

## Highlights of Comments on USPTO 2017 Streamlined Cancellation Proposal

Subject	Comments
<b>Overall View</b>	<ol style="list-style-type: none"> <li>1) Overall mixed comments in favor and against a streamlined cancellation option</li> <li>2) General support but questionable whether useful if petitioner expects default</li> <li>3) Streamlined proceedings are unnecessary in view of default and ACR and resources should instead be used to speed up default process, better examine specimens, expedite cancelling expired registrations</li> <li>4) Support for streamlined proceedings but even if USPTO does not proceed with them, still should proceed with efforts to make default judgments efficient and predictable</li> <li>5) Concern that proposal lacks necessary safeguards to prevent abuse, or is unfairly prejudicial to respondents</li> <li>6) Streamlining raises due process concerns</li> <li>7) Streamlined proceedings would benefit parties who conduct thousands of clearance searches annually and who find full cancellation proceedings inordinately lengthy</li> <li>8) Streamlined proceedings needed but cost rather than time-consumption is the issue with full proceedings; need to structure proceedings to facilitate attorneys handling them on a flat fee basis; statutory change may be needed</li> <li>9) In favor – proposal would be beneficial and provides reasonable safeguards for respondents</li> <li>10) Would help address trademark depletion and congestion on the Register</li> </ol>
<b>Timing</b>	<ol style="list-style-type: none"> <li>1) 40 days too short for the answer, given that respondent may have to produce evidence of use on many items</li> <li>2) Should allow for extensions of time because respondent may need to retain counsel and engage in international communications or may have challenges as a pro se</li> <li>3) 40 days may be too long for the answer, and 30 would suffice</li> <li>4) Single extension for each party is reasonable</li> <li>5) Streamlined proceedings should receive priority treatment from Board personnel</li> <li>6) Allow parties to stipulate to extensions to facilitate settlement</li> </ol>
<b>Fees</b>	<ol style="list-style-type: none"> <li>1) Fees should be the same for full and streamlined</li> <li>2) Lower fees make abusive tactics more affordable and a “loser pays or fee shifting model” should be used; petitioners should be required to post a bond</li> <li>3) Clarify fee to convert to full cancellation proceeding</li> </ol>
<b>Procedures</b>	<ol style="list-style-type: none"> <li>1) Ensure service of process in same manner as for full cancellation</li> <li>2) Respondent should be allowed to voluntarily surrender its registration without prejudice; Respondent should be allowed to delete goods/services but otherwise maintain registration</li> <li>3) Allow respondent to convert to a full cancellation proceeding if it shows need</li> <li>4) Allow respondent to convert to a full cancellation proceeding for any reason</li> <li>5) Need detail on how evidentiary objections will be made and addressed; should allow a respondent an opportunity to file additional evidence to address objections</li> <li>6) Should <i>require</i> petitioners to provide contact information for respondents/counsel to avoid any delays in service on respondent</li> <li>7) Allowing stipulated suspension or at least a brief suspension for settlement discussions would be beneficial; stipulated suspension for settlement should be allowed</li> <li>8) Consider limited written discovery for both parties; Petitioner should be allowed to request discovery if needed</li> <li>9) Should foreclose motions practice</li> <li>10) Prohibiting counterclaims creates inefficiencies with separate proceedings on same facts; clarify that counterclaims allowed if conversion to full proceeding</li> </ol>

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<b>Standing</b>	<ol style="list-style-type: none"> <li>1) To ensure good faith, petitioners should be required to show ownership of registrations or use-based applications or common law use proven with “robust evidence”</li> <li>2) Discovery on standing likely unnecessary and may impede the objective of decluttering the register</li> <li>3) Standing for all cancellation proceedings is too low; streamlined proceedings should have a higher standing threshold</li> <li>4) Consider relaxing standing requirements for regular petitions to allow onlookers to clear the register of “overbroad” Madrid registrations</li> <li>5) Standing requirements should be low; other countries’ nonuse proceedings generally do not require standing</li> <li>6) Standing should be clarified and if standing is challenged, proceedings should be suspended until challenge is resolved</li> <li>7) Specific scenario about 2(d)-based standing – question whether petitioner must plead that would obviate 2(d) rejection of an application</li> </ol>
<b>Use Requirements</b>	<ol style="list-style-type: none"> <li>1) Clarification requested about the nature of the use requirement and necessary showing, including whether use analogous to trademark use and other non-technical trademark uses qualify</li> <li>2) Inquiry what standard applies to 44 and 66(a)-based registrations</li> <li>3) Clarify whether the TTAB may <i>sua sponte</i> request additional evidence of use</li> <li>4) Provide explicitly for excusable nonuse</li> </ol>
<b>Burdens of Production &amp; Proof</b>	<ol style="list-style-type: none"> <li>1) Clarify if motion to dismiss is allowed; Allow motions to dismiss</li> <li>2) Set low burden for petitioner to make out prima facie case and specify showing for any intent to resume showing by a respondent</li> <li>3) Particularity and proof requirements may be unduly difficult for petitioners</li> <li>4) More guidance needed on pleading and burdens of proof and production; concern that evidentiary requirements might necessitate the disclosure of privileged or work product information</li> <li>5) Consider <i>requiring</i> a declaration from the petitioner or counsel regarding nonuse investigation</li> <li>6) Does respondent have a burden of production regardless of petitioner’s case, or may respondent just challenge standing and/or the prima facie case?</li> <li>7) Burden on respondent may be too great – give more guidance on nature of evidence and burden of proof</li> <li>8) Petitioner should not have the ability to reply -- it should have three options: await the decision on the filings, withdraw the claim, or convert to a full cancellation action within 30 days of the answer.</li> </ol>
<b>Effect of Proceedings</b>	<ol style="list-style-type: none"> <li>1) Numerous comments concerned the preclusive effect of a streamlined proceeding in various scenarios, including if the petition were withdrawn after the answer, subsequent different claims based on the same facts, and the impact of a change in underlying facts</li> <li>2) If respondent voluntarily surrenders the registration, may it refile later for the same mark?</li> </ol>
<b>Other Issues</b>	<ol style="list-style-type: none"> <li>1) NPRM should give other examples of acceptable pleaded defenses other than estoppel or prior judgments</li> <li>2) Provide for applicability of protective order</li> <li>3) Consistency for streamlined proceedings – consider dedicating specific personnel to handle</li> <li>4) Consider including genericness and functionality, and lack of distinctiveness (if brought within five years of registration), and request for greater ID specificity as grounds that may be asserted in the streamlined proceedings</li> <li>5) Need rules to deter and punish bad faith</li> <li>6) Allow for remedies for “serial abusers” of proceedings</li> <li>7) Consider sanctions for the petitioner if evidence of use is readily available</li> </ol>