

2021 WL 1976564 (C.C.H.)

Wolters Kluwer Intellectual Property Law Daily

Copyright (c) CCH INCORPORATED, A Wolters Kluwer business. All rights reserved.

IP Law Daily

News: Story

May 18, 2021

By Cheryl Beise, J.D.

## TOP STORY: USPTO PROPOSES RULES TO IMPLEMENT TRADEMARK MODERNIZATION ACT

Proposal delineates procedures for new ex parte expungement and reexamination proceedings.

The U.S. Patent and Trademark Office has **proposed** changes **to** the Trademark **Rules** of Practice **to implement** the Trademark Modernization Act of 2020 (**TMA**), passed in December as part the Consolidated Appropriations Act, 2021, P.L. 116-260 (CAA, 2021). The Office is proposing changes **to** existing procedures as well as adding new procedures **to** remove unused trademarks from the trademark register and give the **USPTO** flexibility **to** expedite applications. The Office will accept public feedback on the **proposed** rule until July 19, 2021 (*86 Fed. Reg.* 26862, May 18, 2021).

The Office is proposing procedures for implementing two new ex parte proceedings before the Trademark Trial and Appeal Board for expedited cancellation of unused registered trademarks:

- **Expungement proceedings**—Third parties will be able **to** petition for cancellation of some or all of the goods or services in a registration on the ground that the registrant never used the trademark in commerce with those goods or services. This proceeding must be requested between three and ten years after the registration date. Until December 27, 2023, however, a proceeding may be requested for any registration at least three years old, regardless of the ten-year limit.
- **Reexamination proceedings**—Third parties will be able **to** request cancellation of some or all goods or services in a registration on the basis that the trademark was not in use in commerce with those goods or services on or before a particular relevant date. When the underlying application was initially filed based on use of the trademark in commerce, the relevant date will be the filing date of the application. When the underlying application was filed with an intent-**to**-use basis, the relevant date will be the later of the date that an amendment **to** allege use was filed, or the date that the deadline **to** file a statement of use expired. This new procedure must be requested within the first five years after registration.
- **Common procedures**— In both proceedings, the petitioner must pay a fee of \$600 per challenged class and submit a verified statement setting forth the elements of its reasonable investigation. In addition, the Director may institute a proceeding that includes additional goods and/or services identified in the subject registration on

the Director's own initiative and consolidate consideration of the new proceeding with the pending proceeding. Under the **proposed** rule, registrants ordinarily will have two months **to** respond **to** an Office action. The proposal also includes provisions for estoppel **to** bar co-pending proceedings that involve the same registration and the same goods or services, and **to** authorize suspension of action by the **USPTO** or the TTAB based on an expungement or reexamination proceeding.

The Office also is proposing the following changes **to** existing procedures:

- **New ground for TTAB cancellation proceeding**—The **proposed rules** will allow parties **to** request the cancellation of a registered trademark through the TTAB on the ground that a registered trademark has never been used in commerce. This ground for cancellation will be available at any time after the first three years from the registration date.
- **Shorter three-month response period for office actions**—Under the **proposed rules**, applicants (excluding Madrid Section 66(a) applicants) and registrants will be required **to** respond **to** office actions within three months. This shorter response period will also apply **to** post registration office actions. Applicants and registrants will have the option **to** request a single three-month extension of time **to** respond for a fee of \$125.
- **Third-party submissions during examination (letters of protest)**—The **TMA** provides statutory authority for the longstanding **USPTO** letter of protest practice that allows third parties **to** submit evidence **to** the **USPTO** prior **to** registration, regarding a pending trademark's registrability on any ground. The **TMA** sets a two-month deadline for the Office **to** act on these submissions.
- **Attorney recognition until revocation or withdrawal**— Under current **rules**, recognition ends when an application is abandoned or a registration expires or is cancelled. Under the **proposed rules**, recognition would continue when an application abandons, post-registration documents are filed and accepted, or a registration expires or is cancelled. In addition, change of ownership would not result in a change in attorney recognition, unless a proper revocation or withdrawal is filed. According **to** the Office, this system will increase and allow the **USPTO** **to** track and combat misleading non-**USPTO** solicitations sent **to** applicants and registrants.
- **Attorney withdrawal requirements codified**—The **proposed rules** clarify attorney obligations when withdrawing from representation and differentiate the grounds under which the attorney may request **to** withdraw versus those situations where an attorney must request withdrawal. This will allow the **USPTO** **to** be consistent with the **USPTO Rules** of Professional Conduct.
- **Court orders concerning registrations**—The **proposed rules** codify the **USPTO's** procedures concerning action on court orders cancelling or affecting a registration under 15 U.S.C. § 1119, which are currently described in Section 1610 of the Trademark Manual of Examining Procedure (TMEP). The **USPTO** requires submission of a certified copy of the court order and normally does not act on such orders until the case is finally determined.

**Practitioner comments.** Joseph Matal, partner in Haynes and Boone's IP Practice Group, and former Acting Director of the **USPTO**, expects the new expedited expungement and reexamination proceedings **to** facilitate removal of the deadwood from the trademark register. Matal told *IP Law Daily* that it was obvious that the Office put a great deal of thought in developing the **proposed rules** and in balancing competing interests. However, some details will need **to** be ironed-out over time. For example, the Office is soliciting comments on whether a party may anonymously submit a petition for expungement or reexamination. Matal also pointed out that in cases where the registrant fails **to** respond **to** a petition, the Office is considering conducting an audit of all classes of goods and services identified in the registration.

Brett Heavner, partner in Finnegan's New York Office, told *IP Law Daily* that he was satisfied with today's proposal, describing it as reasonable and noncomplicated. Heavner believes the new expungement and reexamination procedures will be effective tools for targeting overbroad registrations obtained through the Madrid Protocol and the Paris Convention. Heavner noted that the \$600 fee per class of challenged goods or services is substantial enough **to** discourage non-serious petitioners but small enough **to** encourage challenges by parties who otherwise may hesitate **to** file a costly cancellation proceeding. **To** Heavner, the **proposed** expanded letters of protest is another tool that could be very useful for brand owners.

**Next steps.** The **USPTO** will be holding public roundtables to explain the **proposed rules** and answer questions. Further information on the public roundtables will be provided on the **TMA** webpage of the **USPTO** website. After gathering public comments and feedback, the Office expects to issue a final rule that will go into effect for most provisions in late December 2021.

Attorneys: Joseph Matal (Haynes and Boone, LLP). B. Brett Heavner (Finnegan, Henderson, Farabow, Garrett & Dunner, LLP).

MainStory: TopStory Trademark **USPTO** GCNNews

---

End of Document

© 2021 Thomson Reuters. No claim to original U.S. Government Works.