I. Introduction

Lawyers serve many roles, including fiduciary, counselor, mediator and advocate. In these roles, lawyers interact with clients, other lawyers, judges and the public. To maintain the integrity of the profession, lawyers must adhere to certain standards of professional responsibility in each of these roles. Although the terms “professional responsibility,” “morality,” and “ethics” are often used interchangeably, it is important to recognize that a lawyer’s duty to adhere to certain standards of professional responsibility reaches beyond mere ethical obligations. Professional responsibility is a body of law, the violation of which may expose a lawyer to substantial sanctions and may threaten his or her reputation, license and livelihood. Like many areas of law, the law governing a lawyer’s professional responsibilities is dynamic and rapidly changing. Understanding this area of law is challenging because a lawyer does not have only one set of ethical rules to follow. Instead, the law of professional responsibility is a complex blend of court rules, judicial decisions, statutes and other authorities.
This chapter is limited to a review of the ethical rules applicable in the U.S. Lawyers in the U.S. should not assume that these ethical obligations are universal and, in fact, the ethical rules can vary significantly from one country to the next. For instance, in some jurisdictions it is not unethical for an attorney who represents two companies that have a dispute to represent one against the other. The only way for a client to avoid this possibility in such a jurisdiction would be through the terms and conditions of the engagement letter. Obviously, this issue is important for trademark lawyers who frequently work with foreign counsel.

Within the U.S., uniform or “model” laws have, in large part, shaped the law of professional responsibility. The Model Rules of Professional Conduct (“Model Rules”) were adopted in 1983 by the American Bar Association (ABA) House of Delegates as a national model of professional standards governing the practice of law. Reflecting the need to constantly review these standards of professionalism, the Model Rules have been amended no less than nine times in 17 years. The ABA’s Model Code of Professional Responsibility (“Model Code”), developed in 1969, was the predecessor to the Model Rules. The ABA itself has no legal authority to regulate the practice of law. However, its Model Rules are frequently very persuasive sources of authority.

In the state courts, the highest court in the state typically has the power to regulate the practice of law. The state legislature may also play a role in the governance of the legal profession in that state. In the federal system, each of the federal courts has its own rules of practice, though typically the federal court will use the ethics code of its home state as a guide. Although a majority of the states have adopted the Model Rules, the exact rules in each state vary, and an attorney will be subject to the rules in each state in which he or she practices.1

Although attorneys are generally regulated by the state in which they are admitted to the bar, the Patent and Trademark Office (“PTO”) also has additional regulations applicable to the professional conduct of attorneys that practice before the PTO (the PTO Code).2 Trademark attorneys are subject to these ethical rules whenever they render an opinion regarding possible trademark infringement, the availability of a trademark, the validity of an existing trademark registration or when they practice before the Trademark Trial and Appeal Board.

The PTO Code resembles the structure of the Model Code and includes both Canons and Disciplinary Rules. The Canons are general statements regarding the standards of professional conduct expected of attorneys in their relationships with the public, the legal system and other members of the legal profession.3 For example, Canon 1 states, “[a] practitioner should assist in maintaining the integrity and competence of the legal profession.”4 The Disciplinary Rules (DR) are mandatory rules of conduct that state the minimum level of conduct below which an attorney may to subject to disciplinary action. For example, DR-10.22(a)5 states that a practitioner shall be “subject to discipline if the practitioner has made a materially false statement in, or if the practitioner has deliberately failed to disclose a material fact requested in connection with, the practitioner’s
application for registration or membership in the bar of any U.S. court or any
State court or his or her authority to otherwise practice before the Office (PTO) in
trademark and other non-patent cases.”

It is important to note that all attorneys, from the first year after passing the bar
exam to the most senior partner at a firm, must follow the ethical codes that apply
to their law practice. In most cases, a breach of ethical rules by an associate is not
excused by the fact that the associate was following a partner’s (or other
supervisory attorney’s) orders. Ignorance, inexperience, and naivete are not
excuses for breach of ethical standards. Under certain circumstances, an attorney
may rely on Rule 5.2(b) of the Model Rules (if adopted by the state ethical code
under which the attorney practices) which states that a subordinate lawyer will not
have violated the law if the lawyer acts in accordance with a supervisory lawyer’s
reasonable resolution of an arguable question of professional duty. If the breach
of a professional duty is clear, however, each lawyer involved in the breach will
be responsible. Given that this exception is very limited, it is extremely important
for all attorneys to be aware of and adhere to their applicable professional rules of
ethics.

II. Basic Duties

This chapter focuses on numerous activities of trademark lawyers that raise
special ethical concerns, including trademark clearance, prosecution, enforcement
and litigation. We attempt to identify ethical problems that frequently arise in the
practice of trademark law and provide guidance and practical tips for resolving
these ethical dilemmas. In addition to the ethical considerations of special
concern to trademark lawyers, it is important to remember that trademark lawyers
are bound by the entire panoply of regulations governing the Bar. Trademark
attorneys like all attorneys have five basic ethical duties: Competence, Diligence, Communication, Confidentiality and Loyalty. We discuss each of
these duties in turn below.

A. Competence

A lawyer has an ethical duty to provide competent representation. While many
of the particular articulations of this rule are intuitive, they nevertheless bear
repetition. A central aspect of competent representation is integrity. While this
may seem obvious in the classroom setting, it is the rare attorney who does not
occasionally encounter adversaries who seem unfamiliar with this obligation.

Over 50 years ago, the Supreme Court noted the importance of integrity in
practice before the Patent and Trademark Office, emphasizing that “the
relationship of attorneys to the Patent Office requires the highest degree of candor
and good faith. In relation to its applicants, the office . . . must rely upon their
integrity and deal with them in a spirit of trust and confidence…”
While there are only limited decisions involving lack of integrity, when provided adequate proof, the PTO has not hesitated to take strong action against those who shirk this duty. For instance, in the case *In re Klein*, 6 U.S.P.Q.2d 1528 (Dep’t Comm. 1986), adopted and modified 6 U.S.P.Q.2d 1547 (Comm’r Pat 1987), aff’d sub nom Klein v. Peterson, 696 F. Supp. 695 (D.D.C. 1988), aff’d 866 F.2d 412 (Fed. Cir. 1989), an attorney was disbarred from practicing before the PTO for backdating a certificate of mailing.  

The PTO has also taken a strong stand against perceived incompetence. In one case, an experienced patent attorney was forced to retire when, due to poor vision, he was no longer able to read communications from the PTO. He turned the practice over to his son, an attorney without patent experience, and in effect continued to practice law through his son. Eventually, this led to the inadvertent abandonment of a client’s patent application. The Commission’s office disbarred the father from practicing before the PTO because, due to his failed vision, he was not competent to practice patent law and failed to associate himself with someone who was.

