

REPORT

USPTO IMPLEMENTS THE TRADEMARK MODERNIZATION ACT

December 21, 2021

On November 17, 2021, the United States Patent and Trademark Office (USPTO) announced final rules to implement the Trademark Modernization Act (TMA), which went into effect on December 18, 2021. This Special Report summarizes the most relevant aspects of the TMA.

I. USPTO Implements the Trademark Modernization Act

In December 2020 Congress enacted an amendment to the Lanham Act as part of the Covid-19 Relief Bill known as the Trademark Modernization Act, which creates important new tools for both the USPTO and trademark owners primarily focused on clearing unused trademarks and improving the overall integrity of the U.S. trademark register.

The TMA modifies some existing procedures and creates two new mechanisms for trademark registrations to be more easily cancelled in whole or in part: *ex parte* reexamination and *ex parte* expungement. These proceedings are intended to help remove unused marks from the trademark register and to encourage Applicants to be more diligent about claiming use *only* in connection with the goods/services that are in use in commerce.

II. New Proceedings to Cancel Unused Registered Trademarks**A. *Ex Parte* Reexamination**

The *ex parte* reexamination proceeding allows any party to request cancellation of a registered trademark on the basis that (i) in the case of use based applications, the mark was not in use in commerce in connection with all or some of the claimed goods and services when the application was filed, or (ii) for intent to use applications, when an amendment to allege use or statement of use was filed. This proceeding must be filed within the first five years of registration and is aimed at registrations obtained through false allegations of use. It only applies to registrations filed based on use in the U.S. It does not apply to registrations based on a foreign registration or an extension of protection from an International Registration.

B. *Ex Parte* Expungement

The *ex parte* expungement proceeding allows any party to request cancellation of a registered trademark for some or all of the goods/services in the registration based on an allegation that the mark has never been used in commerce in the U.S. with the challenged goods/services. This proceeding must be requested between three and ten years after registration. However, until December 27, 2023, the *ex parte* expungement proceeding may be

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requested for any registration at least three years old *regardless of the ten-year limit*. Proof of non-use of a trademark for three consecutive years is generally considered prima facie evidence of abandonment. This provision therefore appears aimed at registrations that issue either under the Madrid Protocol (66(a)) or under the Paris convention (44(e)), both of which do not require proof of use prior to registration.

Petitions requesting institution of proceedings for reexamination or expungement will be accepted on or after December 27, 2021.

C. Process for Proceedings

In both new *ex parte* proceedings, the Petitioning Party must submit a verified statement that sets forth the elements of the reasonable investigation conducted by the Petitioner that shows that the Registrant has never used the mark with the goods/services in question, and any additional facts that support the Petitioner's allegations. Each petition has a fee of \$400 per class. Registrants against whom a Petition is filed have three months to respond and can appeal the USPTO decision to cancel all or a part of their registration to the TTAB. The rules for the TMA require identification of the Petitioner, but not necessarily the real party in interest on whose behalf the petition is filed. The USPTO determined such a requirement could discourage legitimate petitions from being filed where the potential filers have concerns about being identified in the petitions. However, the Director may require the identity of the real party in interest to be identified in particular cases.

III. Changes to Existing Procedures

A. Expanded Letters of Protest

Letters of Protest can be filed during the examination of an application, but are currently limited to issues such as genericness and ongoing litigation. The TMA significantly expands the use of Letters of Protest to allow interested parties to submit evidence of a conflicting prior registration and evidence that the applied-for mark is not actually in use for the goods and/or services identified in the application during the application process. Upon payment of a \$50 fee and the submission of evidence, the Director will review the submission to determine if the evidence should be included in the record. This determination takes place within 2 months from the date the Letter of Protest was filed.

B. New Ground for Filing Petitions to Cancel

The TMA also creates a new ground for Petitioners to assert during cancellation proceedings. This new ground allows Petitioners to assert that a registration was never used in commerce. This ground is only available during the first three years of registration of a trademark. This new cancellation claim requires establishing that the mark has never been used in U.S. commerce, but, in contrast to traditional abandonment proceedings, it does not require establishing that the registrant has no intent to resume use of the mark.

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C. Reduction of Time to Respond to Office Actions

Effective December 1, 2022, Applicants will be given an initial three month window to respond to an Office Action rather than the current six month window, and will have to pay \$125 for a *one time* 3-month extension. This rule is not applicable to International Applications filed under 66(a). As we do currently, we will report Office Actions to our clients within one to two weeks of receipt and send reminders regarding either filing a response to the office action or obtaining a further three month extension a month before the initial due date. On our end, if we receive instructions within the first three-month period, we will file the response without taking an extension of time. However, we understand that clients may need more time to gather information necessary to respond to more substantive Office Actions, such as those raising likelihood of confusion objections.

IV. Recommendations

Overall, these changes are expected to help to improve the quality of the federal register and reduce the time it takes to examine trademarks. Most importantly, the TMA provides new tools for our clients to efficiently challenge third party infringing and fraudulent marks during prosecution as well as soon after registration. More information on the final TMA can be found [here](#).

Please do not hesitate to contact the Oliff Trademark Team at trademarkgroup@oliff.com with any questions.

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Oliff PLC is a full-service Intellectual Property law firm based in historic Alexandria, Virginia. The firm specializes in patent, copyright, trademark, and antitrust law and litigation, and represents a large and diverse group of domestic and international clients, including businesses ranging from large multinational corporations to small privately owned companies, major universities, and individual entrepreneurs.

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