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USA

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General Electric Company ("GE") appreciates the opportunity to provide comments in relation to the implementation of the Trademark Modernization Act ("TMA").

GE supports the over-all goal of this legislation to address bad faith filings and declutter the U.S. Trademark Register of registrations for marks that are not used in commerce in the United States. However, GE is concerned that the new proceedings proposed in the TMA, the expungement and reexamination, may create a potential for abuse and harassment of legitimate trademark owners. Also, providing for flexible response periods to office actions will impose additional costs and burdens on legitimate trademark owners, while it is unlikely to be an effective remedy against bad faith filings and fraudulent specimens.

Flexible response periods for office actions:

GE objects to shortening the current 6-month period to respond to office actions. GE understands the goal of this proposal is to dispose of fraudulent registrations more quickly by providing shorter response periods. However, this will not substantively address the issue of filing fraudulent specimens and may have a negative impact on legitimate trademark owners. Brand owners around the world have long advocated for harmonizing response periods in other countries that use shorter periods to make them uniform, consistent and long enough to ensure trademark owners have sufficient time to prepare a response. Shortening response periods is inconsistent with these harmonization efforts. Also, having different response periods for different types of action can create unnecessary complexities and may lead to docketing errors (which may result in a loss of rights). Even seemingly "simple" non-substantive office actions, such as amending the identification of goods, may require gathering additional evidence or information from various stakeholders, which can be time consuming particularly for large brand owners with a wide variety of sophisticated and technologically complex products and services, such as GE. For these reasons, GE would encourage the USPTO to keep the existing 6-month response period for all types of office actions.

Should the USPTO, nevertheless, proceed with implementing shorter response periods, GE would advocate for keeping the existing 6-month period for refusals issued under Sections 2(d) and 2(e). Even though these are not the only types of office actions that may require conducting research and preparing legal arguments (e.g. even responding to a basic specimen refusal may require preparing arguments in response), these are ordinarily the most complex and should not be subject to shortened timeframes. GE also objects to the implementation of any fees for requesting extensions. Imposing a fee requirement would not substantially deter bad-faith filers, but could be a potentially significant additional cost for legitimate trademark owners.

Reexamination and expungement proceedings:

It is concerning that both reexamination and expungement proceedings do not have a standing requirement. This lack of standing creates a potential for abuse as any person could ask the USPTO to

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initiate either an expungement, or reexamination, or potentially, both of these proceedings, even if such person does not have a legitimate interest in the trademark that is the subject of the registration. Defending such proceedings can be rather resource intensive, even if ultimately successful for trademark owners, whether it is a small business, an individual or a large multi-national corporation like GE. Small businesses and individual trademark owners may not have resources to hire counsel to respond to allegations of non-use and they may not be able to defend the action on their own, even when the mark is in use. And for large companies, like GE, that have thousands of trademark registrations, with most registrations covering more than one product or service that sometimes belong to different businesses within the company or licensees, it can also be quite burdensome and resource intensive to coordinate with various stakeholders to gather necessary evidence of use. Such potential for abuse and the expenditure of resources required to defend against these actions may outweigh the intended benefits of the proposed proceedings unless it is limited to parties that have met a standing requirement.

GE is encouraging the USPTO to ensure that these new procedures are implemented in as balanced and effective manner as possible, and that necessary safeguards are developed to prevent abuse. Currently, there is ambiguity in what would be required to initiate and respond to expungement and reexamination inquiries, in particular what type of evidence registrant must make in response to a prima facie case of non-use. The type of evidence necessary to support use in commerce will vary depending on the nature of goods and services and channels of trade. As such, the USPTO should avoid any rigid and specific evidentiary requirements. GE encourages the USPTO to take a flexible approach with general guidelines outlining examples of acceptable evidence for different types of products and services.

The TMA provides that the USPTO shall promulgate regulations regarding what constitutes “reasonable investigation” and the general types of evidence that could support a prima facie case of non-use, but that the Director shall retain the discretion to determine whether a prima facie case is set out in a particular proceeding. GE supports the “reasonable investigation” requirement and encourages the USPTO to take into account that not all marks that are properly used in commerce will be easily found by Internet searches. The failure to find a trademark in use on the Internet absent some additional factor indicating a lack of use should not constitute a “reasonable investigation.” It should include more specific evidence demonstrating that a registrant is likely not using the mark (e.g. evidence that the owner is no longer in business or has discontinued a product line).

Finally, with respect to the time period to respond to petitions for expungement and reexamination, GE would again encourage a flexible approach allowing a reasonable number of extensions and an initial response period of no less than 2 months. As mentioned above, gathering evidence of use may not be a simple task even for legitimate trademark owners, and may be particularly onerous for companies that include multiple products in one registration, especially if such products fall under different businesses within one company. Gathering evidence requires coordinating with multiple teams within the company and/or licensees, which can be rather time-consuming. As such, the proposed 30-day response timeframe may not be sufficient and GE suggests allowing extensions of time and an initial response period of at least 2 months to help ensure there is no inadvertent loss of rights due to a lack of time to gather necessary evidence.

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The TMA has a number of broad sweeping changes to the trademark practice before the USPTO and it will significantly impact all brand owners. GE looks forward to a continued dialogue with the USPTO as it implements the TMA and develops these regulations.

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