

The Trademark Modernization Act and Beyond: Prosecution Procedure Changes, New Weapons for the Invalidation of Registrations, and the Presumption of Irreparable Harm

THURSDAY, APRIL 21, 2022

1pm Eastern | 12pm Central | 11am Mountain | 10am Pacific

Today's faculty features:

Theodore H. Davis, Jr., Partner, **Kilpatrick Townsend & Stockton LLP**, Atlanta

Anna E. Raimer, Partner, **Jones Day**, Houston

The audio portion of the conference may be accessed via the telephone or by using your computer's speakers. Please refer to the instructions emailed to registrants for additional information. If you have any questions, please contact **Customer Service at 1-800-926-7926 ext. 1.**

Tips for Optimal Quality

FOR LIVE EVENT ONLY

Sound Quality

If you are listening via your computer speakers, please note that the quality of your sound will vary depending on the speed and quality of your internet connection.

If the sound quality is not satisfactory, you may listen via the phone: dial **1-877-447-0294** and enter your **Conference ID and PIN** when prompted. Otherwise, please **send us a chat** or e-mail sound@straffordpub.com immediately so we can address the problem.

If you dialed in and have any difficulties during the call, press *0 for assistance.

Viewing Quality

To maximize your screen, press the 'Full Screen' symbol located on the bottom right of the slides. To exit full screen, press the Esc button.

Continuing Education Credits

FOR LIVE EVENT ONLY

In order for us to process your continuing education credit, you must confirm your participation in this webinar by completing and submitting the Attendance Affirmation/Evaluation after the webinar.

A link to the Attendance Affirmation/Evaluation will be in the thank you email that you will receive immediately following the program.

For additional information about continuing education, call us at 1-800-926-7926 ext. 2.

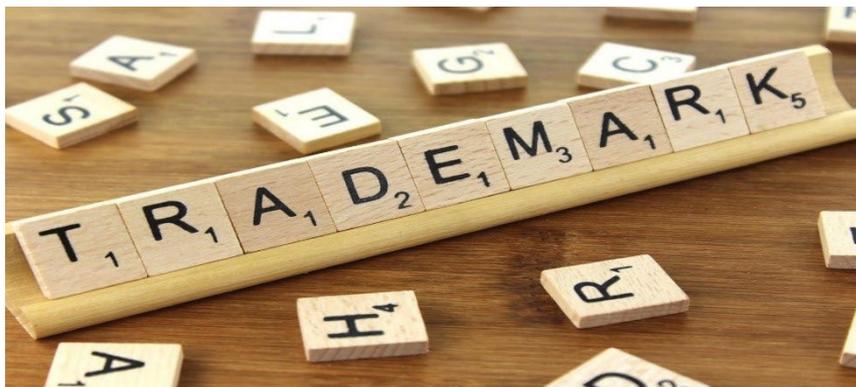
If you have not printed the conference materials for this program, please complete the following steps:

- Click on the link to the PDF of the slides for today's program, which is located to the right of the slides, just above the Q&A box.
- The PDF will open a separate tab/window. Print the slides by clicking on the printer icon.

Recording our programs is not permitted. However, today's participants can order a recorded version of this event at a special attendee price. Please call Customer Service at 800-926-7926 ext.1 or visit Strafford's website at www.straffordpub.com.

THE TRADEMARK MODERNIZATION ACT AND BEYOND

PROSECUTION PROCEDURE CHANGES, NEW WEAPONS FOR THE INVALIDATION OF REGISTRATIONS, AND THE PRESUMPTION OF IRREPARABLE HARM



Presented by:

Ted Davis, Kilpatrick Townsend & Stockton LLP, Atlanta, GA
Anna Raimer, Jones Day, Houston, TX

BACKGROUND AND HISTORY

Use in commerce is a critical aspect of United States trademark law:

- Section 1 registrations must be:
 - supported by a sworn averment that the applied-for mark is used in commerce for all the goods and services listed in the application, as well as specimens documenting that use; and
 - maintained with periodic Section 8 filings accompanied by specimens of use; and
- even though non-U.S. domiciliaries can register their marks under Sections 44(e) and 66(a) without use in the commerce in the first instance, they nevertheless must maintain their registrations with periodic Section 8 or Section 71 filings accompanied by specimens of use.

BACKGROUND AND HISTORY

Before and after the TMA, the grounds for the cancellation of registrations on the Principal Register have included the following:

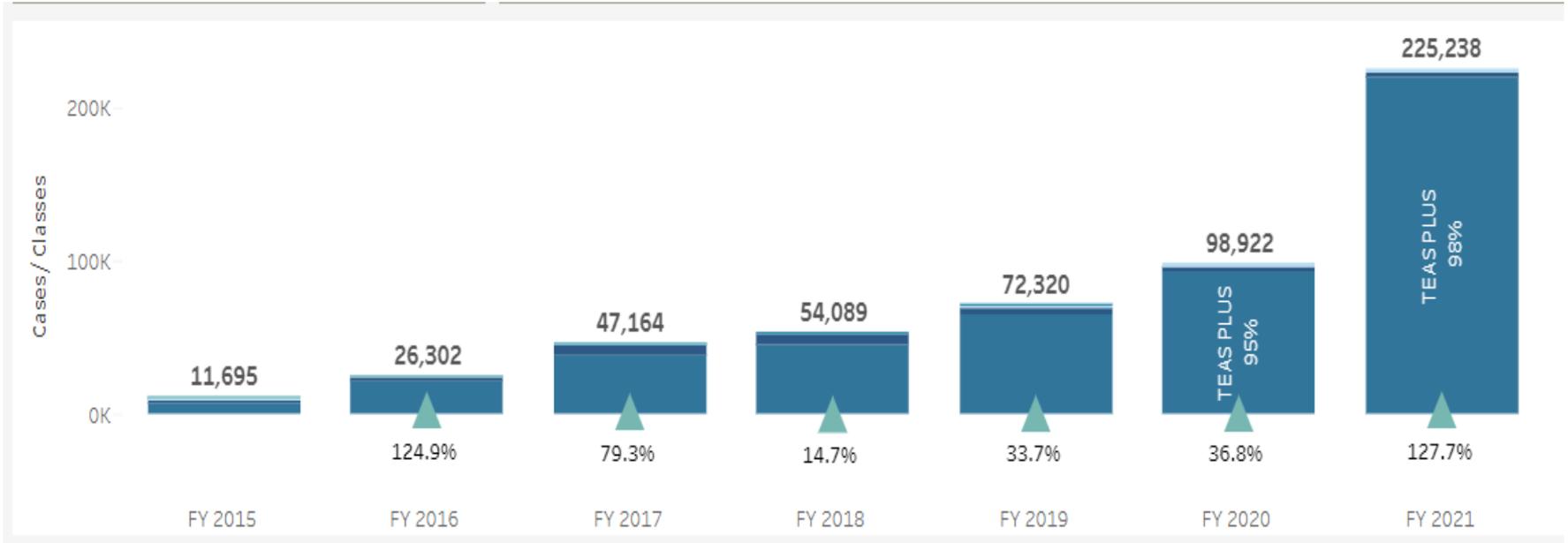
- lack of use in commerce of a mark as of the filing date of a Section 1 application or as of the filing date of a statement of use, but only before a registration's fifth anniversary;
- abandonment, but only after the third anniversary of a Section 44(e) or 66(a) registration; and
- fraudulent claims of use either in the application or maintenance contexts.

BACKGROUND AND HISTORY

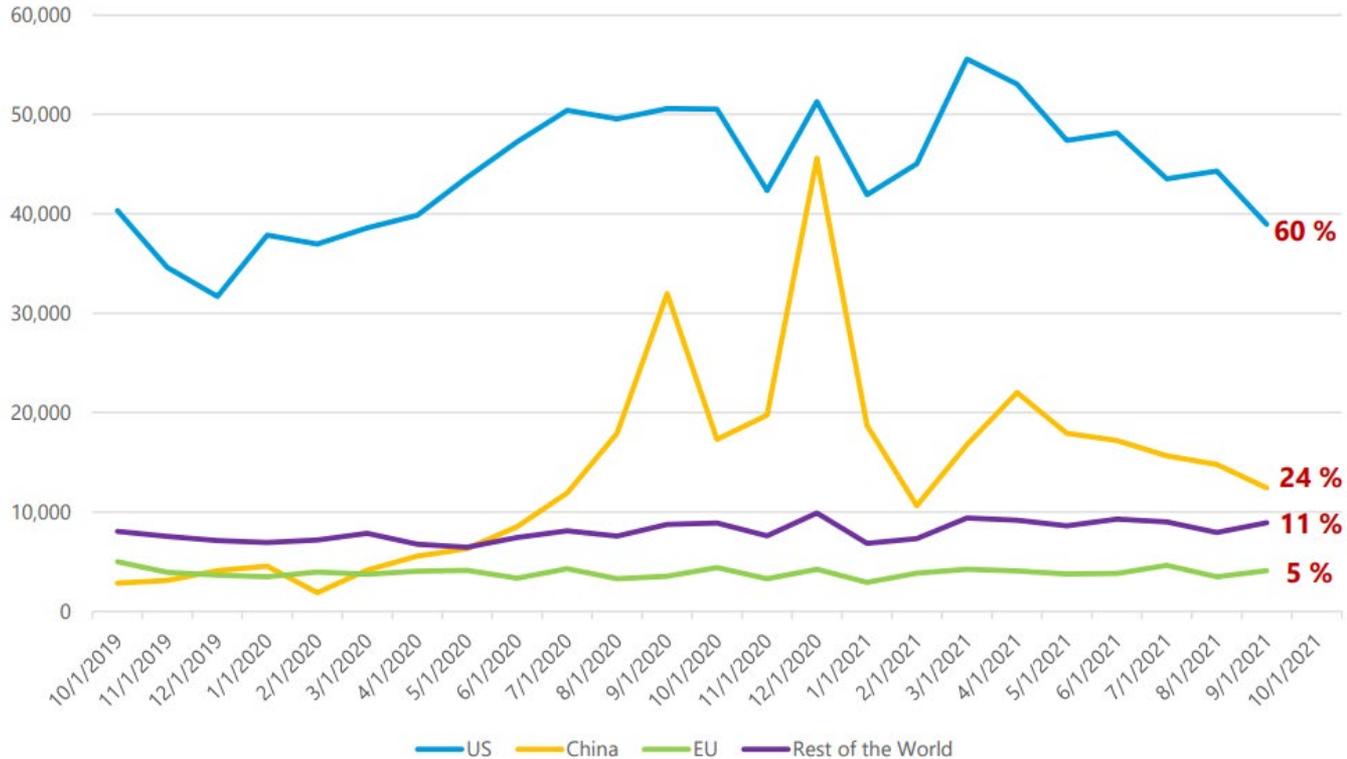
The lead up to the TMA:

- beginning in 2011, “non-market” factors lead to large increases in the numbers of applications by Chinese domiciliaries to register marks in the USPTO;

