

## **Preliminary Comments on USPTO Proposed Expungement Proceedings**

The USPTO Subcommittee of INTA's Trademark Office Practices Committee appreciates the USPTO's continued efforts and proposals for improvements to the accuracy of Identifications of Goods and Services, and the need to clear the register of "deadwood," and is pleased to have the opportunity to provide informal comments regarding the USPTO's recent presentation and slide deck titled "Proposals to Improve the Accuracy of the US Trademark Register 2016," and specifically the proposals therein related to development of streamlined expungement proceedings for registered marks that have never been used (the "Proposals"). The Subcommittee looks forward to providing additional "formal" comments which will be reviewed by INTA's leadership as this process moves forward.

To summarize USPTO Subcommittee's comments:

1. The USPTO Subcommittee primarily agrees with and supports the following suggestions set forth in the Proposals, subject to further exploration and discussion:
  - A. TTAB: Implementation of a streamlined claim of traditional abandonment.
  - B. TTAB: Implementation of a streamlined claim of nonuse as of the filing date of a §1(a) application, or as of Statement of Use (SOU) or Amendment to Allege Use (AAU) filing (e.g., void *ab initio* determination).
2. The USPTO Subcommittee agrees in principal that an expungement proceeding -- a proceeding for addressing situations where marks have *never* been used -- is desirable, but has some reservations about the two proceedings set forth in the Proposals:
  - A. USPTO Director expungement action.
  - B. TTAB: New expungement ground for cancellation.

The following chartlists each USPTO suggestion along with the USPTO Subcommittee's preliminary comments.

## USPTO Proposals to Improve the Accuracy of the U.S. Trademark Register, 2016

PROPOSAL	COMMENT
<p><b><u>TTAB Streamlined Claim of Abandonment</u></b> Implementation via Rulemaking of streamlined claim of abandonment:</p> <ol style="list-style-type: none"> <li>1. Petitioner files streamlined cancellation action for specific goods/services.</li> <li>2. Registrant may respond with evidence and argument.</li> <li>3. Petitioner may:               <ul style="list-style-type: none"> <li>• Reply</li> <li>• Convert to full cancellation action.</li> <li>• Withdraw petition with prejudice as to abandonment claim, but refile on other permitted grounds.</li> </ul> </li> </ol>	<p>The USPTO Subcommittee agrees that a streamlined claim of abandonment is appropriate, subject to further exploration and discussion, and subject to the following caveats:</p> <ol style="list-style-type: none"> <li>1. The Registrant should also have the option to convert the streamlined action into a full cancellation action.</li> <li>2. In the interest of creating a truly streamlined proceeding, the Petitioner should not have the ability to reply; it should have three options: await the decision on the filings, withdraw the claim, or convert to a full cancellation action.</li> </ol>

**USPTO Proposals to Improve the Accuracy of the U.S. Trademark Register, 2016**

PROPOSAL	COMMENT
<p><b><u>TTAB Streamlined Claim of Nonuse as of §1(a) App/SOU/AAU</u></b></p> <p>Implementation via Rulemaking of streamlined claim of nonuse of the filing date of a §1(a) application, or as of the Statement of Use or Amendment to Allege Use.</p> <ol style="list-style-type: none"> <li>1. Petitioner files streamlined claim of non-use for specific goods/services.</li> <li>2. Registrant may delete affected goods/services if necessary.</li> <li>3. Entire class is void <i>ab initio</i> if nonuse is proved for all goods/services.</li> <li>4. Registrant may respond with evidence and argument.</li> <li>5. Petitioner may               <ul style="list-style-type: none"> <li>• Reply</li> <li>• Convert to full cancellation action.</li> <li>• Withdraw petition with prejudice as to nonuse claim, but refile on other permitted grounds.</li> </ul> </li> </ol>	<p>The USPTO Subcommittee agrees that a streamlined claim of abandonment is appropriate, subject to further exploration and discussion, and subject to the following caveats:</p> <ol style="list-style-type: none"> <li>1. The Registrant should also have the option to convert the streamlined action into a full cancellation action.</li> <li>2. In the interest of creating a truly streamlined proceeding, the Petitioner should not have the ability to reply; it should have three options: await the decision on the filings, withdraw the claim, or convert to a full cancellation action.</li> </ol>

