

**UNITED STATES
PATENT AND TRADEMARK OFFICE**



Seminar on the Post Registration Proof of Use Program

Panelists: Dan Brody, Jordan Baker, and Montia Pressey

Moderator: Meryl Hershkowitz

July 29, 2019

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Significance of “use in commerce”

- Generally, a trademark is eligible for registration if it is used in commerce.
- Inaccurate use claims contribute to a cluttered trademark register and diminish the register’s utility for businesses and the public.
- Post-registration maintenance declarations are intended to clear unused marks from the register.
- The declaration should list only the goods and services in the registration for which the mark continues to be in use in commerce.



Background

- In 2012, the USPTO launched a pilot program to assess the accuracy of claims of use in registration maintenance filings.
- Five hundred trademark registrations with six-year Section 8 or 71 declarations of use were randomly selected for additional “proof of use.”

Background

- Fifty-one percent (253) of audited registrations did not verify previously claimed use:
 - Thirty-five percent deleted goods/services queried under the pilot.
 - Sixteen percent failed to respond to pilot office actions and were cancelled.

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%



Public outreach concerning pilot results

- The pilot results supported the need for ongoing measures to encourage registration owners to file accurate declarations of use.
- To explore options for ensuring the accuracy of the trademark register, the USPTO:
 - Held a public roundtable in December 2014
 - Reached out to stakeholder groups
 - Requested written comments from all interested parties.
- A permanent audit program for registrations received widespread support.
- The final rule was developed after considering feedback.



Amending trademark rules

- Effective March 21, 2017, the Trademark Rules of Practice were amended to authorize the USPTO to require additional evidence to support claims of use in Section 8 and 71 declarations. See 37 CFR 2.161(h) and 7.37(h).
- The rules provide that we may require the owner to furnish:
 - Information
 - Exhibits
 - Affidavits or declarations
 - Additional specimens

as may be reasonably necessary to the proper examination of the affidavit or declaration under Section 8 or 71 of the Act or for the Office to assess and promote the accuracy and integrity of the register.



Implementing the permanent audit program

- Permanent audit program launched on November 1, 2017.
- A registration may be audited if it meets both of these requirements:
 - A Section 8 or 71 declaration of use is filed.
 - The registration includes at least one class with four or more goods or services, or at least two classes with two or more goods or services.
- If audited, proof of use for additional goods/services in the registration will be required.

When is a mark used in commerce?

- **Goods**
 - The mark is placed on the goods and the goods are sold or transported in commerce
- **Services**
 - The mark is displayed in the sale or advertising of the services and the services are rendered in commerce
- **Use must be in the ordinary course of trade, not merely to reserve a right in the mark**

What is “proof of use”?

- For goods, evidence showing the mark as actually used in commerce with existing goods, such as:
 - Photographs that show the mark on a tag or label affixed to the goods
 - Web page printouts or screen shots that show the mark being used in connection with the goods at their point of sale in a manner that directly associates the mark with the goods
 - Photographs of the mark on packaging where the goods are visible through the packaging

What is “proof of use”?

- For services, evidence showing the mark as actually used in commerce with existing services, such as:
 - Copies of advertising, such as brochures or flyers, where the mark is used in a manner that directly associates the mark with the services
 - Photographs of the mark on retail store or restaurant signage
 - Photographs of the mark on service vehicles
 - Screen shots of website printouts with the URL and date of printing where the mark is used in the actual sale or advertising of the services

Upcoming revision to specimen rule

- We plan to amend the trademark rules concerning specimens to set criteria for electronic submission, including:
 - Requiring that webpages show the URL and access or print date
 - Requiring that a specimen for goods show use of the mark placed on the goods, on containers or packaging for the goods, or on labels or tags affixed to the goods.
- Requirements for proof of use align with this criteria.
- This is expected to become effective October 2019.

Proof of use audit procedures

- Initial office actions require proof of use for two additional goods/services for each class.
- For multiclass registrations with class(es) containing only one good/service, proof of use will only be required for that class if the specimen of record is not also an acceptable proof of use.

