



DEPARTMENT OF COMMERCE

United States Patent and Trademark Office

[Docket No.: PTO-T-2017-0012]

Improving the Accuracy of the Trademark Register: Request for Comments on Possible Streamlined Version of Cancellation Proceedings on Grounds of Abandonment and Nonuse

AGENCY: United States Patent and Trademark Office, Commerce.

ACTION: Request for Comments.

SUMMARY: The United States Patent and Trademark Office (“USPTO”) seeks comments from stakeholders, mark owners, and all those interested in the maintenance of an accurate U.S. Trademark Register, on the establishment of a streamlined version of the existing *inter partes* abandonment and nonuse grounds for cancellation before the USPTO’s Trademark Trial and Appeal Board (“TTAB”).

DATES: To ensure consideration, comments should be submitted no later than [INSERT DATE 90 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

ADDRESSES: Comments should be sent by electronic mail message over the Internet addressed to: TTABFRNotices@uspto.gov or to the following address: United States Patent and Trademark Office, Trademark Trial and Appeal Board, P.O. Box 1451, Alexandria, VA 22313-1451, ATTN: Cynthia Lynch.

The comments will be available for public inspection via the USPTO website at <http://www.uspto.gov>. Because comments will be made available for public inspection,

information that the submitter does not desire to make public, such as an address or phone number, should not be included in the comments.

FOR FURTHER INFORMATION CONTACT: Cynthia Lynch, Trademark Trial and Appeal Board, by email at TTABFRNotices@uspto.gov or by telephone at (571) 272-8742.

SUPPLEMENTARY INFORMATION:

Background

As part of the USPTO's ongoing effort to improve the accuracy of the U.S. Trademark Register, the USPTO has been consulting with stakeholders on ways to eliminate from the Register registrations for marks that are not in use. Stakeholders asked the USPTO to consider creating additional tools to facilitate challenges by interested parties to registrations for unused marks. The USPTO considered cost and efficiency, the potential for abuse of any such tools, U.S. treaty obligations, and the existing legal framework for abandonment, nonuse, and registration-maintenance requirements.

The USPTO has assessed many options, including making statutory and regulatory changes, as part of this ongoing effort and has decided to prioritize proposals for modifying existing regulations at this time. Accordingly, this Request for Comments addresses an option for a streamlined version of the existing *inter partes* abandonment and nonuse grounds for cancellation before the TTAB ("Streamlined Proceedings").¹

Streamlined Proceedings

¹ If this Streamlined Proceedings proposal is implemented, the USPTO will have a better sense of whether the proceedings are effective for their intended purpose and can then evaluate whether proposals necessitating statutory amendment also would be useful.

Under existing law, cancellation of a registration for nonuse requires a showing of either:

1) abandonment as to some or all of the goods/services (nonuse plus intention not to resume use); or 2) no use for some or all of the goods/services in a Section 1-based registration prior to the relevant operative date (i.e., filing date, date of amendment to allege use, or date of statement of use). The USPTO is considering offering a streamlined TTAB cancellation proceeding limited to the assertion of one or both of these claims. No other possible grounds for cancellation would be included in the Streamlined Proceedings.

The introduction of this flexibility in the relevant rules would include specific procedures and timing to facilitate speed and efficiency, including that the evidence must be submitted with the pleadings, very limited discovery only when granted by the TTAB for good cause shown, an abbreviated schedule, no oral hearing, and issuance of the TTAB's decision within an expedited timeframe. These proceedings would provide a significantly streamlined process because pleading, presentation of evidence, and limited briefing would occur simultaneously. The fee for a petition to cancel in a Streamlined Proceeding would be lower than for a petition in a full proceeding – with possible fees totaling \$300 per class when filing through the Electronic System for Trademark Trials and Appeals (ESTTA), or \$400 per class when filing on paper.

