

**UNITED STATES
PATENT AND TRADEMARK OFFICE**



Welcome! The TPAC public meeting will start at 1:00 p.m. ET

Please send all questions via email to
TPAC@uspto.gov

UNITED STATES
PATENT AND TRADEMARK OFFICE



Introduction and welcome by TPAC Chair

Elisabeth Escobar

Chair, Trademark Public Advisory Committee

October 30, 2020

UNITED STATES
PATENT AND TRADEMARK OFFICE



Welcome and Swearing in

Andrei Iancu

Under Secretary of Commerce for Intellectual
Property and Director of the
United States Patent and Trademark Office

UNITED STATES
PATENT AND TRADEMARK OFFICE



TPAC Member, Anne Gilson LaLonde



TPAC Member, Donna A. Tobin



TPAC Chair, Elisabeth Escobar



Opening remarks

Laura Peter

Deputy Under Secretary of Commerce for
Intellectual Property and Deputy Director of the
United States Patent and Trademark Office

UNITED STATES
PATENT AND TRADEMARK OFFICE



The Trademark office

David Gooder

Commissioner for Trademarks

UNITED STATES
PATENT AND TRADEMARK OFFICE



Trademarks updates

- TM Business operations metrics
- TM Business financial performance
- Fee Rule
- Protecting the Integrity of the Trademark Register
- Helping our customers
- Protecting our customers
- New initiatives

