

JANUARY/FEBRUARY 2022

VOLUME 28 NUMBER 1

DEVOTED TO
INTELLECTUAL
PROPERTY
LITIGATION &
ENFORCEMENT

*Edited by Gregory J. Battersby
and Charles W. Grimes*

IP *Litigator*®

PTO Regulations Implement the Trademark Modernization Act of 2020

Deborah K. Squiers and Shana Dunning

Deborah Squiers, a partner at Cowan, Liebowitz & Latman, concentrates her practice on intellectual property with particular emphasis on trademark enforcement and litigation and trademark counseling and prosecution (the United States and worldwide).

Shana Dunning is a staff attorney at Cowan, Liebowitz & Latman, P.C. She focuses on trademark prosecution, clearance, and maintenance representing brand owners with trademark portfolio worldwide.

Effective December 18, 2021, the U.S. Patent and Trademark Office (USPTO) regulations implemented the Trademark Modernization Act of 2020 (TMA). The purpose of the TMA is to have a well-functioning trademark system with a trademark register that reflects trademarks actually in use in the United States. The TMA is designed to clean up the register to eliminate dead registrations through simplified proceedings and speed up processing times for applications.

New Ex Parte Procedures

To eliminate “dead wood” from the register, there are two new *ex parte* procedures:

1. **Expungement Proceeding.** In an expungement proceeding, the PTO will determine whether a registered mark has *never* been used in U.S. commerce. Any party, or the Director, can seek to cancel some or all of the goods or services in a registration for never having used the mark. An expungement proceeding can be filed with the Director against any registration *between 3 and 10 years following the date of registration*. However, until December 27, 2023, any registration more than 3 years old is subject to expungement (there is no ten-year cap). There is also no limit to the number of expungement proceedings that can be brought, but registrants will be relieved to know that once use of the mark is established in a prior proceeding, the registration cannot be attacked again in an expungement proceeding.
2. **Reexamination Proceeding.** In a reexamination proceeding, the USPTO will assess whether a mark

in a *use-based* registration under Section 1 of the Lanham Act was not in use as of the filing date of the application (use-based applications) or as of the filing date of the amendment to allege use/statement of use (intent-to-use applications). An expungement proceeding can be filed by any party or the Director *within the first five years of registration*.

Expungements and reexamination proceedings are submitted by petition to the Director, not the Trademark Trial and Appeal Board. Any person may file a petition without disclosing their identity. However, the Director has authority to require identification in certain cases. The fees to submit a request for an *ex parte* proceeding are \$400 per class of goods or services. The request must contain a verified statement establishing that a reasonable investigation was conducted into the use of the registered mark as well as a factual statement explaining the basis for filing the petition. The verified statement should include (a) how and where any searches were conducted and what they disclosed, and (b) copies of all documentary evidence with an itemized index. A reasonable investigation should be an “appropriately comprehensive search” focusing on the mark in the registration and the identified goods and services, including the proper scope and applicable trade channels. Petitioners are not expected to hire private investigators, and they can rely on such evidence as Internet websites, filings with State or Federal agencies, and the registrant’s marketplace activities, including attempts to contact the registrant. How much evidence will vary in each case but a single search using an Internet search engine likely will not be considered a reasonable investigation.

If the USPTO Director determines that the petition to request a proceeding is valid, the Director will institute the proceeding. An Examiner will issue an office action to notify the registrant of the proceeding. The registrant will have 3 months to respond to the office action with a 1-month extension possible upon the payment of a fee. In response, the registrant can either delete the goods or services at issue or submit evidence of use. If the evidence submitted is insufficient, the USPTO will issue a final action. The registrant will have 3 months to request reconsideration or file an appeal with the TTAB.

Practice Tips

Given the ease of commencing an expungement or reexamination proceeding, brand owners should keep good records to prove continued use of their important registered marks for all listed goods and services. Non-U.S. brand owners having U.S. registrations *based on non-U.S. registrations* should note that use of the registered mark in U.S. commerce may now be required within 3 years of the date of the U.S. registration, when expungement may be sought, rather than 5 years, when a declaration of use in commerce must be filed.

Additional Procedural Changes

The new regulations include additional changes.

TTAB Cancellation Proceedings

Expungement will now be grounds for parties to request cancellation of a trademark. For a registered trademark to be cancelled on the basis of expungement, it must be shown that the registered trademark has never been used in commerce. Parties that request cancellation of a trademark on the new ground of expungement will be able to do so *any time after the first three years from the registration date*. The existing grounds for cancellation of non-use and abandonment will not be affected.

New 3-Month Response Deadlines

Effective December 1, 2022, trademark applicants will be given three months to respond to an office action as opposed to the current six-month deadline. Applicants will be given the option to request one three-month extension for a fee of \$125. If the applicant does not respond by the deadline, the application will be deemed abandoned. This new rule *will not apply to Madrid Section 66(a) applicants*.

Letters of Protest

Under the TMA, the USPTO has a 2-month deadline to respond to letters of protest. The USPTO also has authorization to charge a fee for letters of protest. Additionally, the Director's decision on a letter of protest is final and non-reviewable.

Conclusion and Caution

We offer a final word of caution for practitioners. The Act contains very detailed provisions and regulations. Counsel and their clients should consult the Act as well as the *Regulations* for specific guidelines. For more information, please also review <https://www.cll.com/newsroom-news-172974>.

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