This concern for competence also impacts the PTO’s handling of conduct constituting the unauthorized practice of law. In one case, a patent agent, who was not a member of any bar, assisted *pro se* applicants by conducting trademark searches and preparing applications in exchange for fees. His conduct resulted in a settlement order with the PTO, in which the patent agent acknowledged his wrongful conduct, agreed to return all funds he received in connection with such conduct, and agreed not to engage in the practice of any trademark matters in the future.

**B. Diligence**

It is often said, especially by those providing legal services to unpopular clients, that lawyers have a duty to provide zealous representation. In fact, the PTO Code provides that “[a] practitioner should represent a client zealously within the bounds of the law.” Thus, attorneys must afford the PTO the same level of respect and determination they would a federal or state court. This means, for example, that counsel has an ethical duty to refrain from frivolous arguments or actions intended only to delay. In one case, the Federal U.S. Circuit Court of Appeals sanctioned a party for appealing the PTO’s refusal to register its OCTOCOM mark for use in connection with modems and computer programs where the mark OCTOCOMM was already registered to another for use in connection with computer programs.

On the opposite end of the spectrum from those who represent their clients overzealously are those who fail to protect their clients’ interests. The PTO and other entities vested with the power to enforce ethical standards have repeatedly sanctioned attorneys for neglecting to represent their clients zealously. In one case an attorney was suspended from practice before the PTO because he failed to
respond in a timely manner to Office Actions and then failed to cooperate with new counsel to revive the abandoned application. Significantly, the Commission rejected the attorney’s defense that his misconduct was due to illness and marital difficulties, despite his unverified representation that he was in counseling.\textsuperscript{16}

This duty of zealous representation continues even if the client fails to pay his bills.\textsuperscript{17} If a client is delinquent in his fees, an attorney may, however, seek to withdraw as counsel pursuant to the procedures set forth in 37 C.F.R. section 1040 (C)(1)(vi).

Recently, the Commissioner modified some aspects of the withdrawal process. 37 C.F.R. section 10.40(a) provides that withdrawal from representation requires permission of the PTO, and withdrawal should never be sought “until the practitioner has taken reasonable steps to avoid foreseeable prejudice to the rights of the client, including giving due notice to his or her client, allowing time for employment of another practitioner, delivering to the client all papers and property to which the client is entitled, and complying with applicable laws and rules.”\textsuperscript{18} Section 602.03(a) of the Trademark Manual of Examining Procedures sets forth the standard adopted by the PTO to comply with this requirement.

The TMEP provides that:

\begin{quote}
The Commissioner of Patents and Trademarks usually requires that there be at least 30 days between approval of withdrawal and the expiration date of a response period so that the applicant will have sufficient time to obtain other representation or take other action.
\end{quote}

This rule was modified by the T.T.A.B. to shift the emphasis from the time between the PTO’s approval and the deadline to the time between the client’s learning of the withdrawal and the deadline.\textsuperscript{19} Section 602.03 of the TMEP now requires at least sixty (60) days remaining in any response period from the time the client is informed of the withdrawal.\textsuperscript{20}

\textbf{C. Communications}

One of the most common complaints about lawyers is that they do not return calls. It is ironic that professionals who earn their livelihood by using communications skills to persuade others often ignore their own clients. The situation has deteriorated so much that some firms highlight in work proposals to prospective clients their promise that all client calls will be returned within 24 hours. In fact, responding to client inquiries is not just a matter of common business sense. It is an ethical imperative. Lawyers have a duty to communicate with their clients. Model Rule 1.4 requires lawyers to keep their clients reasonably informed about the status of a matter and to promptly comply with reasonable requests for information. For trademark lawyers, this includes prompt reporting of Office Actions received in connection with a client’s application.\textsuperscript{21}
Worse than the attorney who says nothing is the attorney who does not tell the truth. The case reporters are filled with cases involving attorneys who simply did not tell the client the whole story. It is, of course, hard to inform a client of bad results, especially if the attorney might have avoided them by better counseling or guidance. However, there is no question that it is better to “step up to the plate” than try to cover up the problem, not only ethically but from a pure business perspective.

D. Confidentiality

Central to any attorney-client relationship is the expectation that the attorney will hold in confidence any communication relating to a matter for which she has been retained.

Nonetheless, this duty of confidentiality has some limits. Model Rule 1.6 provides that an attorney may disclose confidential information i) to the extent the lawyer reasonably believes it is necessary to either prevent a criminal act likely to involve imminent death or substantial bodily harm; or ii) to establish a claim or defense on behalf of the lawyer in a controversy with the client.

The PTO Code gives even greater flexibility. An attorney may reveal the confidence of a client i) with the client’s consent; ii) when otherwise required by law; iii) to disclose the intention of a client to commit a crime and the information necessary to prevent the crime; or iv) to defend the lawyer or his staff in a dispute with the client.

Additionally, an attorney may not submit to a court or the PTO any information he knows not to be true or withhold any information important to PTO decision-making. For example, in one case, an in-house patent agent failed to disclose material prior art to the PTO. The court deemed this omission of important information was deemed intentional deception by the court, resulting in loss of the patent. In some circumstances, the withholding of certain information due to an “undisclosed” ethical concern can become a disclosure of tremendous implications. It is important to note that an attorney’s duty of candor to a court or adjudication body is given more importance than the duty of confidentiality.

E. Loyalty

Once retained, an attorney owes his client an unbridled duty of loyalty. Thus, an attorney should not accept a new engagement if the exercise of independent judgment on behalf of a client will be, or is likely to be, adversely affected unless both clients consent after full disclosure. When obtaining this consent, it is also important to specify to which client the attorney’s loyalty will run first so that in the event of a nonwaivable conflict the attorney is not prohibited from representing both clients. Moreover, in order to ensure that the waiver is
knowing, attorneys should use unambiguous language, even though such language often sounds harsh and alarming to the layperson. At a minimum, a waiver letter should include examples of the specific ways in which the simultaneous representation could prejudice one or both sides.\textsuperscript{30}

III. T r o u b l e s o m e A r e a s

The nature of a trademark practice gives rise to unique ethical issues with respect to trademark clearance, investigation, trademark prosecution, and practice before the Trademark Trial and Appeal Board. Applying these five general ethical duties to these areas is not simple and, unfortunately, has not been completely resolved by the courts and arbitrators of ethical issues.

A. T r a d e m a r k C l e a r a n c e

Consider this scenario: Client A, a music recording company, asks you to clear the trademark OASIS for computer software for a music catalog database. You already represent a small computer software company called Oasis, which operates only in the Northeast creating specialized software for use by architects. You know from your previous work for Oasis that there are six companies using OASIS for computer software and related goods. Neither your client Oasis nor the other six companies, to the best of your knowledge, use OASIS for music database software. In fact, you advised Oasis two years ago that it could use the mark because none of these computer software companies is providing architectural software. Several times since then, however, you have at Oasis’ request written cease and desist letters to other software companies using the OASIS mark for programs not related to architectural software.