## USPTO Proposals to Improve the Accuracy of the U.S. Trademark Register, 2016

PROPOSAL	COMMENT
<p><b><u>USPTO Director: Expungement Action</u></b></p> <p>Implementation of expungement process within Trademark Examining Operation (TMEO) initiated via request to Director. Available starting three years post-registration, for marks where use in a manner sufficient to support registration <i>has not yet commenced</i> with respect to specific goods/services. Statutory changes are required for implementation.</p> <ol style="list-style-type: none"> <li>1. Requestor file request with verified statement, pays fee per good/service. It is our understanding that the requestor is anonymous, analogous to a Letter of Protest situation.</li> <li>2. TMEO Requests proof of use from registrant for identified goods/services.</li> <li>3. Registrant presents proof of use/excusable nonuse, or does not respond.</li> <li>4. Acceptable response terminates action. Deficient response may be supplemented within 30 days. Final deficient response results in cancellation of registration in whole or in part.</li> <li>5. Registrant has right of review under 15 USC § 1071. Dissatisfied Requestor may file petition to cancel.</li> </ol>	<p>The USPTO Subcommittee has several reservations regarding the TMEO Office Action, specifically:</p> <ul style="list-style-type: none"> <li>• While the Subcommittee appreciates that a purely <i>ex officio</i> proceeding is desirable for efficiency, it believes that any expungement request should be ultimately determined at the Board level, in an <i>inter partes</i> proceeding. First, a body of law should be developed surrounding expungement actions. Second, decisions should be appealable to the Federal Circuit, which appeal would not be available for an administrative determination. Third, petitions attorneys or post-registration paralegals may not have the expertise to make determinations of use or non-use that will result in retention or cancellation of a registration, in whole or in part. However, as set forth further below, the Subcommittee is open to the possibility that an expungement proceeding would start in the TMEO and shift to the Board only in the event of a Registrant reply.</li> <li>• INTA does not favor anonymous petitions. As a nonuse cancellation request creates an immediate threat of loss of rights, it is appropriate that a registrant be permitted to face the requesting party. This is distinguishable from a Letter of Protest situation, where a petitioner is merely bringing a potential basis for refusal to the USPTO's, and potentially the Examining Attorney's, attention for potential action. Further, requiring identification will reduce the potential that the expungement proceeding will be abused.</li> <li>• Payment should be per class, not per good/service. Payment per listed good/service has the potential to be both unwieldy (in many cases it is unclear what would constitute separate goods and services) and unreasonably expensive.</li> <li>• No "double examination" for 1(a) registrations. For 1(a) registrations, expungement claims should be available only for goods/services for which specimens were not accepted during prosecution. It should be made clear that the new procedure is not intended to be a reexamination.</li> <li>• There must be safeguards to discourage abuse in nonuse petitions. The request should at a minimum require (a) sufficient information and documentation to evidence petitioner's due diligence as to its nonuse claim and (b) a declaration on penalty of perjury that petitioner believes in good faith that mark has not been used on the identified goods/services.</li> </ul>

**USPTO Proposals to Improve the Accuracy of the U.S. Trademark Register, 2016**

PROPOSAL	COMMENT
<p><b><u>TTAB: New Expungement Ground for Cancellation</u></b></p> <p>Implementation of a new ground for cancellation, initiated via traditional Petition for Cancellation. Available starting three years post-registration, for marks where use in a manner sufficient to support registration <i>has not yet commenced</i> with respect to specific goods/services. Statutory changes are required for implementation.</p> <ol style="list-style-type: none"> <li>1. Petition for Cancellation filed alleging nonuse in whole or in part. Fee is per class.</li> <li>2. Excusable nonuse is a defense.</li> <li>3. Normal cancellation requirements and procedures apply. Streamlined procedures similar to procedures described above could be implemented.</li> </ol>	<p>The USPTO Subcommittee in principal approves of adding a new expungement ground for cancellation, subject to further exploration and discussion, but has several comments:</p> <ul style="list-style-type: none"> <li>• The Subcommittee reiterates its comments regarding the TMEO Expungement Action set forth above. Many of these concerns (anonymity, Board decisions, payment by class) are automatically addressed by nature of Board-level <i>inter partes</i> action.</li> <li>• The expungement ground for cancellation should be available in a proceeding at <i>least</i> as streamlined as those set forth above with respect to traditional abandonment/void <i>ab initio</i> claims. Ideally, however, an expungement proceeding would be even more efficient, e.g.:             <ol style="list-style-type: none"> <li>1. Petitioner submits petition to Director, along with all evidence demonstrating good faith belief of nonuse (such evidence may include representations and attachments demonstrating web searches, business listings, inactive phone numbers, and so forth, along with declaration/oath as to good faith belief of nonuse).</li> <li>2. Failure to respond results in quick, default expungement by the TMEO, without need to elevate to Board.</li> <li>3. Registrant has 30 days to respond, with a simple response providing relevant specimen of use suitable under current examination criteria. Response shifts proceedings to Board level.</li> <li>4. Optional conversion to full cancellation action by either party.</li> </ol> </li> </ul> <p>The Subcommittee believes that such a proceeding would align with INTA's current position on expungement as it would begin with an <i>ex officio</i> proceeding, placing the burden of proof on the registrant, and remain relatively quick and inexpensive, while at the same time retaining appropriate <i>inter parties</i>, Board-level safeguards.</p>