

Publications

Prove It or Lose It: TMA Provides New Tools to Sweep Away Deadwood Marks, Settles Circuit Split over Injunctive Relief Burden of Proof

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The Trademark Modernization Act (2020) (TMA) was signed into law on December 27, 2020; most of its provisions go into effect December 27, 2021. Its core amendments aim to speed up the trademark examination process and clear the ever-growing heap of unused trademarks from the register. The TMA also alters some procedures and standards for trademark applications and adds new bases for challenging or preventing the registration of potentially infringing and unused marks. Finally, it resolves a circuit split about the burden of proof of irreparable harm for obtaining injunctive relief in federal courts.

New Procedures for Attacking Unused Marks

The federal trademark register is cluttered with trademarks that have never been used in commerce. Many of these are owned by foreign registrants who under the law do not (as direct United States filers must) have to prove use in commerce to obtain a registration. Because they do not have to prove up use for all recited goods and services in their applications, foreign applications often cover an enormous range of goods and services for which no use was ever intended, sometimes entire classes. There they sit, blocking registration of the marks of legitimate trademark owners. The TMA provides two new procedures for challenging and cancelling unused or over-broad marks: Expungement and Reexamination. To help address the cluttering of the register in the future, the TMA also expands the power of letters of protest to prevent the registration of problematic marks.

Expungement

The new expungement procedure rests on the long-established presumption of abandonment that arises after three years of nonuse of a mark. Rather than being forced to pursue a cancellation through the TTAB, an affected party may now file an Expungement petition which will be reviewed by the USPTO Director's Office. If approved, an expungement proceeding will be instituted, in which the Director's Office will ask the registrant to prove use in United States commerce. A

registrant fighting an expungement may then submit rebuttal evidence of use or of excusable nonuse.

If the defending registrant is successful, any other would-be challengers will be estopped from challenging the successfully-defended registration. If the registrant loses, the USPTO will expunge the mark from the register.

Because the proceeding, once instituted, is conducted by the Trademark Office itself, it is a much faster and cheaper way to challenge unused trademarks than the traditional cancellation proceeding. Expungement petitions may be brought between three to ten years after the registration date of the mark.

Reexamination

In a Reexamination petition, an opponent may assert that a mark was not in use in commerce with the listed goods or services on or before one of three dates: 1) the filing date of a use-based application; 2) the filing date for an amendment to allege use; or 3) the end of the period of time set for filing a statement for use.

An interested party can use this procedure to attack registrations obtained using a questionable specimen showing use in commerce, or marks registered for too broad a set of goods or services. Reexamination Petitions must be filed within the first five years following registration.

Letters of Protest

In the past, letters of protest could only be filed by parties alleging that registration of the mark would create a likelihood of confusion with the objector's mark. Now, an interested party will be able to object on *any* ground upon which registration could be refused; for example, that the mark is too highly descriptive or generic to register, or (for a use-based application) that the mark is not actually being used in commerce in the United States for the goods or services described or recited in the application.

This greatly expands the power of letters of protest to prevent the registration of problematic marks. It's also fast and cheap—the TMA sets a two-month deadline for the USPTO to act on these submissions, and the filing fee is fifty dollars.

Discretionary Office Action Response Periods

Under current trademark regulations, an applicant has six months to respond to any office action. Under the TMA, an examiner will have the discretion to set much shorter response periods, as short as sixty days.

As with other amendments, this is expected to speed up the examination process for applications. This is good for owners of applications hung up on prior applications. This also means that applicants must be vigilant not to miss any new, shorter deadlines.

Rebuttable Presumption of Irreparable Harm

In addition to the amendments above, the TMA resolves the prior Circuit court split on whether a successful plaintiff in a trademark infringement suit is entitled to a presumption of irreparable harm by providing that they are entitled to that presumption upon a finding of infringement or of a likelihood of success on the merits in the context of a suit demanding injunctive relief. This uniform rule makes it easier for the successful plaintiff to prove the irreparable harm required to obtain injunctive relief in federal courts.

The Takeaway

The TMA's amendments to U.S. Trademark Law should speed the application process and help clear deadwood trademarks from the register. Parties wishing to challenge marks based on non-use in United States commerce may now take advantage of expanded letter of protest coverage and new expungement and re-examination proceedings to do so. Trademark examiners will be able to accelerate a trademark's examination process by setting shortened response periods for office actions.

What does this all mean for trademark owners? First, all applicants and registrants for U.S. trademarks must be sure that their marks are actually in use in commerce in the United States in connection with *all* the goods and services recited in their registrations or use-based applications, to avoid loss of trademark properties based on non-use. A wise trademark owner will keep information and evidence of proper use of their trademark to rely on in the event of a use-based challenge.

Second, trademark applicants should also note and be sure to meet shorter response deadlines for office actions issued during the examination process. Owners of infringed trademarks should take advantage of new or expanded mechanisms within the Trademark Office to oppose infringing or blocking marks.

Finally, federal trademark court litigants may now feel more secure in their ability to obtain injunctive relief where they have obtained a ruling of likelihood of infringement of an asserted trademark.