Are you allowed to provide Client A with any legal advice? If so, can you advise Client A of your familiarity with the OASIS mark? Can you give Client A the same substantive advice you gave Oasis, namely, that it can use the mark because no one is using it for a music catalog database? Do you advise Oasis of the inquiry from Client A?

Consider this variation. Oasis is unknown to you personally but is a small client of a trademark partner in an office of your firm located in another city. Can you discuss Client A’s inquiry with your partner? Or a third variation, in which Oasis is a real estate client for a partner in an office in another city, and your firm has never provided trademark advice to this client. Can you ethically opine on its mark in the opinion you provide to Client A?

There are no easy answers to these questions. On the one hand, is it practical to conduct a conflict check on every reference in a trademark search? We have never heard anyone advocate that position. On the other hand, if a lawyer knows that: (i) his firm represents Oasis for trademark matters, (ii) Oasis takes an
aggressively broad view of its rights, which the lawyer’s firm has asserted on its behalf, and (iii) Client A’s ability to use and/or register the OASIS mark is dependent on arguments that Oasis’s right are limited, can the attorney assert those arguments? We have never heard anyone suggest that the lawyer could represent Client A, given the firm’s existing representation of Oasis in this scenario. Between these two extremes, however, there are tremendous variations.

Some attorneys are comfortable clearing OASIS for Client A if they believe they would tell Oasis that it did not have a viable claim against Client A. Other attorneys argue that crowded field arguments (and virtually any argument used by trademark counsel to clear marks in “close” situations) are so fact dependent that they cannot render any advice to Client A without compromising their duty of loyalty to Oasis, because such arguments necessarily minimize Oasis’s rights in its mark. Others rely on the nature of the legal advice offered Oasis by the firm. If the firm had advised Oasis it would have limited rights, then the advice to Client A is consistent and should come as no surprise.

Unfortunately, the ethical dilemma does not end there. Assuming the attorney has decided she cannot be involved in the clearance process of OASIS for Client A, can she tell Client A the specific mark that is the subject of the conflict and his role in clearing or policing the mark? Can he tell Oasis that another company is considering adoption of the mark for a music database?

Given the frequency with which these arguments arise, it is surprising that there does not appear to be any judicial precedent. The only guidelines are the generalized principles set forth above, i.e., that an attorney must guard the confidence and secrets of the client and must not accept employment that does or is likely to impair her professional judgment.

While recognizing that reasonable minds may differ, and in the hope of generating more discussion and contemplation of this issue, we note here the general practice of Morgan, Lewis & Bockius LLP (“MLB”) with respect to these discrete issues. We emphasize, however, that our policies with respect to these issues are always under review and that ultimately the implementation of these policies is subject to the judgment and expertise of the supervising lawyers in the Trademark Group of the firm.

We maintain an in-house database of all marks for which knockout searches have been performed. Before commencing any search for Client A, we check this database for marks that may be confusingly similar to the mark in question. If there is a previous representation, unless we can reasonably predict that the other client will not object, we will direct Client A to select new counsel to conduct the clearance process and, if applicable, the subsequent prosecution of the application. Whether we identify the mark or client in question depends on the particular facts and client relationships. For instance, many of our clients have signed prospective waivers that allow us to identify the mark. However, even
without a prospective waiver in place, other facts about the relationship may allow for the release of this information.

If our database does not reveal any conflicting marks, we then perform an in-house knockout search. If that search is clear, we order a full search. In reviewing the report we cast a wide net that is designed to include not only marks that clearly possess prior rights but those that, while close, do not. If a mark revealed by the search is likely to be cited by the PTO as a bar to registration, or if the owner of the mark has, in our opinion, a colorable objection to Client A’s use of the mark (a “close” mark), we perform a conflict check before engaging in any further investigation or analysis. If one of the marks identified by one of our attorneys as “close” is owned by another firm client, we then confer with our firm conflicts expert to determine how to proceed based on the nature of our relationship to each client and the facts surrounding their respective business and uses of the mark in connection therewith.

As a result of the burden this process creates and its obvious inefficiencies, we also require each new client to agree to a prospective waiver of any conflicts, including direct conflicts resulting in litigation on a subject matter of which we have no knowledge. Under this prospective waiver, we have greater flexibility to opine on the registrations of a client for whom we have never provided trademark advice than for a client serviced by the Trademark Group. Most important, we try to educate our clients continually on these issues so they are aware of our concerns.

Undoubtedly, the practices of other firms vary from our firm. Firms should be encouraged to share their process for conflict identification in order to refine the thinking in this area.

B. Trademark Prosecution

As noted above, an attorney has a duty of candor to the PTO. With regard to patents, this means that attorneys practicing before the PTO must disclose information of which they are aware that is material to the examination of the patent application. Information is material where there is a substantial likelihood that a reasonable examiner would consider it important in deciding whether or not to allow a patent to issue. Notably, however, this duty is materially lower in trademark cases. Patent rights exist only by virtue of grants made by the PTO. Therefore, the lack of full disclosure can result in the granting of patent rights to which the applicant is not entitled. Trademark rights, in contrast, arise from usage. The PTO does not create trademark rights at all, but merely enhances such rights through the registration scheme it follows. Accordingly, a federal trademark registration carries benefits for the trademark owner, but is not a prerequisite for obtaining substantive trademark rights.
Even though the standards for candor to the PTO may be lower in trademark matters, a violation of this duty is serious and may result in a cancellation of a registration or may serve as an adversary’s absolute defense in an infringement action. In practice, however, a violation of the duty of candor may be difficult to prove because it requires state of mind evidence.

For example, in *The Money Store*, the 7th U.S. Circuit Court of Appeals faced the question of what constitutes fraud on the PTO in connection with an applicant’s declaration in a trademark application that it has the right to use the mark in commerce. The trial court found cause to cancel the plaintiff’s trademark registration based on fraud because the plaintiff knew of a search report’s reference to two identical uses of the mark and nevertheless declared to the PTO that it had the right to use the mark in commerce.

The 7th U.S. Circuit Court of Appeals reversed the trial court decision holding that fraud on the PTO will be found only where there is a deliberate attempt to mislead the PTO into registering a mark. The Circuit Court refused to conclude that the plaintiff intended to mislead the PTO because the plaintiff had no duty to investigate references in a search report prior to making a declaration to the PTO that it has rights to use a mark. The court therefore found no evidence that the plaintiff acted fraudulently. Shortly after the decision in *The Money Store*, the T.T.A.B. seemed to endorse the holding that there is no duty to investigate references in a search report before filing a trademark application. From the T.T.A.B. perspective, it appears that all the applicant needs is to show is some minimal basis for good faith adoption of the mark.

Several years after *The Money Store*, the Federal Circuit stated that “[f]raud in procuring a trademark registration or renewal occurs when an applicant knowingly makes false, material representations of fact in connection with his application.” The court further explained that the Lanham Act imposes an obligation on the applicant to not make knowingly inaccurate or knowingly misleading statements in documents submitted to the PTO. The plaintiff in that case was found to have committed fraud because there was clear evidence that the plaintiff knowingly attempted to mislead the PTO.

