

# Trademark Owners Should Think Twice About Using Low-Cost Registration Services

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In the past 5 or so years, there have been a number of online, low-cost, entrants into the trademark registration space. Companies like The Trademark Company, TTC Business Solutions, and others, promote low-cost trademark registration services. However, questions have surfaced as to whether such services are operating ethically.

In December 2016, the founder of The Trademark Company (and TTC Business Solutions) attorney Matthew Swyers resigned from practicing before the U.S. Patent & Trademark Office (USPTO) in light of certain charges asserted against his company. Mr. Swyers admitted to systematically permitting non-attorneys to practice trademark law for his company with little or no supervision by licensed attorneys. Due to his failure to supervise his employees, multiple fraudulent or digitally-manipulated specimens of use were filed with the USPTO, which potentially jeopardized the trademark applications of his clients. As a result of the admitted to actions, Mr. Swyers can no longer represent any applicant in trademark filings before the USPTO.

To be clear, it is impermissible for a non-attorney to practice trademark law. However, attorneys are allowed to closely supervise and work with non-attorneys, such as paralegals, in such activities as pursuing trademark registrations. In conventional law firms, close supervision by attorneys translates to their managing all trademark work and reviewing all communications and actions taken by their staff in the pursuit of trademark registrations and in representation of trademark clients.

The Trademark Company's business model was one of high volume and low-cost; however, it appears the sheer volume of filings handled by The Trademark Company, and allegedly signed by Mr. Swyers, lead the USPTO Office of Enrollment and Discipline to call into question the actual level of supervision and involvement by Mr. Swyers in applications for trademark registration.

Trademark applications for registration are not as simple as they may appear. Filling out some forms and identifying a description of goods may result in a registration, if you are lucky, but what that registration covers and how it relates to your company or product is an important question. It may not be worth the paper it is written on if there is no careful review and consideration of the facts surrounding the use of the trademark. Such careful review and consideration are part of the counseling and advice reputable trademark attorneys contribute to the trademark registration process.

**What are the risks to you if you use one of these online low-cost providers (or a large law firm that outsources to such providers)?** First, the service may close up shop overnight; for example, The Trademark Company just removed trademark services from their list of offerings. Second, actions such services take on your behalf may be called into question at a later time. At the time of this writing, The Trademark Company is being investigated for allegedly submitting phony specimens evidencing use of a trademark, which if later revealed could lead to loss of rights, loss

of registration, possible charges of fraud on the Trademark Office, and the like.

It is true that the counseling and advice will likely cost more than going it on your own, or using one of these low-cost services that claim an attorney is involved. However, there is clearly a substantial risk in skipping the advice and counseling that experienced trademark attorneys offer, and either filing trademark applications pro se (as an individual, on your own) or using some of the low-cost online trademark registration providers, such as The Trademark Company.

According to Mr. Swyers, The Trademark Company reportedly handled outsourced trademark work from several large law firms as well. If true, this would be shocking, because applicants would be paying for the “name brand” representation of the law firm, but actually receiving work product outsourced to a low-cost provider under investigation for ethics violations. As such, there is apparently also a need to ask trademark attorneys in law firms if they are outsourcing the work relating to preparing, filing, and/or prosecution applications for trademark registration.

Whether or not directly related to the objectionable practices of companies like The Trademark Company, recent news out of the USPTO means even if you engage a conventional trademark attorney at a law firm to protect your marks, the trademark registrations may be scrutinized more closely by the Office. Effective March 21, 2017, the USPTO may now require the submission of information, exhibits, affidavits or declarations, and such additional specimens of use as may be reasonably necessary for the USPTO to ensure that the register accurately reflects marks that are in use in commerce in the United States for all the goods/services identified in the registrations. In other words, the amended rules will allow the USPTO to require additional proof of use to verify the accuracy of claims that a trademark is in use in commerce in connection with particular goods/services identified in the registration.

To avoid problems in responding to such post-registration office actions requiring additional information, and/or to better defend against attacks by a third-party on your trademark registration, careful review and amendment of the list of goods and/or services in any maintenance or renewal filing should be done, preferably with the advice and oversight of a trademark attorney. Also, renewal filings should be made as early as possible in the renewal period to enable corrective filings, should there be an issue, before the due date.

It seems fair to say that to reliably maintain your trademark registrations and rights, the “best practice” is to call upon the knowledge of an experienced trademark attorney, and to avoid the pitfalls of unproven alternative services. If the service provider is substantially lower cost than the more conventional law firms, you’d be wise to think twice about whether those short term savings may lead to long term problems and higher expenses.

To be sure your registration is managed appropriately, please contact **Sean D. Detweiler**.