BACKGROUND AND HISTORY



BACKGROUND AND HISTORY



BACKGROUND AND HISTORY



BACKGROUND AND HISTORY

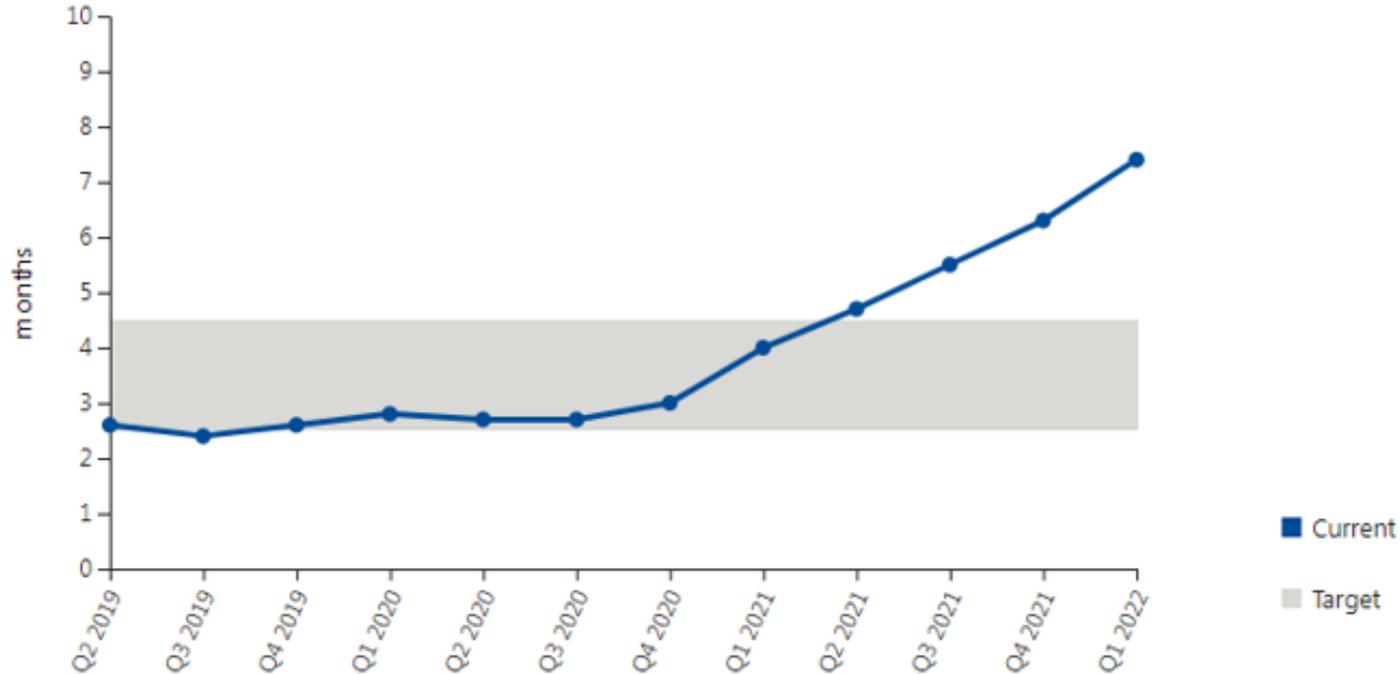


BACKGROUND AND HISTORY



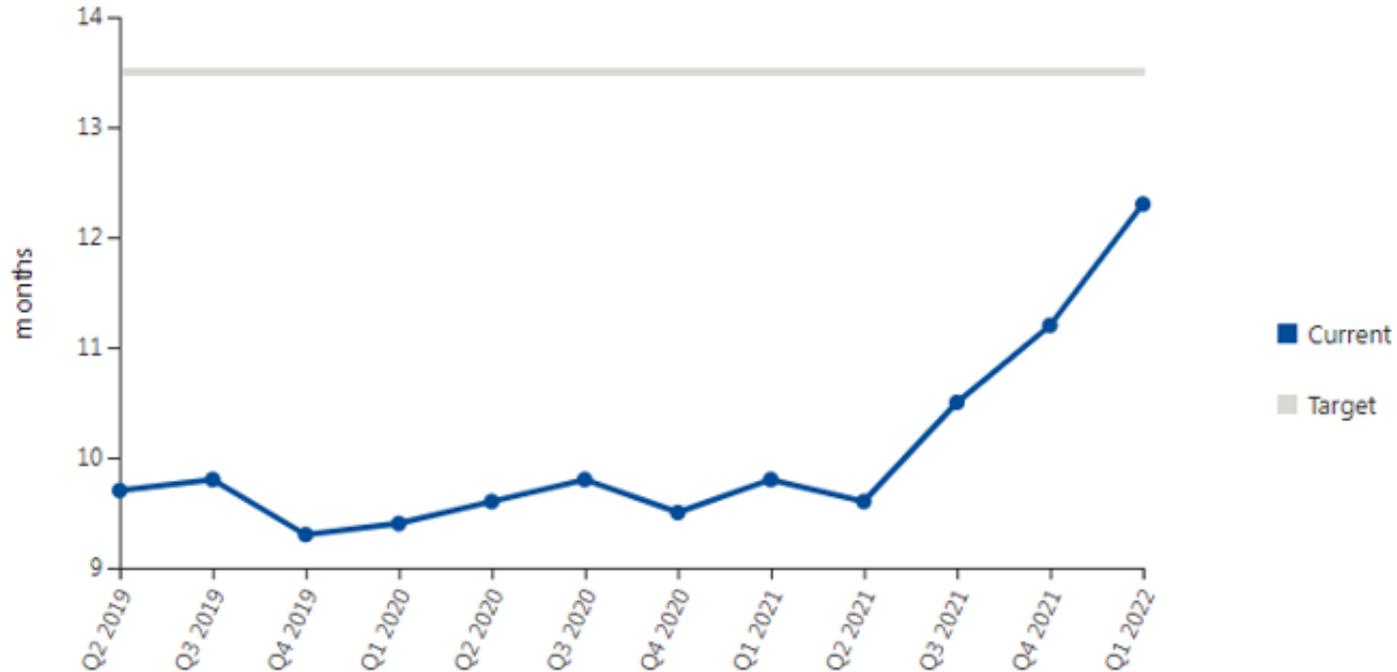
BACKGROUND AND HISTORY

First Action Pendency, Last Three Years



BACKGROUND AND HISTORY

Total Pendency, Last Three Years



BACKGROUND AND HISTORY

The lead up to the TMA:

- the USPTO pilots the post-registration maintenance filing audit program beginning in 2012;

BACKGROUND AND HISTORY

Proof of use pilot results

Deletions/Cancellations/Acceptances/Inaccurate Use Claims by Basis for Registration				
Basis for Registration	Percentage of Registrations Selected for the Pilot Deleting Goods/Services Queried Under the Pilot	Percentage of Registrations Selected for the Pilot Receiving Notices of Cancellation	Percentage of Registrations Selected for the Pilot Receiving Notices of Acceptance (Including for a Narrowed Scope of Goods/Services)	Percentage of Registrations Selected for the Pilot Unable to Verify Previously Claimed Use in Section 8 or 71 Declarations
Section 1(a)	28%	17%	83%	45%
Section 44(e)	58%	7%	93%	65%
Section 66(a)	57%	14%	86%	71%
Combined Section 1(a) and 44(e)	56%	12.5%	87.5%	69%

uspto

BACKGROUND AND HISTORY

The lead up to the TMA:

- in 2016, the Trademark Trial and Appeal Board circulates proposals for a Canadian-style expungement mechanism;
- the USPTO amends the Trademark Rules of Practice on March 21, 2017, and November 1, 2017, to give the audit program extra teeth and to make it permanent;
- beginning in 2018, the Board pilots a voluntary streamlined procedure for abandonment-based cancellation actions;
- the USPTO adopts various mechanisms and examination guides to identify manufactured specimens;

BACKGROUND AND HISTORY

The lead up to the TMA:

- beginning in early 2019, staffers from the House Subcommittee on Courts, Intellectual Property, and the Internet (supported by a trademark attorney advisor detailed from the USPTO) confer with intellectual property constituencies and mark owners;
- the House Subcommittee holds a July 18, 2019, hearing;
- bipartisan sponsors introduce identical bills in the House and Senate on March 11, 2020;
- the House Judiciary Committee marks up, and reports out, the House bill on December 14, 2020;

BACKGROUND AND HISTORY

The lead up to the TMA:

- the House bill is bundled into the Consolidated Appropriations Act of 2021, Pub. L. No. 116-260 (2020), which passes both chambers on December 21, 2020; and
- the TMA (and the rest of the appropriations act) is signed into law on December 27, 2020, with, for the most part, an effective date of December 27, 2021.

BACKGROUND AND HISTORY

The relationship between federal legislation and regulations under United States law:

- whether for political reasons or because of inadvertent omissions, Congress often fails to address particular details in legislation;
- when that occurs, federal agencies often fill the gaps in the legislation through administrative rulemaking;
- the USPTO therefore announced implementing regulations for the TMA on November 17, 2021, with most (but not all) of them effective December 18, 2021; and
- those implementing regulations now appear in the Code of Federal Regulations or “C.F.R.”



In recent years, it has become clear that whether purposeful or not, registrations are being maintained for marks that are not properly in use in commerce.



CHALLENGING REGISTRATIONS FOR NON-USE

EX PARTE EXPUNGEMENT

- Mark has *never* been used in commerce
- Can be filed 3-10 years after registration date (but until 12/27/2023, no 10 year limit)
- No standing requirement

EX PARTE REEXAMINATION

- Mark was *not used prior to claim* of use in commerce (application date or Statement of Use date)
- Must be filed within first 5 years trademark is registered
- No standing requirement

OVERVIEW OF EXPUNGEMENT AND REEXAMINATION PROCEDURES

Petition	Institution	Response	Decision
<ul style="list-style-type: none">• Identify registration and each good/ service for which mark not used• Statement of “reasonable investigation”• Supporting facts/evidence• Fee of \$400 / class	<ul style="list-style-type: none">• Notice provided to registrant• Upon finding of prima facie case, proceeding initiated• Office action issues	<ul style="list-style-type: none">• Documentary evidence of use• Excusable nonuse (for expungement, applies to Section 44(e) and 66(a) registrations)• Deletion of goods/services	<ul style="list-style-type: none">• For non-use determination, registration cancelled• For use determination, estoppel applies: no further proceedings may be initiated• Appeal

PETITION FOR EXPUNGEMENT OR REEXAMINATION FORM

The screenshot shows the USPTO Trademark Electronic Application System (TEAS) interface. At the top, there is a navigation bar with the USPTO logo and the text "Trademark Electronic Application System". Below this, a red box contains a warning: "TEAS will be unavailable during system maintenance on Saturday, January 1, 2022, from 12:01 a.m. to 1:00 a.m. ET. We're updating the ID Manual to comply with changes to the Fee Agreement. File all initial application saved forms and expungement forms by 11:59 a.m. ET on Friday, December 31. If you don't file your initial application forms by that time, you will have to start the process again with new forms." Below the warning, there is a breadcrumb trail: "Registration History > [US22](#) > [SAR_010](#) > [Grounds for Petition](#) > [Goods/Services](#) > [Petitioner](#) > [Attorney](#) > [Correspondence](#) > [Expungement](#)". The main heading is "Petition for Expungement or Reexamination form" with "TEAS Version 8.0" below it. The form is titled "Grounds for Petition" and asks the user to "Provide the following information:" with three bullet points: "1. For each source of information relied on if any were conducted", "2. For each source of information relied upon, a description of how and when the searches were conducted and what the searches disclosed", and "3. Any date used for the basis for cancellation". Below this is a section for "Additional Information" with a text area and a "Submit" button. At the bottom, there are links for "Privacy Statement", "Feedback", and "Help", and a footer with "BROWSE BY TOPIC", "ABOUT THIS SITE", "USPTO BACKGROUND", and "FEDERAL GOVERNMENT".