The T.T.A.B. has addressed the duty of candor in two recent cases. In one case, an officer of the registrant gave false information to outside counsel who prepared a combined Sections 8 and 15 affidavit and provided it to another officer for signature. The signing officer was unaware that the affidavit contained false information. The T.T.A.B. found that this was a knowing misrepresentation by the registrant. The T.T.A.B. emphasized that an applicant or registrant has a duty to correct material false statements when their falsity becomes known.

The second case involves an applicant that had settled an opposition by agreeing to geographically restrict its goods yet continued to seek an unrestricted registration. The PTO refused to register the mark, and the T.T.A.B. affirmed this decision because the applicant could not truthfully declare that it had an
exclusive right to use the mark. The T.T.A.B. also noted that an applicant has a
duty to continuously review and amend the declaration filed with a trademark
application. The applicant in this case did not fulfill this duty. This duty was not
fulfilled by the applicant in this case and thus registration was therefore refused.

As McCarthy has noted, the highly subjective nature of the fraud standard makes
findings of fraud infrequent. However, there are rare instances where specific
factual misstatements made about whether a mark is generic or is used for all the
goods or services listed in the application sustain a claim of fraud. Fraud will
typically not be found based on misstatements about dates of first use unless the
use commenced after a use-based application was filed. Generally, an applicant
that has a reasonable, good faith belief that statements and information provided
to the PTO in trademark matters are accurate will satisfy the obligation of candor.

C. Investigation

For an attorney to fully evaluate the risks represented in a trademark search
report, it is not unusual for the attorney to require information not contained in the
search. For instance, several years ago, the PTO allowed registrations in
International Class 9 to be for “computer programs”; today, the registrant would
need to specify additional information such as “computer programs, namely
applications used to docket and manage a trademark portfolio.” Obviously, when
clearing a new mark for a type of software, the description “computer programs”
is no longer enough to determine if the respective marks can coexist. Prior to
fully evaluating whether this search report “hit” is a problem, the attorney would
need more information about the type of computer program that is identified by
the registered mark. If the mark is not registered, but pending under an intent to
use application, the attorney may want to know if use has commenced. If a
registration has existed for five years and a Section 8 Affidavit of Use has not yet
been filed, the attorney may want information regarding current use of the mark,
if any.

These issues may also arise when clients call their counsel with rumors of
potential infringements or watch reports that disclose troubling references. Prior
to filing a complaint or seeking a preliminary injunction, the attorney may desire
more specific information about the possible infringement to evaluate the strength
of the client’s claims and to make related pleadings more compelling.

Practicing trademark attorneys utilize several ways to gather this information.
Some attorneys obtain this information themselves. Other attorneys delegate the
assignment to a junior attorney and/or a legal assistant. Still other attorneys retain
an outside investigator to perform these tasks. Gathering needed information
often will go beyond what is publicly available and requires direct contact with
the target. This contact is typically conducted through telephone calls made
without divulging the true purpose of the call and/or the true identity of the caller.
Private investigators often refer to this practice as using a “suitable ruse.”
The ability of attorneys to gain information related to a possible adversary has traditionally been technically limited by the prohibition on an attorney’s communications with a person represented by counsel without the other attorney’s consent. Specifically, Rule 4.2 of the Model Rules provides:

In representing a client, a lawyer shall not communicate about the subject of the representation with a party the lawyer knows to be represented by another lawyer in the matter, unless the lawyer has the consent of the other lawyer or is authorized by law to do so.\(^{56}\)

This rule is also referred to as a prohibition of “ex parte contact.” The Model Code and the PTO Code contain virtually identical language.\(^{57}\) Additionally, both the Model Rules and Model Code prohibit a lawyer from “circumvent(ing) a discipline rule through actions of another” and engaging in conduct involving dishonesty, fraud, deceit or misrepresentation.\(^{58}\)

For many years, the question of whether an attorney could ethically engage in investigations of the type described above was, perhaps, intentionally left unresolved. Notwithstanding the frequent use of the practice and the number of times the ethical question has been raised, no ethical panel or ethics committee was asked to provide formal guidelines on this topic. Indeed, it is likely that the reason no opinion was sought was an unspoken (perhaps unconscious) consensus in the Trademark Bar that we were better off not hearing answers to which we would not adhere. Fortunately, in the last few years, two cases have addressed some of these issues. To understand them, however, it is necessary to examine the history and policies underlying this issue.

The policy behind the rule against *ex parte* contact “is to preserve the proper functioning of the attorney-client relationship.”\(^{59}\) The rule also serves a second purpose: to prevent a professionally trained lawyer from winning or coercing damaging concessions from the unshielded layman.\(^{60}\)

The dictates of the rules against direct communication with parties represented by counsel are relatively easy to apply when the parties are all individuals. Where one party is a corporation, however, the question as to whether a particular employee is a party represented by counsel has created a “multifarious split in authority across the country.”\(^{61}\) The issue is even more complex and muddled when applied to former employees.

Because there are so few trademark rulings on the issue, it is instructive to look at the issue from an employment law perspective. There is pressure from the Plaintiff’s Employment Bar to interpret the *ex parte* communications rule narrowly. For instance, the Plaintiffs’ Employment Bar strongly believes a lawyer representing an allegedly wrongfully terminated employee should be allowed to contact former co-workers to obtain evidence to support the plaintiff’s claims. It is particularly helpful if a plaintiff’s attorney can have these contacts prior to deciding whether to take the case on a contingency.
The majority rule with respect to *ex parte* contacts with former employees is that they are not parties such that they are covered by the restraints of *ex parte* contact rules. The ABA Standing Committee on Ethics and Professional Responsibility stated in formal opinion 91-360 that opposing counsel may communicate with former employees so long as the attorney does not induce a violation of the attorney-client privilege and they make clear the nature of their interests in the matter, including the identity of their client and the fact that the witness’ former employer is an adverse party.

With respect to current employees, the most popular approach is the one adopted by the New York Court of Appeals in *Nieseg*. Under *Nieseg*, an attorney may not have *ex parte* contact with the current employees whose acts caused the events underlying the lawsuit or those who implemented the advice of counsel. The *Nieseg* approach is widely, though not universally, followed.

In February of 2000, Judge Politan of the U.S. District Court in New Jersey issued a significant ruling. Ten years earlier in *PSE&G*, Judge Politan had adopted a bright line test forbidding any *ex parte* contact with former or current employees. Judge Politan opined that the interests of the bar and the public were best served by an easily applied bright line test.