A petition to cancel in a Streamlined Proceeding would be required to set forth facts to establish the petitioner's standing and set forth with particularity the factual basis for the ground(s) asserted as the basis for cancellation. While the Streamlined Proceedings would be limited to assertion of two possible grounds, there may be cases in which the petitioner would assert both; and in that scenario, each ground would have to be stated with particularity. Additionally, the petition would be required to be supported by the proof upon which the petitioner relies to establish both standing and the claim of abandonment and/or nonuse. As proof for the claim, for

example, a petitioner might provide a declaration outlining a search for use of the mark and the results, or other evidence of abandonment or nonuse.

The respondent's answer would be required within 40 days. In addition to the requirement that the respondent admit or deny the averments in the petition and, if applicable, state the defenses of either estoppel or prior judgments, the answer would be required to also include proof of use or other evidence on which the respondent seeks to rely to counter the abandonment or nonuse grounds for the goods or services as to which the grounds have been alleged, or to support any pleaded defenses.

After reviewing the answer and proof, within 40 days the petitioner may elect to:

(1) Reply, providing any rebuttal evidence, thereby submitting the Streamlined Proceeding for decision by the TTAB (typically within 90 days);

(2) Withdraw the petition for cancellation without prejudicing the right to file another cancellation proceeding *on grounds other than the grounds raised in the Streamlined Proceeding*; or

(3) File a notice of conversion to a full cancellation proceeding, along with the appropriate fee and any proposed amendment of the petition to cancel, including adding other grounds for cancellation. Upon any such conversion to a full proceeding, the TTAB would designate a time within which an amended answer must be filed, and issue a trial order setting deadlines and dates to allow for disclosures, discovery, trial and briefing. The cancellation proceeding then would continue pursuant to the usual practices and rules for non-streamlined proceedings. Notably, the

respondent would not have the option of converting to a full TTAB proceeding.² However, both parties would retain the right to judicial review of TTAB decisions in Streamlined Proceedings, under 15 U.S.C. § 1071.

At the time of the answer, the respondent may, by separate motion, request limited discovery solely on the issue of standing, based on a showing of good cause. Upon the grant of such a motion, the TTAB would issue an order setting the deadline for discovery and deadlines by which the respondent may submit a motion to challenge standing and by which the petitioner may respond to such a motion, if filed. The TTAB would grant such a motion only when it appears that discovery could provide outcome determinative information with respect to standing. Such a motion would not stay or otherwise extend deadlines. Regardless of the request for discovery or any challenge to standing, the respondent must nonetheless still timely answer the petition and provide its proof, and the petitioner must provide any reply brief or conversion request.

Counterclaims would not be permitted in Streamlined Proceedings. To the extent that a respondent believes that it has the basis for a counterclaim, it would have to bring the claim in a separate proceeding. As a general rule, suspensions would be rare and would typically be available only when there is concurrent district court litigation involving the same mark(s) and issue(s).

The Streamlined Proceedings could offer a substantially quicker schedule than a full cancellation proceeding. In the case of a default judgment where the respondent does not respond to the

² Given that the respondent, rather than the petitioner, generally has the relevant information about use, the respondent would seem to have no legitimate need for a full proceeding. Although the USPTO considered some stakeholder suggestions that the respondent also have the conversion option, the USPTO concluded that such a mechanism would undercut the speed and efficiency for a petitioner and result in the streamlined proceedings lacking any real benefit over existing cancellation procedures.

petition, the entire proceeding could conclude within approximately 70 days. In a case where a respondent elects to respond, the entire proceeding could conclude within approximately 170 days in most cases. Extensions of time for the answer or reply would be limited to one per party.

Request for Public Comments

The USPTO is requesting written public comments on the Streamlined Proceedings, as outlined above, or other options for a streamlined version of the existing *inter partes* abandonment and nonuse grounds for cancellation before the TTAB. The Office also invites any other input the public wishes to convey about the topics addressed in this Request for Comments.

Dated: May 10, 2017.

Michelle K. Lee,
Under Secretary of Commerce for Intellectual Property and
Director of the United States Patent and Trademark Office.

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