- Registration Number
- Basis: Expungement and/or Reexamination
- Grounds for Petition: Elements of reasonable investigation; For each source of information relied upon, a description of how and when the searches were conducted and what the searches disclosed; Factual statement of the basis for cancellation
- Goods/Services Subject to Petition
- Petitioner's Name and Mailing, Domicile and Email Addresses

CONDUCTING A REASONABLE INVESTIGATION



- Must be likely to find nonuse based on the type of good or services challenged
- For design marks, USPTO recommends doing a reverse image search
- Provide documentation of nonuse, such as zero search results returned
- USPTO encourages use of The Wayback Machine (archive.org) for documentary evidence of past nonuse

SOURCES OF EVIDENCE FOR REASONABLE INVESTIGATION

State and federal trademark records

Websites/media of registrant or where goods/services likely to be advertised or sold

Print sources and web pages likely to contain reviews or discussions

State or Federal business registration or regulatory agency records

Registrant's marketplace activities, including attempts to contact registrant or make purchase

Records of litigation or administrative proceedings likely to contain use evidence

BEST PRACTICES FOR PETITIONS AND AVOIDING 30-DAY INQUIRY LETTERS



Lessons
Learned

- Must include itemized index of evidence with petition
- URL and date information on webpage evidence must be legible
- Webpage must be legible
- Provide portion of document/evidence that is relevant
- Avoid extraneous evidence
- Ensure goods/services subject to petition and described in grounds for petition are not contradictory

BEST PRACTICES TO AVOID NON-INSTITUTION



- The investigation was not appropriately comprehensive
 - In time period: current nonuse not sufficient
 - In review of websites: single website not sufficient
 - In documentation: corroborate testimonial evidence
- Evidence must support challenge to entire class (e.g., if evidence of fake specimen, need evidence for other goods/services)
- Evidence of record shows use in commerce

INSTITUTION OF PROCEEDING

Notice of Institution

- Identifies goods/services subject to proceeding
- Determination to institute is final and non-reviewable
- No withdrawal of petition

Office Action

- Registrant to provide proof of use (or excusable nonuse) within 3-month response period
- 1-month extension available (\$125 fee)

Notice of Non-Institution

- Advises prima facie case was not established
- Per USPTO, do not expect a lot of detail about why evidence deficient
- No 30-day letter to perfect petition if no institution

OFFICE ACTION RESPONSE OPTIONS

Show Use or Excusable Nonuse

Provide evidence of use as of relevant date or show excusable nonuse (for Section 44(e) and 66(a) registrations)

Deletion

File Section 7 request to delete goods/services or submit a response requesting deletion

No response

Challenged goods/services cancelled

Appeal

After Final Office action, request reconsideration or appeal to TTAB

EXPUNGEMENT AND REEXAMINATION BY DIRECTOR



- Director may institute either proceeding if information is discovered that supports prima facie case of non-use
- Director to promptly notify registrant and provide basis for determination
- Same procedures apply as procedures instituted by petition
- At least 1 director-initiated proceeding so far

SUSPENSIONS

TTAB Action

Internal USPTO consultation to determine suspensions

Prosecution

Examining attorneys may suspend examination based on ongoing proceedings

Litigation

Proceedings may be suspended based on civil litigation if relevant to the registration

NEW GROUND OF EXPUNGEMENT FOR CANCELLATION PROCEEDING

CANCELLED

- Registered trademark has never been used in commerce
- Available any time after first three years from the registration date
- Existing grounds for cancellation of nonuse and abandonment unaffected by this new expungement ground for cancellation

LETTERS OF PROTEST



- Formalizes process for submission of evidence in support of a ground for refusing registration
- 2-month deadline to determine whether evidence will be included in application record
- Fee (\$50) effective on January 2, 2021
- Decision is final and non-reviewable

SHORTER RESPONSE PERIODS TO OFFICE ACTIONS

New Response Time

Shorter 3-month response time to Office Actions

Extensions

3-month extension available for \$125 fee

Effective Date

December 1, 2022

THE TMA AND THE APPOINTMENTS CLAUSE OF THE CONSTITUTION

[The President] shall nominate, and by and with the Advice and Consent of the Senate, shall appoint Ambassadors, other public Ministers and Consuls, Judges of the supreme Court, and all other Officers of the United States, whose Appointments are not herein otherwise provided for, and which shall be established by Law: but the Congress may by Law vest the Appointment of such inferior Officers, as they think proper, in the President alone, in the Courts of Law, or in the Heads of Departments.

U.S. Const. Art. II, § 2, Cl. 2 .

THE TMA AND THE APPOINTMENTS CLAUSE OF THE CONSTITUTION

The results of litigation so far:

- in *Arthrex, Inc. v. Smith & Nephew, Inc.*, 941 F.3d 1320 (Fed. Cir. 2019), *affirmed in part and reversed in part*, 141 S. Ct. 1970 (2021), the Federal Circuit concluded that, because of the perceived lack of control by the Director of the U.S. Patent and Trademark Office over the administrative law judges of the Patent Trial and Appeal Board, they qualified as “Officers of the United States” and therefore were unconstitutionally appointed;
- in *United States v. Arthrex, Inc.*, 141 S. Ct. 1970 (2021), the Supreme Court agreed with the Federal Circuit that PTAB ALJs were unconstitutionally appointed and ordered the USPTO to allow dissatisfied litigants to pursue discretionary review from the Director as a remedy;

THE TMA AND THE APPOINTMENTS CLAUSE OF THE CONSTITUTION

[R]eview [of PTAB decisions] by the Director [will] follow the almost-universal model of adjudication in the Executive Branch and aligns the PTAB with the other adjudicative body in the PTO, the Trademark Trial and Appeal Board.

Arthrex, 141 S. Ct. at 1987.

THE TMA AND THE APPOINTMENTS CLAUSE OF THE CONSTITUTION

To insulate the Board from *Arthrex*-based attacks, the TMA:

- amended Sections 18, 20, and 24 of the Lanham Act to make clear the Director’s authority “to reconsider, and modify or set aside, a decision of the Trademark Trial and Appeal Board”; and also
- provided that the amendments “may not be construed to mean that the Director lacked the authority to reconsider, and modify or set aside, a decision of the Trademark Trial and Appeal Board before the date of the enactment of this Act.”