Not surprisingly, the *PSE&G* holding spurred a large number of cases on this issue, with widely conflicting results, and eventually prompted a lengthy reexamination in New Jersey of the Model Rules. In *Andrews v. Goodyear Tire & Rubber Co., Inc.*, Judge Politan traced this history and the response to his blanket prohibition in *PSE&G*. As *Andrews* explains, ultimately New Jersey modified Rule 4.2 as follows:

> In representing a client, a lawyer shall not communicate about the subject of the representation with a person the lawyer knows, or by the exercise of reasonable diligence should know, to be represented by another lawyer in the matter, including members of an organization’s litigation control group as defined by RPC 1.13, unless the lawyer has the consent of the other lawyer, or is authorized by law to do so, or unless the sole purpose of the communication is to ascertain whether the person is in fact represented. Reasonable diligence shall include, but not be limited to, a specific inquiry of the person as to whether that person is represented by counsel. Nothing in this rule shall, however, preclude a lawyer from counseling or representing a member or former member of an organization’s litigation control group who seeks independent legal advice.

New Jersey also modified Rule 1.13 to provide that a lawyer representing an organization is deemed to represent the current and former members of the litigation control group, except that former employees may disavow this representation.
As noted before, with few exceptions, the cases involving *ex parte* communications do not involve trademark fact patterns. Of course, there are reported cases where one party used an investigator to buy products and the court noted this fact in passing. But the propriety of the conduct was never discussed.

The trademark fact pattern finally presented itself in 1998. In *Apple Corps.*, plaintiff’s counsel, in order to determine if the defendant was complying with the Court’s previously entered order, contacted the defendant’s 800 number and ordered infringing products. This attorney then directed her secretary and the stepson of her partner to make the same calls, and eventually defendant’s outside counsel hired an investigator to confirm the infringing activity. Prior to hiring the investigative firm, the outside counsel also called the 800 number to purchase infringing goods.

Defendants moved for sanctions, arguing that this conduct constituted unethical *ex parte* contact. In deciding which ethical rules governed the dispute, the court rejected the argument that the Model Rule applies only where there is a pending action at the time of the contact, making it clear that these ethical rules apply whether a complaint has been filed or not.

Ultimately, the Court found that Rule 4.2 was not violated because the person answering the telephone was not within the litigation control group. As the Court noted, the only misrepresentations made were about the caller’s purpose in calling and his or her identity.

Rule 4.2 cannot apply where lawyers and/or their investigators, seeking to learn about current corporate misconduct, act as members of the general public to engage in ordinary business transactions with low-level employees of a represented corporation.

The court also found that Rule 8.4(c) prohibiting misrepresentation does not apply “to identity or purpose and [conduct] solely for evidence gathering purposes.” In reaching this decision, the federal court relied on the modified Model Rule that applies to the New Jersey Bar.

In 1999, the U.S. District Court for the Southern District of New York reached the same conclusion in the *Gidatex* case involving a pre-complaint investigation that continued after the complaint was filed. In *Gidatex*, the plaintiff’s counsel hired private investigators to pose as buyers of defendant’s goods. After a careful analysis, the court concluded that the Model Code, interpreted by the New York Court of Appeals in *Nieseg*, prohibited this conduct. Because *Nieseg* applies to employees whose acts give rise to the lawsuit, the salespersons who sold the infringing goods appear to be within the prohibition of the Model Code. Nevertheless, the Court found that there was no violation of the *ex parte* contact rule because these provisions “should not govern situations where a party is legitimately investigating potential unfair business practices by use of an undercover investigator posing as a member of the general public engaging in
ordinary business transactions with the target. Significantly, the *Gidatex* court concluded that the lawyer’s conduct technically was a violation of the disciplinary rules but emphasized that these rules simply do not apply to situations where someone poses as a customer and speaks to low-level salespeople.

While these two cases are helpful, they also leave open many questions. For instance, in order to determine the date of first use, a critical factor in analyzing a search report for a client who is already using the mark, one often needs to speak to someone who is more than merely a low-level salesperson. A suitable ruse in such cases often involves more elaborate skills than just posing as a customer (after all, it is the rare customer who cares when a product was first sold and even more rare is the customer representative who would know the answer). Indeed, when the registration or application which needs investigation is owned by an individual, one is undoubtedly speaking to someone in the “litigation control group.” It would also defeat the purpose of the phone call if the caller identified on whose behalf the call was being made, as required by *Nieseg* and the present embodiment of the Model Rules in New Jersey.

Will the *Apple Corps.* and *Gidatex* findings apply under such circumstances? While the answer to this question is not clear, there is no doubt that an attorney cannot circumvent these issues by retaining an investigator. Attorneys are responsible for their agents. We therefore must conclude that either this is conduct in which an attorney could engage directly or accept that no one connected with the attorney may do it. At least one ethics expert has suggested that perhaps many of these issues can be resolved if the client, and not the attorney, retains the investigator, especially with respect to the surreptitious recording of a telephone conversation. We respectfully suggest that this tactic would only serve to increase the negative stereotype of lawyers as overtechnical and too willing to engage in sophistry.

These authors look to the policy discussion by the *Apple Corps.* and *Gidatex* courts which emphasize the wide acceptance of investigators to determine civil or criminal wrongdoing. It is consistent with these policies to hold that these ethical rules generally do not apply when an attorney or a private investigator makes inquiries to determine such details as the date of first use, the scope of services provided by a registrant, or whether a mark is still in use, regardless of the person to whom the inquiries are made.

While we concede that this view does not comport with a literal reading of either the New Jersey or New York standards, we note that as a practical matter, respected trademark attorneys engage in such conduct on a frequent basis, arguably out of necessity. In the same manner that the *Gidatex* court looked to the policies behind these rules to allow the use of investigators posing as customers to sales employees, notwithstanding that technically such conduct was prohibited by *Nieseg*, we believe the result should be the same with more senior employees. Nevertheless, strong efforts should be made to limit the misrepresentations to those of identity and purpose, and no information should
ever be sought by the attorney or his or her agents, which the attorney may reasonably assume is considered confidential, proprietary or a trade secret.

If there is no ethical difference between using an investigator or doing the investigation directly, one may wonder if there is any benefit to ever using an outside investigator. This issue is not an ethical one but a question of trial strategy. For instance, the Apple Corps. plaintiff privately retained an investigator to confirm what both the plaintiff and its outside counsel already knew precisely so that the investigator, and not the in-house or outside counsel, would be a witness.

D. Opinion Letters

While the substantive skills pertaining to searching and clearing new marks are discussed elsewhere, these tasks implicate ethical concerns as well. As noted above, an attorney has an ethical obligation to provide competent advice. Unfortunately, there is so little consensus as to the details of searching and clearing a mark that it is difficult to provide any authoritative guidance. For instance, two of the leading cases addressing this issue resulted in a series of trial and appellate decisions that reflect the deep disagreements between the various judges on these sensitive issues.

