



International Trademark Association Comments on USPTO Possible Streamlined Version of Cancellation Proceedings on Grounds of Abandonment and Nonuse

PTO-T-2017-0012

The International Trademark Association (INTA) appreciates the USPTO's continued efforts and proposals for improvements to the accuracy of the Trademark Register and is pleased to have the opportunity to provide comments regarding proposed procedure set forth in 82 FR 22517 related to development of streamlined cancellation proceedings for registered marks that were abandoned or not in use as of the filing date or AAU/SOU filing date (the "Proposals"). The comments that follow include input from the Trademark Office Practices Committee's USPTO Subcommittee, the Legislation and Regulation Committee's US Subcommittee and the Enforcement Committee's Opposition and Cancellation Subcommittee. INTA looks forward to working with the USPTO and providing further input as this process moves forward.

To summarize INTA's comments:

The INTA Subcommittees referenced above primarily agree with and support the Proposals, subject to further exploration and discussion:

- A. Will these proceedings be available to Section 66 and Section 44 registrations?
- B. The USPTO has indicated the standard of use will consistent with the standard applied during other USPTO proceedings, but clarification is requested.
 - a. Does this mean that a Registrant's Answer which includes specimens showing each good/service bearing the mark would be sufficient to defeat the proceeding?
 - b. "Use analogous to trademark use" and other non-technical trademark uses have been considered by the TTAB in the context of abandonment. How will such evidence be considered during these proceedings? For example, an advertisement for goods should be sufficient to demonstrate a continuing intent to use or resume use of the mark at issue.
 - c. If Registrant presents evidence short of technical trademark use (i.e., proper specimens of use for each product/services) or evidence of an intent to resume (e.g., efforts to license mark, business plans, product research, sales contracts), how will such evidence be considered in the streamlined proceedings? Does such evidence automatically result in denial of the streamlined cancellation?
- C. What are the benefits of these proceedings if the Petitioner believes the Registrant will simply default?
- D. How will the heightened pleading requirements impact proceedings where the Respondent/Registrant fails to Answer?

- E. Why was 40 days selected for the time frames for an answer and reply? Would 30 days be suitable and more aligned with the purpose of the proceedings?
- F. How will issue preclusion apply in these proceedings? Would a voluntary surrender by the Registrant in lieu of an Answer preserve the right to refile the application at a later date?
- G. Given the low threshold for standing, is it necessary to allow for discovery on the issue of standing in a streamlined proceeding? Since the objective is to clear deadwood from the register, any person can make the request. If the objective is to clean up the register of deadwood by way of a streamlined process, why allow discovery at all?
- H. If either party desires discovery – whether to assess the sufficiency and quality of the evidence or the standing of the Petitioner (presumably to ensure the Petitioner has a good faith interest in the outcome and is not merely aiming to harass or abuse the Registrant), then both parties theoretically have a legitimate interest in requesting a full cancellation proceeding.

The following chart lists each USPTO suggestion along with INTA's preliminary comments.

USPTO Proposals for a Streamlined Cancellation Proceeding	
PROPOSAL	COMMENT
<p style="text-align: center;"><u>TTAB Streamlined Cancellation</u></p> <p>Implementation via Rulemaking of streamlined claim of abandonment:</p> <ol style="list-style-type: none"> 1. Petitioner files streamlined cancellation action for specific goods/services with evidence. 2. Registrant may respond with evidence and argument. 3. Petitioner may: <ul style="list-style-type: none"> • Reply • Convert to full cancellation action. • Withdraw petition with prejudice as to abandonment claim, but refile on other permitted grounds. 	<p>INTA agrees that a streamlined cancellation is appropriate, subject to further exploration and discussion, and subject to the following caveats:</p> <ol style="list-style-type: none"> 1. Is it still contemplated that the Registrant may delete affected goods/services if necessary? 2. What is Petitioner’s burden of proof? If the Respondent/Registrant fails to Answer and defaults, will the Board review the Complaint and evidence to ensure the heightened pleading requirements were met before it cancels/limits a registration? Can a defaulting Registrant prevail if the complaint does not meet the necessary pleading elements (as is the case under the UDRP)? 3. If the Registrant can make a compelling case for requiring a full cancellation proceeding – for any reason - it seems appropriate that the Board should have the ability to grant the Registrant that option just as it would the Petitioner. Moreover, it seems like it would be more efficient if the parties who are already before the TTAB in a streamlined proceeding could merely convert that proceeding to a full cancellation proceeding. 4. The Registrant should have the option to voluntarily surrender its trademark registration without prejudice after a petition is filed, so long as it is done by the answer deadline and/or in lieu of an answer. Since the PTO is looking to streamline, allowing a registrant a non-prejudicial path to surrender would be a strong incentive for some parties with dead or dying marks to do so, while still potentially preserving common law rights and/or the right to refile if it so chooses. 5. 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. Similarly, withdrawal or conversion should be required within 30 days of the Answer. 6. In the interest of creating a truly streamlined proceeding, the time for filing an Answer should be thirty (30) days. Further, extension requests should only be available for good cause. 7. If Petitioner withdraws the petition after the Answer is served, would this act as a “valid and final judgment” for purposes of issue preclusion?

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PROPOSAL	COMMENT
<p><u>TTAB Streamlined Claim of Nonuse as of §1(a) App/SOU/AAU</u></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> <p>1. Petitioner files streamlined claim of non-use for specific goods/services with evidence.</p> <p>2. Registrant may respond with evidence and argument.</p> <p>3. Petitioner may</p> <ul style="list-style-type: none"> • Reply • Convert to full cancellation action. • Withdraw petition with prejudice as to nonuse claim, but refile on other permitted grounds. 	<p>INTA agrees that a streamlined nonuse cancellation is appropriate, subject to further exploration and discussion, and subject to the following caveats:</p> <ol style="list-style-type: none"> 1. Is it still contemplated that the Registrant may delete affected goods/services if necessary? 2. What is Petitioner’s burden of proof? If the Registrant does not answer, will the Petitioner automatically prevail or will the evidence be reviewed as UDRP panels do? 3. If the Registrant can make a compelling case for requiring a full cancellation proceeding – for any reason - it seems appropriate that the Board should have the ability to grant the Registrant that option just as it would the Petitioner. Moreover, it seems like it would be more efficient if the parties who are already before the TTAB in a streamlined proceeding could merely convert that proceeding to a full cancellation proceeding. 4. The Registrant should have the option to voluntarily surrender its trademark registration without prejudice after a petition is filed, so long as it is done by the answer deadline and/or in lieu of an answer. Since the PTO is looking to streamline, allowing a registrant a non-prejudicial path to surrender would be a strong incentive for some parties with dead or dying marks to do so, while still potentially preserving common law rights and/or the right to refile if it so chooses 5. 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. Similarly, withdrawal or conversion should be required within 30 days of the Answer. 6. In the interest of creating a truly streamlined proceeding, the time for filing an Answer should be thirty (30) days. Further, extension requests should only be available for good cause. 7. If Petitioner withdraws the petition after the Answer is served, would this act as a “valid and final judgment” for purposes of issue preclusion?



Conclusion

INTA looks forward to discussing this important proposal further with the USPTO and invites the USPTO to contact Deborah Cohn, Senior Director of Government Relations, at dcohn@inta.org with any questions about this submission.