director of the United States Patent and Trademark Office