The first question is whether there is a legal duty to search prior to adopting a new mark. While the answer is no, certain cases have, at times, implied a different answer. Many courts, for instance, have held that a “second comer has a duty to so name and dress his product as to avoid all likelihood of consumers confusing it with the product of the first-comer.” In the patent context, where there is a similar “affirmative duty of care to avoid infringement of known patent rights of others”, the Federal Court has held that the duty usually includes an obligation to seek and obtain competent legal advice. Accordingly, some attorneys have assumed (not unreasonably) that there is a comparable duty in the trademark arena.

When directly confronted with this question, however, courts have repeatedly stated there is no duty to search. Indeed, the 2d U.S. Circuit Court of Appeals in its recent decision regarding fish-shaped snack crackers made clear that not only is there no duty to search, but there is “no legal duty to obtain an attorney’s opinion.”

How does one reconcile a duty to avoid confusion with an absence of duty to search or obtain a legal opinion? While no court has yet addressed the issue, it would appear that a second-comer cannot ignore what it knows about the marketplace but does not need to explore every nook and cranny to determine if there is a senior user with a confusingly similar mark. There is even some authority to suggest that a company does not have an obligation to investigate troubling references in a search report if, based on an opinion of counsel, the
company believes that the mark can be distinguished. But if a company obtains a search report containing a troubling reference and does not obtain an opinion of counsel, the inference may be made that the company desired to benefit from the possible confusion, which might result.

Is a company better off not searching? Of course not. Good faith adoption is not a defense to infringement but only a mitigation of certain damages potentially owed the plaintiff. Further, from a business perspective, it does not make sense to adopt a new mark and invest in its promotion and use only to learn that it must be changed. Jerome Gilson has aptly noted that “failing to search may be business recklessness, but it is not yet fraudulent or a Lanham Act violation.” Accordingly, while ignorance may be bliss from a legal standpoint, it does not make good business sense.

Surprisingly, however, once a company decides to conduct a search and obtain legal advice, the issues become more complicated. For instance, must one always conduct a full search or is a “knockout” search adequate? This issue was hotly disputed in the *Hilfiger* case, which generated four published and two unpublished decisions. In its first review of this case in 1996, the 2d Circuit Court of Appeals characterized *Hilfiger*’s knockout search as a “minimal effort” and held that Hilfiger:

> should have shown greater concern for the possibility that it was infringing on another’s mark. Hilfiger’s choice not to perform a full search under these circumstances reminds us of two of the famous trio of monkeys who, by covering their eyes and ears, neither saw nor heard any evil. Such willful ignorance should not provide a means by which Hilfiger can evade its obligations under trademark law.

On remand, the court noted that knockout searches, by themselves, were increasingly accepted in the Trademark Bar. In its second published opinion, the 2d U.S. Circuit Court of Appeals focused on the failure of Hilfiger to follow the advice of its counsel to conduct a full search as evidence of bad faith. Ultimately, however, on a second remand the trial court heard evidence that Hilfiger intended to use the mark as “decoration” on clothing but not to register the mark. Thus, the court determined that Hilfiger had only been advised to conduct a full search if it intended to use the mark in a trademark manner and seek registration. In its third review, the 2d U.S. Circuit Court of Appeals deferred to the fact finding of the trial court, which could be reversed only for clear error. Of equal interest is the fact that, while ultimately accepting that Hilfiger justifiably relied on the opinion of counsel, the Court did so in an unpublished opinion with no precedential value. Even in this context, the 2d U.S, Circuit Court of Appeals pointedly noted its begrudging acceptance stating that “there is [still] some evidence that points toward the existence of bad faith.” What is the ultimate holding of *Hilfiger* with respect to knockout searches? Unfortunately, there is no easy answer.
In analyzing *Hilfiger*, however, it must be remembered that both the trial court and the 2d U.S. Circuit Court of Appeals were not considering a lawyer’s ethical obligations in clearance but, rather, whether the defendant acted in bad faith. Bad faith adoption of a mark is a factor favoring a finding of likelihood of confusion. The link between bad faith and confusion is based on the assumption that if a company adopts a mark because it believes it will create confusion with another product, the finder of fact should assume the company accomplished its goal. Reliance on an opinion of counsel that adoption of the mark will not create the likelihood of confusion logically negates this inference.

The astute attorney will recognize that the true lesson of *Hilfiger* is that the court will look at the totality of the circumstances to determine if the client intended to benefit from the creation of confusion. A client’s failure to disclose all relevant facts to its attorney or to follow its counsel’s advice—not surprisingly—can seriously undermine the effect of counsel’s opinion as a defense to a finding of bad faith.

Returning to the question of whether a trademark attorney can ethically rely on a knockout search to provide an opinion, the only accurate answer is “in some cases.” In determining those cases where such reliance is appropriate, one important factor must be the internal consistency of the law firm or lawyer. A second factor is also the type of use contemplated. For instance, if a client wants to adopt a descriptive mark for a limited or one-time-only advertisement, a knockout search to confirm that the PTO treats the mark is treated as descriptive. On the other hand, it is difficult to conceive of a Fortune 100 company that would not perform a full search prior to adopting a mark—descriptive or not—for a new consumer product.

Another aspect of clearance practice that merits attention is the duty to investigate references in a search report. In the *Thirst-Aid* case, the manufacturer of Gatorade was aware that a small company had conducted a consumer test to compare Gatorade with a product entitled Thirst-Aid. In-house counsel conducted a trademark search disclosing three registrations and a license belonging to the small company. In-house counsel directed a paralegal to call the owner/licensor of THIRST-AID to inquire about the mark. The person answering the telephone reported to the paralegal that he knew nothing about the product. Gatorade never made any inquiries directly to the small company even though it was named as the licensee in the search report.

After receiving several demand letters from the small company, Gatorade obtained an opinion from outside counsel. The opinion letter included the advice that, when using the THIRST-AID mark, Gatorade should make sure that the GATORADE mark dominated over the THIRST-AID mark. Gatorade failed to heed this advice.

On these facts, the district court concluded that Gatorade’s actions, collectively considered, “suggest[ed] callous indifference.” As a highly sophisticated
national marketer, “[Gatorade] had access to every imaginable resource to avoid the slightest possibility of confusion.”

On appeal, the 7th U.S. Circuit Court of Appeals issued a very disjointed opinion. The author of the majority opinion found that there was little evidence of bad faith but deferred to the trial court based on the clearly erroneous standard of review. The second author of the majority did not join in this part of the decision though the dissenting judge did. Indeed, in a subsequent decision in the same case the judge who authored the majority opinion noted that “[t]his was a thin case . . . [where] a finding of bad faith was made . . . only with great reluctance.

When it was issued, some interpreted Thirst-Aid as an imperative that each potential reference must be thoroughly investigated. A better reading of the case, however, suggests that there is no blanket directive which flows from Thirst-Aid other than the admonition that, if challenged, counsel must be able to explain the entire clearance process in a coherent manner or risk an inference of bad faith.