Pub. L. No. 116-260, § 228(a)-(b) (2020).

THE TMA AND THE APPOINTMENTS CLAUSE OF THE CONSTITUTION

The results of litigation so far:

- following the Supreme Court's opinion in *Arthrex*, the Federal Circuit rejected an Appointments Clause-based challenge to the TTAB's judges in *Piano Factory Grp. v. Schiedmayer Celesta GmbH*, 11 F.4th 1363 (Fed. Cir. 2021); and
- the Supreme Court declined to take up the issue in *Coca-Cola Co. v. Somohano-Solar*, No. 91232090, 2019 WL 4795611 (T.T.A.B. Sept. 27, 2019) (nonprecedential), *appeal dismissed*, No. 2020-1245 (Fed. Cir.), *cert. denied*, 141 S. Ct. 2641 (2021), *aff'd*, 859 F. App'x 581 (Fed. Cir.), *and appeal dismissed*, 859 F. App'x 582 (Fed. Cir. 2021).

THE TMA AND THE APPOINTMENTS CLAUSE OF THE CONSTITUTION

Hello you all
attached is what you all either incompetent or willfully in
contempt of 28 USC 453
b happy
/Solar/

THE TMA AND THE APPOINTMENTS CLAUSE OF THE CONSTITUTION

[T]he 2020 legislation confirms that the Director's authority to review TTAB decisions was the same before the legislation as afterwards. Thus, considering the Supreme Court's favorable reference to the constitutional status of [TTAB judges] as inferior officers of the United States, we reject [the appellant's] Appointments Clause challenge to the legitimacy of the TTAB panel that decided this case.

Piano Factory Grp. v. Schiedmayer Celesta GmbH, 11 F.4th 1363, 1374-75 (Fed. Cir. 2021).

THE TMA AND IRREPARABLE HARM IN LITIGATION UNDER THE LANHAM ACT

The test for irreparable harm has evolved over the past 16 years:

- prior to 2006, most courts held that a demonstration of likely confusion, likely dilution, or false advertising created a presumption of irreparable harm; but
- in *eBay Inc. v. MercExchange, LLC*, 547 U.S. 388 (2006), and *Winter v. Natural Resources Defense Council, Inc.*, 555 U.S. 7 (2008), the Supreme Court disapproved of similar presumptions in other contexts; and
- some (but not all) circuits responded to *eBay* and *Winter* by abrogating the presumption of irreparable harm in trademark actions; and now
- the Trademark Modernization Act has either restored or confirmed (depending on the jurisdiction) the presumption of irreparable harm where a violation of the Lanham Act has been shown.

THE TMA AND IRREPARABLE HARM IN LITIGATION UNDER THE LANHAM ACT

The following language now appears in Section 34(a) of the Lanham Act and has an apparent effective date of December 27, 2020:

A plaintiff seeking [an] injunction shall be entitled to a rebuttable presumption of irreparable harm upon a finding of a violation [of the Lanham Act] in the case of a motion for a permanent injunction or upon a finding of likelihood of success on the merits for a violation identified in this subsection in the case of a motion for a preliminary injunction or temporary restraining order.

15 U.S.C. § 1116(a) (Supp. III 2021).

THE TMA AND IRREPARABLE HARM IN LITIGATION UNDER THE LANHAM ACT

The TMA's treatment of the presumption of irreparable harm contains the following rule of construction:

The amendment [relating to the presumption of irreparable harm] shall not be construed to mean that a plaintiff seeking an injunction was not entitled to a presumption of irreparable harm before the date of the enactment of this Act.

Pub. L. No. 116-260, § 226(b) (2020).

THE TMA AND IRREPARABLE HARM IN LITIGATION UNDER THE LANHAM ACT

Courts were slow to catch on to the amended Section 34(a):

- some failed to recognize the change and continued to require plaintiffs to demonstrate irreparable harm as a factual matter, *see, e.g., Glenn H. Curtiss Museum of Loc. Hist. v. Confederate Motors, Inc.*, No. 20-CV-6237 (CJS), 2021 WL 514229 (W.D.N.Y. Feb. 11, 2021);
- over time, however, most others have begun to apply the presumption in light of the change. *See, e.g., Suzie's Brewery Co. v. Anheuser-Busch Cos.*, 519 F. Supp. 3d 839 (D. Or. 2021); but

THE TMA AND IRREPARABLE HARM IN LITIGATION UNDER THE LANHAM ACT

Courts were slow to catch on to the amended Section 34(a):

- having previously abrogated the presumption of irreparable harm, the Tenth Circuit has held the presumption unavailable on a retroactive basis. *See Trial Laws. Coll. v. Gerry Spence Trial Laws. Coll. at Thunderhead Ranch*, 23 F.4th 1262 (10th Cir. 2022).

THE TMA AND IRREPARABLE HARM IN LITIGATION UNDER THE LANHAM ACT

Under federal law, a presumption can have one of two different burden-shifting effects:

- it can shift the burden of *proof* to the party against whom it is imposed; or
- it can shift only the burden of *production* to that party.

THE TMA AND IRREPARABLE HARM IN LITIGATION UNDER THE LANHAM ACT

In enacting the TMA, Congress did not expressly define the effect of the presumption of irreparable harm, which may mean that Federal Rule of Evidence 301 provides the default rule:

In all civil actions and proceedings not otherwise provided for by Act of Congress or by these rules, a presumption imposes on the party against whom it is directed the burden of going forward with evidence to rebut or meet the presumption, but does not shift to such party the burden of proof in the sense of the risk of nonpersuasion, which remains throughout the trial upon the party on whom it was originally cast.