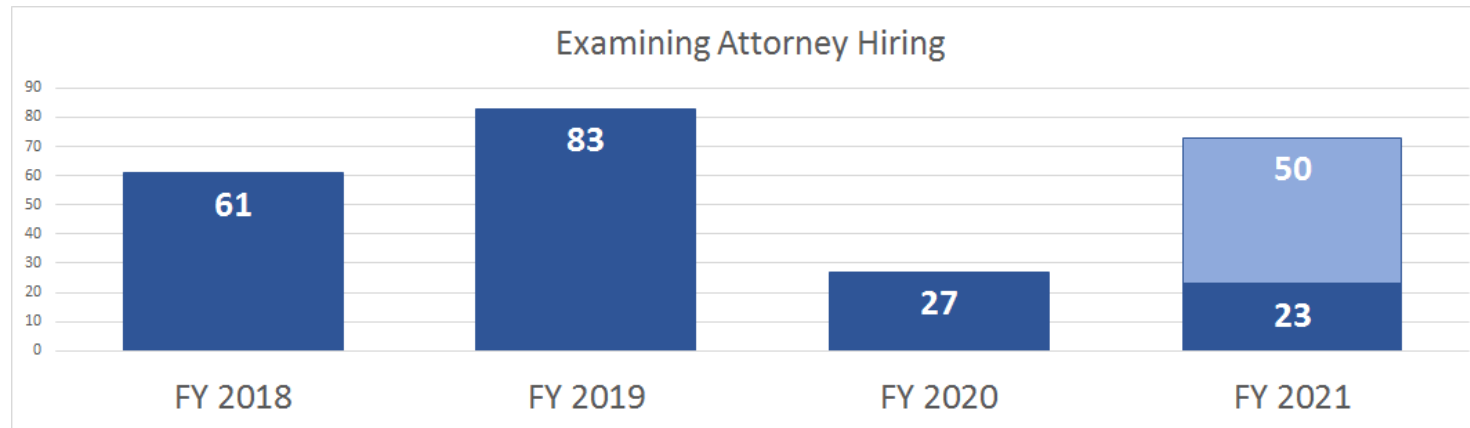
TM business operations metrics

Trademarks organization staffing

940 Trademarks employees (7% of USPTO)

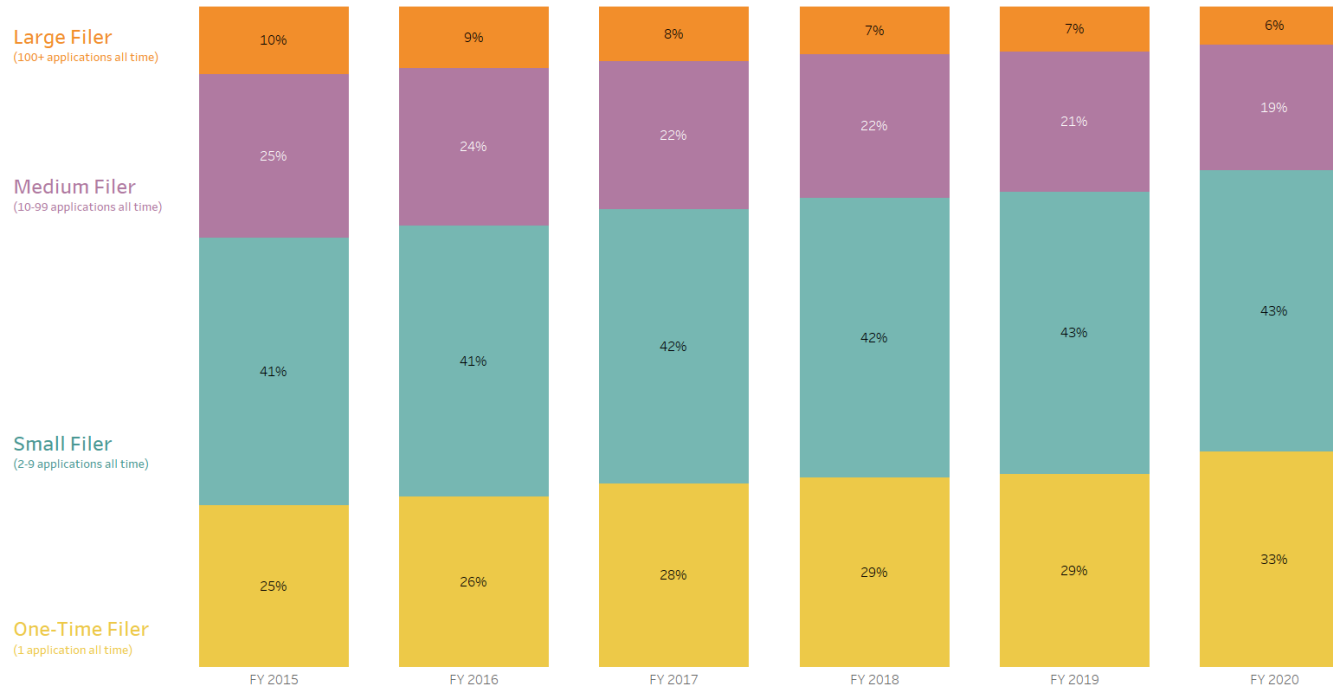
623 examining attorneys (67% of Trademarks)