Proof of use audit procedures example

- In a multiclass registration, the only goods in Class 18 are suitcases:
 - Specimen submitted with the Section 8 declaration is a photo of a suitcase engraved with the mark.
 - ✓ • No further inquiry is required because this is also an acceptable proof of use.
 - Specimen submitted with the Section 8 declaration is a photo of a hangtag with only the mark depicted.
 - ✗ • Proof of use is required.

Proof of use audit procedures

- Initial office actions include a warning:
 - To delete queried goods/services if acceptable proof of use cannot be provided and any other goods/services not in use and for which acceptable proof of use is unavailable
 - That the failure to provide acceptable proof of use will result in a **second office action** requiring proof of use for **all** remaining goods/services for which acceptable proof of use is not of record.

Proof of use audit procedures: evaluating responses to initial office actions

- If a response:
 - Provides acceptable proof of use for queried items, **or**
 - Deletes the queried items **and** the specimens of record also qualify as proof of use for any remaining goods/services

A **notice of acceptance** will issue without further inquiry.

Proof of use audit procedures: evaluating responses to initial office actions

- If the response:
 - Deletes any items queried for proof of use or acceptable proof of use is not provided for all queried items, **and**
 - Additional goods/services remain in the registration without acceptable proof of use

A second office action will be issued **requiring proof of use for all remaining goods and/or services** in the registration.



Proof of use audit procedures: evaluating responses to second office actions

- If the response:
 - Provides acceptable proof of use for queried items, **or**
 - Deletes the queried items **and** the specimens of record also qualify as proof of use for any remaining goods/services

A **notice of acceptance** will issue without further inquiry.

Proof of use audit procedures: evaluating responses to second office actions

- If the response deletes some of the queried goods/services or provides unacceptable proof of use:
 - A third and **final** office action will be issued advising that:
 - Any goods/services without acceptable proof of use will be deleted from the registration; and
 - A notice of acceptance will be issued for the remaining goods/services.

Proof of use audit procedures

- The final office action will also advise of the option to:
 - File a Petition to the Director under Rule 2.146 within six months of the issuance date of the office action;
or
 - Submit a response requesting the deletion of the remaining goods/services without proof of use so that a notice of acceptance can be immediately issued.

Proof of use audit procedures

- If a petition is not filed within six months, once the statutory filing period expires:
 - Any goods/services for which acceptable proof of use is not of record will be deleted from the registration, and
 - A notice of acceptance will be issued for the remaining goods/services.

Proof of use audit procedures: no response or untimely response to office action

- If a timely response to an office action is not filed, once the statutory filing period expires, **the registration will be cancelled in its entirety.**
- There is an option to file a petition to request a waiver of rule requiring timely responses if failure to timely respond was due to an extraordinary situation.

Proof of use audit procedures: no response or untimely response to office action

- If no timely response is filed to an office action and time remains in the statutory filing period:
 - The registration owner has the option to file a new Section 8/71 declaration of use along with all new filing fees. However:
 - Newly-filed Section 8/71 declarations are reviewed for compliance with statutory and audit requirements as the registration remains subject to audit; and
 - Goods and/or services deleted in prior submissions cannot be restored to the registration.

Tips for completing an audit

- Clearly label or describe in the declaration or response to office action the nature of the goods/services in specimens and/or proof of use evidence.
 - Consider submitting tables, charts, or lists of exhibits that clearly describe the proof of use.
- If we cannot determine what kind of goods are shown in the images submitted, proof of use may not be able to be determined and an additional office action may issue.

Tips for completing an audit

- “Stale” specimens/proof of use evidence submitted in a prior filing should not be resubmitted.
- Avoid a second office action by thoroughly reviewing all goods and services in a registration after issuance of a first action audit letter and deleting all goods and services for which proof of use cannot be provided.

What are the results of the audit so far?

- During November 2017 – June 28, 2019 there were:
 - 4,661 first actions issued by examiners on project
 - 2,708 responses received
 - 50.1% of registrations with response deleted at least some goods or services
 - 79% of respondents represented by an attorney
 - 21% of respondents pro se.

What are the results of the audit so far?