Another case that illustrates the importance of consistency in clearance is Troy Biosciences, in which a large manufacturer of pesticides obtained a search report for NATURALYTE to be used for a biologically friendly pesticide. The search report disclosed the plaintiff’s mark NATURALIS for insecticides. Plaintiff’s registration was for insecticides. In its application to register its mark, the defendant recited the goods as a “naturally fermented compound used to control and to destroy vermin…” Noting that in all but one of its 72 other trademark applications the defendant described its products as “insecticides, herbicides, fungicides, fumigants or regulators,” the plaintiff argued that this unusual description was used to obfuscate that the product was in fact an insecticide. The court agreed and held that such conduct “supports an inference it acted in bad faith in adopting the ... mark.” Given the arguably highly descriptive nature of these marks the decision by counsel to use this phraseology—which may have been totally innocent but was never explained in an opinion letter—shows how important it is for attorneys to proceed cautiously.

Many other ethical issues arise in the clearance process. For instance, is it ethical for a senior attorney to delegate clearance work to a junior associate when it is likely that, if litigated, the junior attorney’s analysis will be produced and may contain erroneous legal arguments or lack certain insights, all of which could prove fertile ground for a plaintiff’s trial strategy? Are oral opinions sufficient? If a written opinion is provided, how much analysis is required? Unfortunately, no court or other entity has provided meaningful guidance on these questions.

Finally, if an attorney has an ethical obligation to provide competent advice, is that obligation breached if an attorney clears a mark for use and the client later loses an infringement case? Clearly not. The attorney’s ethical duty is to provide an informed decision. In light of the inherently subjective and highly fact dependent nature of trademark practices, reaching the wrong conclusion is not incompetence so long as the attorney adhered to the proper analytic framework.
IV. Conclusion

The ethical practice of law is a constant challenge. For instance, a lawyer is ethically prohibited from making a false statement. The art of negotiation, however, often requires misrepresentations, such as “this is our last offer,” but, in that context, we refer to such statements as posturing or bluffing.

As alluded to herein, perhaps the biggest challenge confronting the Trademark Bar is the fortitude to confront directly some of the ethical quandaries in our practices. Unfortunately, the ABA Section on Intellectual Property, the numerous trademark committees of the various state and local bar associations, and other trademark associations including the International Trademark Association (INTA), have never passed resolutions or issued recommendations on these tough questions. Indeed, we have not located one ethical question concerning trademark law posed to any of the numerous ethical “hot lines,” which occasionally publish questions and answers. We suspect that the reason for this silence is a fear that if such questions are raised we might have to modify the way we practice.

_Gidotex_, however, should reassure us. As already noted, the court in that case was willing to look beyond a literal reading of the Model Code to address the reality of how trademark lawyers must practice in order to “zealously represent their clients.” Certainly, we as a Trademark Bar are better equipped to evaluate the open areas addressed in this chapter than an ethics committee consisting of lawyers who may not understand the nature of trademark investigations, trademark clearance, or other aspects of advising clients about their intellectual property. And if, as a result of this analysis, the ABA section of Intellectual Property or INTA determined that the Model Code, Model Rules, and/or the PTO Model Code needed to be clarified to allow for conduct which it concluded was not unethical in the context of a trademark practice, they are precisely the organizations best equipped to accomplish this goal.

In this chapter we have attempted to provide a foundation to assist trademark lawyers in evaluating the difficult choices we face in our practices. Mindful of the ethical imperative that a lawyer is obliged to seek ways to improve the profession, we respectfully suggest that we, as the Trademark Bar, need to find ways to resolve these issues.
October 9, 2000

VIA FACSIMILE
John Smith, Jr., Esq.
General Counsel
Client A – A Clothing Company
Any Street
Your Town, NY

Re: Request for Waiver of Conflict – Client B

Dear John:

As discussed in our recent exchange of voicemails, this firm represents Client B, a food preparation company, in connection with intellectual property and general business matters. Client B has requested ML&B’s advice and assistance with respect to the review of a trademark search report for a mark it is considering in connection with food products. In the course of reviewing this search, my partner in our trademark group, Stephen Feingold, has noted a reference to a registration by your company.

This letter is to confirm our understanding regarding ML&B’s representation of Client B in connection with our review of this search report. As you know, our firm’s representation of Client A has never included any of your intellectual property matters but is limited to real estate negotiations. As you are also aware, Mr. Feingold has advised me that XXX or similar terms are registered by at least three other companies for goods or services unrelated to clothing. Client A consents to ML&B’s representation of Client B in connection with the above-described matter, and waives any actual or potential conflicts of interest that may exist or hereafter arise as a result of ML&B serving as counsel to Client B in connection with this matter, subject to the conditions that such consent and waiver is limited to the above described matter. Client B has similarly consented and agreed to waive any actual or potential conflicts of interest with respect to
ML&B’s current and future representation of Client A in matters other than intellectual property.

You understand that as part of ML&B’s representation of Client B, we may opine on the scope of rights Client A may reasonably assert with respect to its use and registration of XXX and that in order to analyze this matter appropriately, we or our agents may conduct investigations of information publicly available to determine the extent of your rights in XXX. You further acknowledge that at this time you are aware of the precise mark under consideration by Client B and agree that if at such time you learn of Client B’s mark and object to it, ML&B is free to assist Client B with respect to your objection up to and including litigation.

This letter confirms our commitment that neither I nor any other attorney at ML&B who previously worked on Client A legal matters will participate in our representation of Client B. Indeed, I am unaware of the actual mark under consideration by Client B. If at any time we determine that ML&B has any confidential information which might relate to any actual dispute between Client A and Client B on this matter, we will withdraw as counsel to Client B. We also confirm that Client B is currently reviewing a waiver letter containing parallel provisions to those outlined here. Neither letter will be effective unless both are executed.

You acknowledge that we have advised you to discuss this matter with your current outside intellectual property counsel.

If the foregoing comports with your understanding, I would appreciate your signing and dating the enclosed copy of this letter and returning that copy to me at your earliest convenience. As always, feel free to give me a call if you have any questions.

Sincerely,

Responsible Attorney for Client A

AGREED TO:

CLIENT A

By: _______________________
    John Smith, Jr.
    General Counsel

Date: October __, 2000
The authors gratefully acknowledge the assistance of their former colleagues at Morgan, Lewis & Bockius LLP in the preparation of this chapter. © 2001 Morgan, Lewis & Bockius LLP.

Significantly, New York still adheres to the Model Code.


PTO Code, 37 C.F.R. § 10.20(a).

PTO Code, 37 C.F.R. § 10.21.

PTO Code, 37 C.F.R. § 10.20(b).

PTO Code, 37 C.F.R. § 10.22(a).

See Model Rule 5.2(a).

Model Rule 5.2(b).


See also Small v. Weiffenbach, 10 U.S.P.Q.2d 1881 (Dep’t Comm. 1988) adopted 10 U.S.P.Q.2d 1898 (Comm’r Pat. 1989) (disbarment recommended for attorney who backdated certificates of mailing in order to avoid untimely filings).