100% of employees have the option to telework during the pandemic

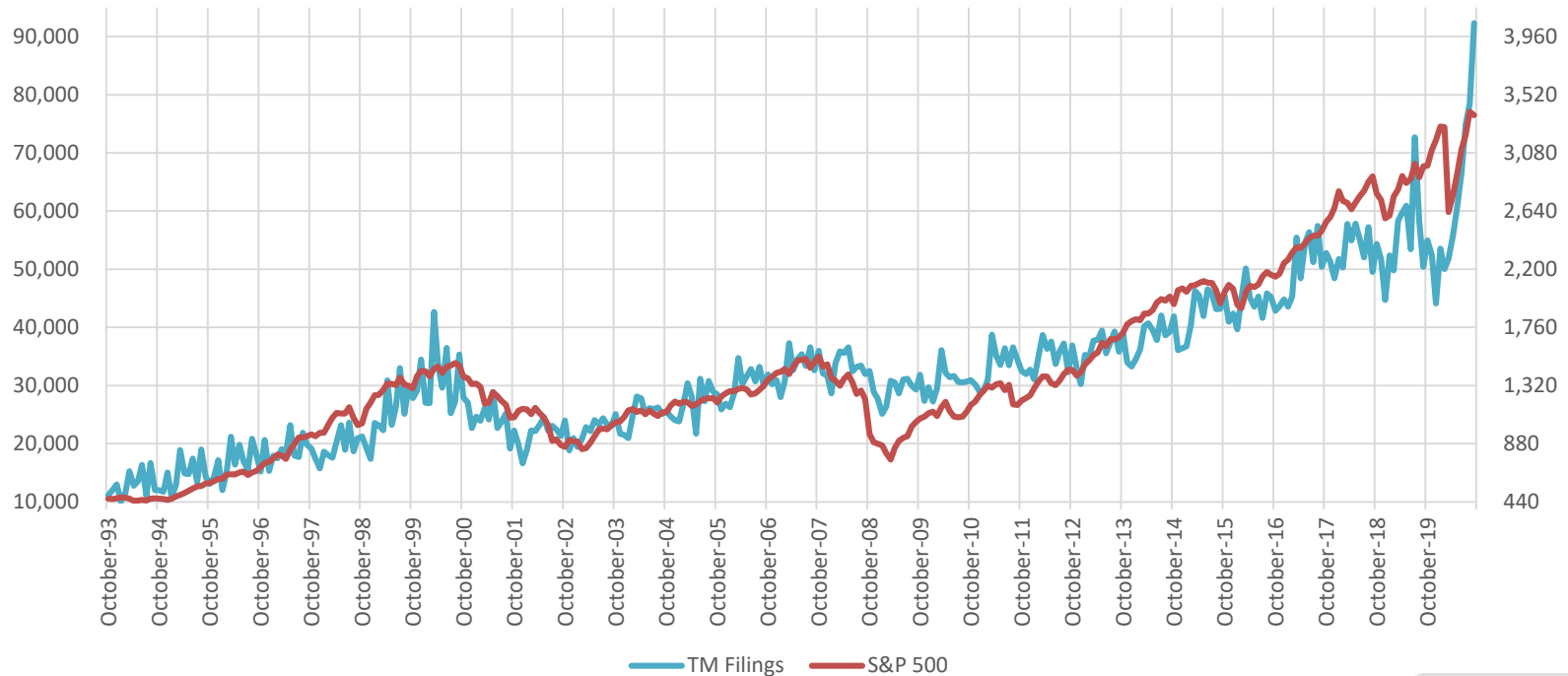


76% of all cases: Filed by applicant with less than 10 applications all-time

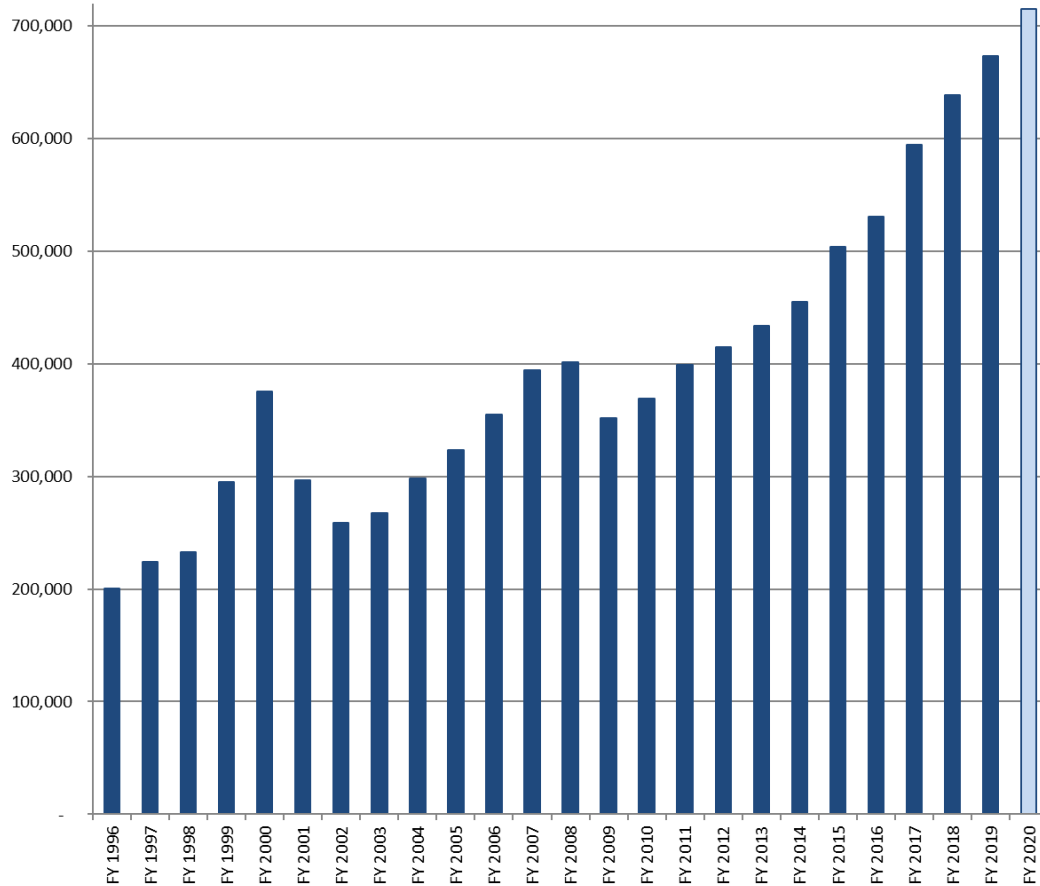