- During November 2017 – June 28, 2019 deletions by registration basis occurred:
 - 45% of 1(a) registrations that filed a response deleted goods or services
 - 65% of 1(a) & 44(a) registrations that filed a response deleted goods or services
 - 68% of 44(e) basis registrations that filed a response deleted goods or services
 - 64% of 66(a) basis registrations that filed a response deleted goods or services.

What are the results of the audit so far?

- High deletion rates despite representation by an attorney
- The troubling statistics to date suggest lack of care, lack of knowledge about what the law requires, or both
 - By trademark owners and their counsel
- In egregious cases, we may refer attorneys to the USPTO's Office of Enrollment and Discipline (OED) for investigation of misconduct.

Prepare now for possible audit

- To date, about 5,500 registrations have been audited under the pilot and permanent program, with 5,000 per year planned going forward.
- Your chance of an audit is increasing!

Prepare now for possible audit

- When signing a Section 8 and 71 declaration of use, mark owners or their attorneys are swearing that:
 - The mark is in use with the goods and/or services identified in the declaration
 - The specimens show the mark as currently used in commerce on or in connection with the goods and/or services
- The signer is subject to criminal penalties for knowingly and willfully making false statements or representations. 18 U.S.C. 1001.
- Whoever signs or files is certifying that to the best of their knowledge, information, and belief, **formed after an inquiry reasonable under the circumstances**, the factual contentions have **evidentiary support**.

Prepare now for possible audit

- Accurately listing the goods and services is critical to the validity of the registration
- Registration owners and their attorneys have an obligation to confirm the mark is in use for each good and service listed in the registration *before* signing or filing a declaration of use:
 - Consult sales records to determine if there are ongoing sales of each listed good and service, and if there aren't, if there is a reason non-use would be excusable
 - Confirm those sales are for goods/services that bear the mark shown in the registration
- What is an inquiry “reasonable under the circumstances”?
 - An attorney generally may rely on information provided by a properly-educated client, unless the attorney has reason to believe that such information is inaccurate or incomplete.



Prepare now for possible audit

- Consider creating a checklist.
 - Identify each good and service on a separate line (copy and paste from TSDR).
- When use of the mark with each specific good and service is confirmed:
 - Take a photo.
 - Print the supporting webpages (with the URL and date of printing).
 - Provide other supporting documentation for your records.
- Ensure that every good and service for which current use cannot be confirmed is deleted in the initial Section 8/71 declaration.

Prepare now for possible audit

- Before filing, confirm that specimens and proof of use are legitimate.
 - Page two of our new [Exam Guide 03-19 Examination of Specimens for Use in Commerce](#) provides tips on identifying digitally created/altered and mockup specimens.
- The reasonable inquiry obligation applies to attorneys when filing:
 - Specimens/proof of use
 - Declarations

Prepare now for possible audit

- ***In re Swyers***, proceeding no. D2016-20 (USPTO, January 26, 2017)
 - Disciplinary complaint alleged:
 - TM attorney established The Trademark Company, PLLC.
 - Permitted non-attorneys to practice TM law for him with little to no supervision.
 - Multiple fraudulent or digitally manipulated TM specimens were filed with the USPTO.
 - Failed to deposit client advance funds into a client trust account.
 - Failed to cooperate with OED investigation.



Prepare now for possible audit

- ***In re Anonymous***, proceeding no. D2014-05 (USPTO, April 1, 2014)
 - Among the legal conclusions were that:
 - Attorney failed to conduct an inquiry reasonable under the circumstances to determine whether there was evidentiary support for the verified statement his client signed attesting to the acquired distinctiveness of the client's mark.
 - It was unreasonable and inadequate preparation under the circumstance for the attorney, prior to submitting the statements, not to examine potentially contrary evidence in his possession that established that the mark was generic.

Questions or Comments?

Meryl Hershkowitz

Meryl.Hershkowitz@uspto.gov

(571) 272-9173

Montia Pressey

Montia.Pressey@uspto.gov

(571) 272-8944

Dan Brody

Daniel.Brody@uspto.gov

(571) 272-9724

Jordan Baker

Jordan.Baker@uspto.gov

(571) 272-8844