In re Boreinstein, 20 U.S.P.Q.2d 1071 (Comm’r Pat. 1991). See also In re Barndt, 27 U.S.P.Q.2d 1749 (Comm’r Pat. 1992) (attorney was suspended from practice before the PTO for failing to communicate the status of applications to clients, for failing to communicate the fact that clients’ applications had been abandoned, and for failing to pay issue fees to prevent such abandonment); and William Wrigley Jr. Co. v. Waters, 890 F.2d 594 (2d Cir. 1989) (trademark registration agent held liable for “clean-up” costs for failing to exercise the requisite standard of care in effecting trademark renewals promptly in foreign countries and maintaining appropriate and orderly files in an effort to do so).


PTO Code, 37 C.F.R. § 10.40(a).
TMEP § 602.03(a).

In re Slack, 54 U.S.P.Q.2d 1504 (Comm’r 2000).


In re Srenaski, 105 Wis. 2d 597, 314 N.W.2d 359 (1982) (attorney’s license to practice law was suspended for 90 days, and he was ordered to pay the costs of the disciplinary proceeding for reporting to his client that he had registered a trademark and tradename when he had not and reported that he had used the specific patent attorney requested by client when in fact he had not).

Model Rule 1.6 (1993 ed.). See also Model Code DR 4-101(B) (1980).


Molins PLC, 48 F.3d at 1181-82, 33 U.S.P.Q.2d at 1829.


An example of a disclosure and conflict waiver letter is attached as Exhibit I to this chapter.


See, e.g., PTO Code, 37 C.F.R. § 10.23(c)(2) (it is a violation of the PTO Code to knowingly give false or misleading information or knowingly participate in a material way in the giving of false or misleading information to the PTO); PTO Code, 37 C.F.R. § 10.23(d) (a practitioner who acts with reckless indifference to whether a representation is true or false may be charged with knowledge of its falsity.); PTO Code, 37 C.F.R. § 10.85 (in the representation of a client, a practitioner may not knowingly advance a claim or defense that is unwarranted under existing law, knowingly make a false statement of law or fact, or assist in conduct that is known to be illegal or fraudulent.).

PTO Code, 37 C.F.R. § 1.56(a) (1999).

PTO Code, 37 C.F.R. § 1.56(b) (1999).

J. THOMAS McCARTHY, McCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 31:64 (4th ed. 1997); see, e.g., Bonaventure Assoc. v. Westin Hotel Co., 218 U.S.P.Q 537, 540 (T.T.A.B. 1983) ("the standard of disclosure as to prior knowledge of facts and of possible other and earlier uses is regarded as somewhat lower in a trademark than a patent proceeding.").


The Money Store v. Harriscorp Finance, Inc., 689 F.2d 666 (7th Cir. 1982).


The Money Store, 689 F.2d at 673.

Id. at 672.

Id. at 672, 673.


Torres v. Cantine Torresella S.r.l., 808 F.2d 46, 48 (Fed. Cir. 1986) (finding fraud where trademark registrant attached evidence of use of the registered trademark to renewal application that he knew or should have known was not in use, warranting cancellation of the registration).

Id.

Id. at 49 (finding fraud where trademark registrant misstated that the mark had been in continuous use to maintain that registration and failed to correct the false statement).


Id.


Id.


Id. at § 31:74

Model Rule 4.2 (2000 ed.).

Model Code 7-104(A)(1); PTO Code, 37 C.F.R. § 10.87.


Formal ABA Opinion 91-360.


PSE&G, 745 F. Supp. at 1042.


New Jersey Rules of Professional Conduct 4.2.


Id. at 473.

Id. at 474, 475.

Id.

New Jersey Rule of Professional Conduct 4.3.

Gidatex v. Campaneollo Imports, Ltd., 82 F. Supp. 2d 119 (S.D.N.Y. 1999). In the interests of full disclosure, Mr. Feingold notes that he was a partner at the law firm representing the plaintiff in this case and assisted to a limited degree in the preparation of the briefs submitted by plaintiff on this issue.

Id. at 122.

Id. at 122.

Model Rule 5.3; Model Code DR 4-101(D), see generally Barry R. Fischer, Conducting Complex Fact Investigations: Techniques and Issues for Lawyers, Protecting the Findings of Internal Corporate Investigations, 337 PLI/Lit 113, 120 (1987) (emphasizing the importance of keeping the investigation under the control and responsibility of the attorney).


The Money Store, 689 F.2d.

Nabisco, Inc. v. PF Brands, Inc., 191 F.3d 208, 226 (2d Cir. 1999).

See The Money Store, 689 F.2d at 672.

See Int’l Star Class Yacht Racing Ass’n, 80 F.3d at 753.

I. J. Gilson, Trademark Protection and Practice, A-146.1.

International Star Class Yacht Racing Ass’n v. Tommy Hilfiger, USA, Inc., 80 F.3d 749 (2d Cir. 1996); on remand, 959 F. Supp. 623 (S.D.N.Y. 1997); reconsideration denied 1997 WL 297031 (S.D.N.Y. 1997); aff. in part, vac. in part 146 F.3d 66 (2d Cir. 1998); on remand 1999 WL 108739 (S.D.N.Y. 1999); aff. 205 F.3d 1323 (2d Cir. 2000).

Hilfiger, 80 F.3d, 753-754. In light of the 2d U.S. Circuit Court of Appeals statements in Nabisco that there is no duty to obtain an opinion at all, it is interesting to note that in this decision the 2d U.S. Circuit Court of Appeals never expressly explained the nature of the trademark obligations Hilfiger ignored.

Hilfiger, 146 F.3d at 71 n.2.


Hilfiger, 2000 WL 220504.

Id. at 2.


See id. at 4.

Hilfiger, 146 F.3d at 71 n.2.

Id.

*Sands Taylor & Wood Co. v. Quaker Oats Co.*, 978 F.2d 947, 961 (7th Cir. 1992).

*Sands Taylor & Wood Co. v. Quaker Oats Co.*, 34 F.3d 1340, 1359 (7th Cir. 1994) (Cudahy, Cir. J. concurring in part and dissenting in part).

See *Feingold*, supra n. 94.

*Troy Biosciences, Inc. v. Dowlanco*, Cru. 96-1049 C.D. Az. (1996) (Slip. Op. at 27). In the interest of full disclosure, Mr. Feingold notes that he was lead trial counsel to the plaintiff.


*See Dreamwerks Production Group, Inc. v. SKG Studio*, 142 F.3d 1127 (9th Cir. 1997); *Ty Inc. v. The Jones Group*, 98 F. Supp.2d 988 (N.D. Ill. 2000) (defendant reasonably relied in good faith on opinion of counsel but infringement still found in close case); *Trovan Ltd. v. Pfizer, Inc.*, CV 98-00094, 2000 WL.709149 (C.D. Cal. 2000) (counsel opinion must be thorough enough to instill good faith belief that defendant thought it would not infringe).