Filer Type: Filings (Cases) by Fiscal Year



Trademark monthly filings vs. S&P 500 monthly average closing price



Trademark application filing levels



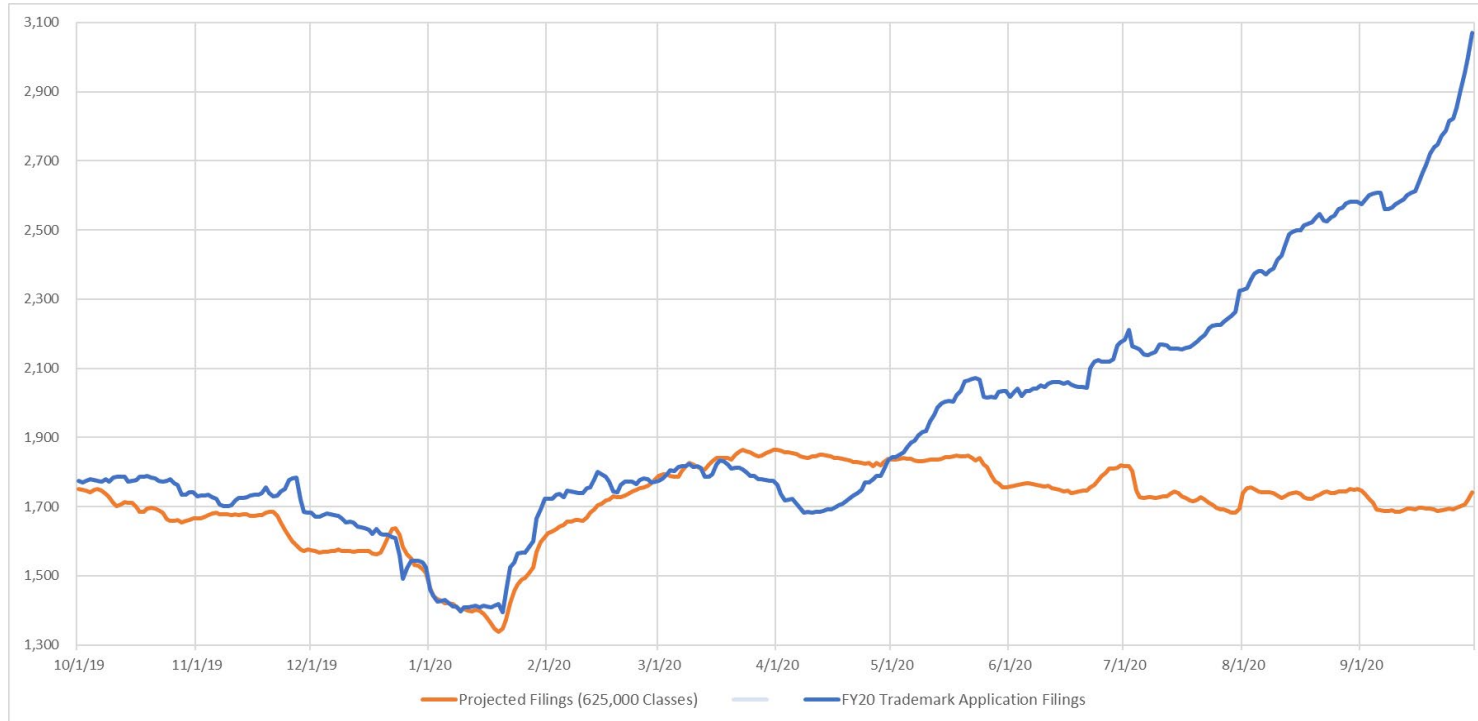
FY 2020 projected:
625,000 classes
projected
(7% decrease)

