Pretexting Task Force Report

Prepared by the General Trademark and Enforcement Matters Subcommittee - Pretexting Task Force

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When investigating their clients’ adversaries, attorneys must be diligent in their methods. In the trademark space, pretext investigations are often used to achieve this goal. Pretexting investigations involve deceptive techniques to induce a suspected infringer into disclosing information necessary to verify suspicions of infringement or counterfeiting. While useful, pretext investigations, by their nature, involve misrepresenting oneself to the agents of other companies. As a result, pretext investigations foundationally appear to present ethical violations for attorneys or their investigators because the plain language of the American Bar Association’s Model Rules of Professional Conduct (“ABA Model Rules”)¹ and other comparable state rules prohibit attorneys from engaging in conduct that involves dishonesty, fraud, deceit, or misrepresentation. Yet, both the ABA Model Rules, and the Rules of many states² fail to account for the necessary misrepresentation involved in pretext investigations. Whether pretext investigations are viewed as violations of the ethics rules directly depends on the jurisdiction in which the case is being handled. This article serves to provide an overview of the treatment of pretext investigations in different jurisdictions across the United States.

It is generally accepted that an attorney is not violating ethics rules when he or she uses an undercover investigator to pose as an ordinary buyer to obtain evidence of trademark infringement or counterfeiting.³ Following this premise, the First, Third, and Fifth Circuits have found no violation of the Rules where a pretext investigation was used to obtain evidence in an intellectual property suit.⁴ Importantly, in a non-intellectual property case, Meyer v. Kalanick, 212

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¹ Model Rules of Prof’l Conduct r. 4.1, 8.4 (Am. Bar Ass’n 2018).
² The Rules of Professional Conduct for Alaska, California, Colorado, Florida, Iowa, Missouri, Ohio, Oregon, and Tennesse all contain a similar statement in Rule 8.4, clarifying that attorneys may direct others in lawful investigative activities, i.e. pretext investigations.
³ 5 J. Thomas McCarthy, McCarthy on Trademarks and Unfair Competition § 30:94 (5th ed.).
F. Supp. 3d 437, 439 (S.D.N.Y. 2016), the Second Circuit rejected information obtained through a pretext investigation because the plaintiffs used unlicensed investigators who made blatant misrepresentations to obtain information. In contrast, the Tenth Circuit has ruled that in a criminal context there is no violation of the Rules where a pretext investigation occurred prior to the start of trial. Furthermore, although the Second, Sixth, Ninth and Eleventh Circuits have not addressed the issue of pretexting directly, these courts seem to take a generally permissive approach to pretext investigations in intellectual property cases as long as there is not an egregious misrepresentation or an attempt to obtain information that is not available to the ordinary public.

The Fourth, Seventh and Eighth Circuits have also not directly addressed the issue of pretext investigations and ethics rules; however, non-intellectual property cases suggest that these courts may view these investigations as violations if recording equipment is used without consent, or information is gathered from potential class members of a lawsuit. Lastly, the D.C. Circuit violating “the spirit” of MPRC where lawyer used an undercover investigator to collect secret audio recordings before suit). N. Atl. Operating Co. v. Ebay Seller Dealz_For_You, No. 17-10964, 2018 U.S. Dist. LEXIS 101765, at *14 (E.D. Mich. June 19, 2018) (plaintiff’s investigative evidence was accepted to show defendant’s violation of a preliminary injunction on selling plaintiff’s counterfeit merchandise).

5 See United States v. Ryans, 903 F.2d 731, 732 (10th Cir. 1990) (court held that the government’s use of an informant to record conversations with the defendant prior to indictment, but after defendant retained counsel in connection with the investigation, did not violate the Model Rules of Professional Conduct); But see McClelland v. Blazin' Wings, Inc., 675 F. Supp. 2d 1074, 1075 (D. Colo. 2009) (counsel violated Rules of Professional Conduct by contacting the opposing party – without permission from opposing counsel - and failed to disclose to the employee that he worked for the customer’s counsel and that the purpose of the interview was to obtain information for the trial).


Circuit has yet to address the issue of pretext investigations, and D.C.’s Rules do not offer any exceptions for pretexting.\(^8\)

States are similarly addressing pretext investigations by attorneys. \(^9\) Whether attorneys may use pretext investigations in an effort to establish trademark infringement or counterfeiting without violating the rules varies by jurisdiction.\(^10\)

What is clear is that there is a need for reconciling the need for investigations and the status of the applicable rules in each jurisdiction where you intend to bring suit in the US. We at INTA have advocated for clarity with the ABA and sought to collaborate to effectively change the ABA Model Rules to reflect the need for investigations under pretext and will continue to do so. When Colorado amended its rules to allow for pretext investigations, INTA submitted a letter urging changes that would be helpful to trademark practitioners. INTA will continue to advocate on behalf of trademark practitioners with the ABA and bar associations to ensure that our lawful investigations are admissible evidence and that our fellow attorneys will not be subject to retribution for zealously and lawfully advocating for their clients against trademark infringements and counterfeiting.

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\(^8\) Investigators acted on behalf of counsel to gather information from defendant’s employees who are potential class members in a pending lawsuit; *Midwest Motor Sports v. Arctic Cat Sales, Inc.*, 347 F.3d 693, 695 (8th Cir. 2003) (court refused admission of evidence that was procured by hidden recording equipment).


\(^10\) Oregon’s current Rule 8.4 allows attorneys to advise about or supervise lawful pretexting in investigating violations of civil or criminal law or constitutional rights. However, “covert activity” may only be conducted if the attorney has a good faith basis to believe that there is a reasonable possibility that unlawful activity has taken place, is taking place or will take place in the foreseeable future. Similarly, Colorado’s Rule of Civil Procedure 8.4(c) provides an exception that expressly states that lawyers may oversee lawful investigations. Unfortunately, it does not adequately address the issues associated with pretext investigation in that it does not expressly permit the use of pretexting in such investigations that would otherwise be prohibited by CRPC 8.4 as well as CRPCs 4.1, 4.2, 4.3 and 8.4(a).

\(^10\) In addition to circuit courts, practitioners should further note the state bar’s authority in regulating ethical conduct in its courts and in enforcing ethical violations by its licensed attorneys. Many state bars publish ethics decisions.