THE TMA AND THE RELATIONSHIP BETWEEN THE LANHAM ACT AND THE FIRST AMENDMENT



Rogers v. Grimaldi, 875 F.2d 994 (2d Cir. 1989)

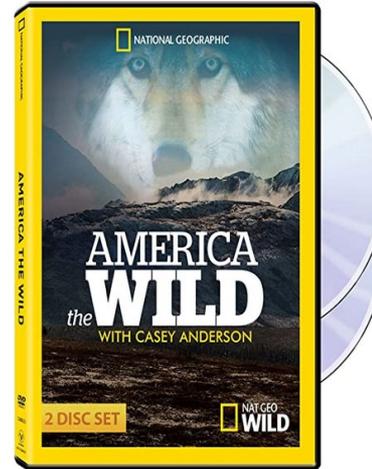
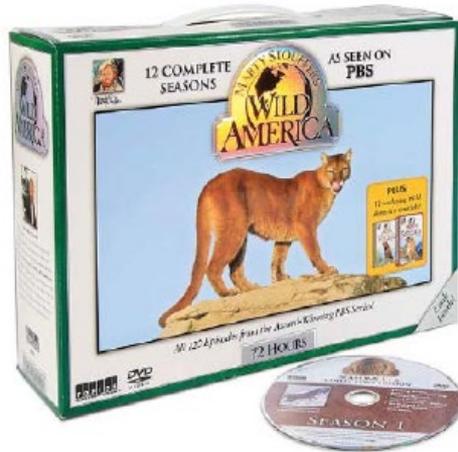
THE TMA AND THE RELATIONSHIP BETWEEN THE LANHAM ACT AND THE FIRST AMENDMENT

Under *Rogers v. Grimaldi*, 875 F.2d 994 (2d Cir. 1989), the First Amendment protects the title or content of a creative work against liability under federal law unless the plaintiff can prove one of two circumstances:

- the title or content has no artistic relevance to the underlying work whatsoever; or
- if the title or content *does* have some artistic relevance, it's explicitly misleading as to the source or the content of the work.

A plaintiff satisfying either of these prongs also generally must make a showing of likely confusion.

THE TMA AND THE RELATIONSHIP BETWEEN THE LANHAM ACT AND THE FIRST AMENDMENT



Stouffer v. Nat'l Geographic Partners, LLC, 460 F. Supp. 3d 1133 (D. Colo. 2020), *appeal dismissed*, No. 20-1208 (10th Cir. March 31, 2021)

THE TMA AND THE RELATIONSHIP BETWEEN THE LANHAM ACT AND THE FIRST AMENDMENT

[T]he [proper] question [is], “Did the junior user have a genuine artistic motive for using the senior user’s mark or other Lanham Act-protected property right?”

Stouffer, 460 F. Supp. 3d at 1140.

THE TMA AND THE RELATIONSHIP BETWEEN THE LANHAM ACT AND THE FIRST AMENDMENT

The House Judiciary Committee report for the TMA contains a ringing endorsement of *Rogers*:

In enacting this legislation, the Committee intends and expects that courts will continue to apply the *Rogers* standard to cabin the reach of the Lanham Act in cases involving expressive works. The Committee believes that the adoption by a court of a test that departs from *Rogers*, including any that might require a court to engage in fact-intensive inquiries and pass judgment on a creator’s “artistic motives” in order to evaluate Lanham Act claims in the expressive-works context would be contrary to the Congressional understanding of how the Lanham Act should properly operate to protect important First Amendment considerations

H.R. REP. 116-645, at 13-14 (2020).

OTHER DEVELOPMENTS TARGETING BAD ACTORS

The USPTO is cracking down on dubious filings and scammers independent of the Trademark Modernization Act:

- by sanctioning numerous applicants, registrants, and attorneys alike, see https://www.uspto.gov/trademarks/trademark-updates-and-announcements/orders-issued-commissioner-trademarks?utm_campaign=subscriptioncenter&utm_content=&utm_medium=email&utm_name=&utm_source=govdelivery&utm_term=; and
- by proposing new rulemaking to authorize the administrative sanctions process the Office already has in place. See *Trademarks Administrative Sanctions Process*, 87 Fed. Reg. 431 (Jan. 5, 2022).

OTHER DEVELOPMENTS TARGETING BAD ACTORS

How the administrative sanctions process is working/will work:

- the process begins “when the USPTO identifies or otherwise learns of a suspicious submission in connection with a trademark application or registration, based on information communicated by internal sources, such as examining attorneys and data analytics personnel, or through external sources, such as Letters of Protest, the TMScams@uspto.gov mailbox, law enforcement, or media,” *Trademarks Administrative Sanctions Process*, 87 Fed. Reg. 431, 432 (Jan. 5, 2022); and
- the Office will investigate suspicious submissions, “and any related submissions,” to determine whether they:
 - “appear to violate the USPTO rules and/or the USPTO website’s Terms of Use”; and
 - “are part of an improper filing scheme.” *Id.*

OTHER DEVELOPMENTS TARGETING BAD ACTORS

From: TMOfficialNotices@USPTO.GOV
Sent: Wednesday, January 26, 2022 06:14 PM
To: alexander.mcqueen@ustrademarkpros.com
Subject: OFFICIAL USPTO NOTICE TERMINATION FOLLOWING SANCTIONS

OFFICIAL USPTO NOTICE TERMINATION FOLLOWING SANCTIONS

U.S. Application Serial No. 97097455
Mark: NICODROPS
Owner: Christopher L. Calpito
Docket/Reference No. A98765432180

Issue Date: January 26, 2022

The above identified trademark application has been terminated following an Order for Sanctions issued by the United States Patent and Trademark Office (USPTO) on January 25, 2022.

In the Order for Sanctions, the USPTO determined that submission(s) made in connection with this application were in violation of the USPTO's trademark rules of practice and website terms of use and ordered the entry of sanctions, including termination of this application. Termination was ordered to deter and remedy the improper conduct at issue, which invalidated the entire application. The conduct involved a pattern of circumventing the USPTO's rules and/or submission of a verified document signed by someone other than the named signatory or by an unauthorized signatory rendering it invalid.

Prior to this determination, the USPTO issued a Show Cause Order providing the entities and individuals responsible for making the improper submissions an opportunity to explain why the USPTO should not enter the proposed sanctions. Because the respondent(s) did not submit an adequate response to the Show Cause Order, the USPTO issued the Order for Sanctions.

In accordance with the Order for Sanctions, the application is terminated. No further action will be taken in this application. The USPTO will not refund any filing fees.

OTHER DEVELOPMENTS TARGETING BAD ACTORS

From: teas@uspto.gov
Sent: Wednesday, January 26, 2022 12:08:07 PM EST
To: town@aniimaltown.com; support@aniimaltown.com
Subject: U.S. Trademark Registration No. 6208820 - FINAL ORDER FOR SANCTIONS

OFFICIAL USPTO NOTICE
NOTICE OF FINAL ORDER FOR SANCTIONS – NO RESPONSE REQUIRED

REGISTRATION NUMBER: 6208820
ISSUE DATE: January 25, 2022

A FINAL ORDER FOR SANCTIONS WAS ISSUED ON THE DATE REFERENCED ABOVE THAT ORDERED SANCTIONS AFFECTING THIS REGISTRATION.

TO VIEW A COPY OF THE FINAL ORDER FOR SANCTIONS online, go to TSDR system at <https://tsdr.uspto.gov>. Enter the application serial number, click ‘Documents’, and click on the document with a ‘Create/Mail Date’ of the above listed “Issue Date”.

In the Final Order for Sanctions, the United States Patent and Trademark Office (USPTO) determined that one or more submissions made during the prosecution of this registration or in a post-registration filing violated the USPTO trademark rules of practice, including rules on signatures, certification and representation of others before the USPTO, and/or website terms of use. Sanctions are intended to remedy and deter the improper conduct at issue, and may impact the validity of this registration.

OTHER DEVELOPMENTS TARGETING BAD ACTORS

Affected registrants should note that findings made in the sanctions order may affect the underlying validity of the registration. In addition, the USPTO will consider a sanctions order that includes the sanction of termination to be a final decision adverse to the owner's right to keep a mark on the register under section 15 of the Trademark Act of 1946, 15 U.S.C. [§] 1065. Therefore, owners of such registrations may wish to file ... new application[s] for the mark[s].

87 Fed. Reg. at 432.

OTHER DEVELOPMENTS TARGETING BAD ACTORS

[A] trademark [registration] is obtained fraudulently under the Lanham Act only if the applicant or registrant knowingly makes a false, material representation with the intent to deceive the PTO.

Subjective intent to deceive, however difficult it may be to prove, is an indispensable element in the analysis.... [S]uch evidence must ... be clear and convincing, and inferences drawn from lesser evidence cannot satisfy the deceptive intent requirement.

In re Bose Corp., 580 F.3d 1240, 1244-45 (Fed. Cir. 2009).

OTHER DEVELOPMENTS TARGETING BAD ACTORS

The Trademark Trial and Appeal Board has suddenly become more receptive to claims of the fraudulent procurement or maintenance of registrations:

- unusually, the Board denied a motion to dismiss an allegation of the fraudulent procurement of a registration through a deliberately false claim of secondary meaning in *DrDisabilityQuotes.com, LLC v. Krugh*, 2021 U.S.P.Q.2d 262 (T.T.A.B. 2021);
- even more unusually, the Board reached a finding of fraudulent procurement based on a deliberately false claim of mark ownership in *Fuji Med. Instruments Mfg. Co. v. Am. Crocodile Int'l Grp.*, 2021 U.S.P.Q.2d 831 (T.T.A.B. 2021); and
- more unusually still, the Board invalidated a registration for a false declaration of incontestability in *Chutter, Inc. v. Great Mgmt. Grp. v. Great Concepts, LLC*, 2021 U.S.P.Q.2d 1001 (T.T.A.B. 2021).

OTHER DEVELOPMENTS TARGETING BAD ACTORS

Significant aspects of *Chutter*'s finding of fraud:

- reckless disregard of the truth is the legal equivalent of a specific intent to deceive the Office;
- a failure to make an appropriate inquiry into the accuracy of a submission to the Office constitutes such a reckless disregard;
- ignorance of the legal requirements for a filing will not prevent a finding of fraud; and
- a failure to correct a false statement is evidence of a bad-faith intent to deceive the Office.

OTHER DEVELOPMENTS TARGETING BAD ACTORS

A declarant is charged with knowing what is in the declaration being signed, and by failing to make an appropriate inquiry into the accuracy of the statements the declarant acts with a reckless disregard for the truth....

To find otherwise could encourage declarants to conclude that such disregard carries no consequence and they can fail to read documents they are signing without penalty.

Chutter, 2021 U.S.P.Q.2d 1001, at *20.

OTHER DEVELOPMENTS TARGETING BAD ACTORS

[The signatory] paid little, or no, attention to the document he was signing under oath and thereby disregarded the significance of the benefits he was obtaining for his client. By failing to ascertain and understand the import of the document he was signing, far from conscientiously fulfilling his duties as counsel, [the signatory] acted in reckless disregard for the truth; nor did he take any action to remedy the error once it was brought to his attention.

Chutter, 2021 U.S.P.Q.2d 1001, at *19.

OTHER DEVELOPMENTS TARGETING BAD ACTORS

As of an undetermined date, the USPTO will require identity verification for all USPTO.gov account holders, either through:

- a paper identity verification process available at <https://www.uspto.gov/trademarks/apply/identity-verification#paper>; or
- electronic verification through an outside vendor accessible at <https://www.id.me/about>.

QUESTIONS?



Contact Information

Theodore H. Davis, Jr.

tdavis@kilpatricktownsend.com

Anna E. Raimer

aeraimer@jonesday.com