FY 2020 actual:
738,112 classes
approx.
(9.5% increase)



FY20 daily trademark application filings

Actuals compared to revised plan (625,000 classes)

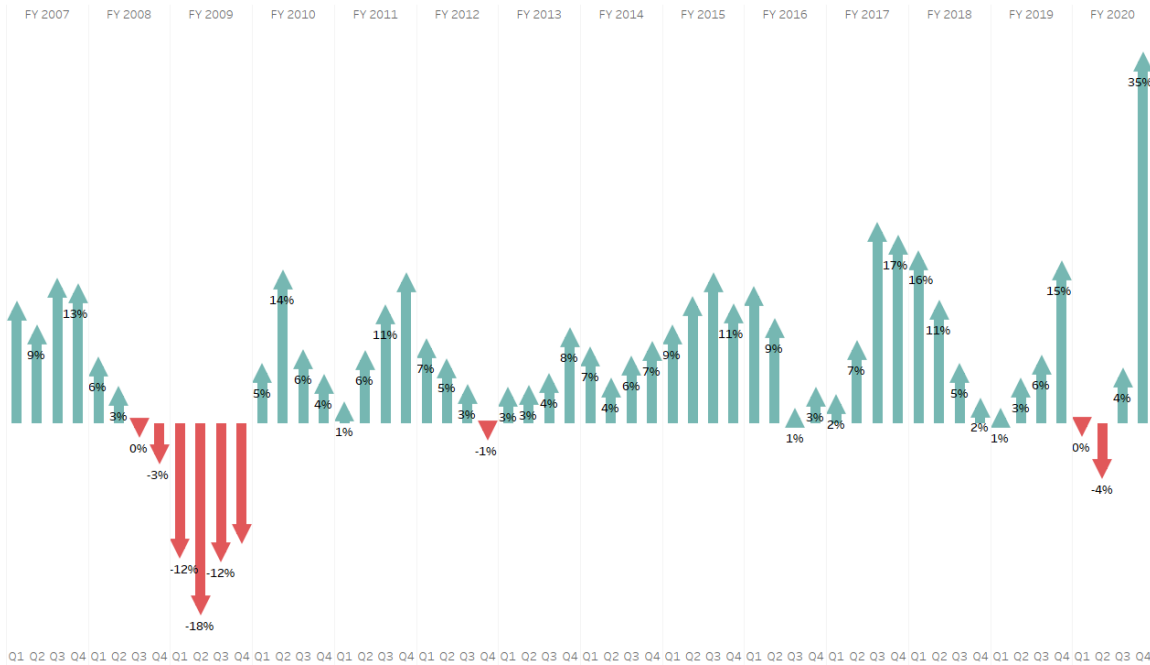


TM Filings - story of two halves

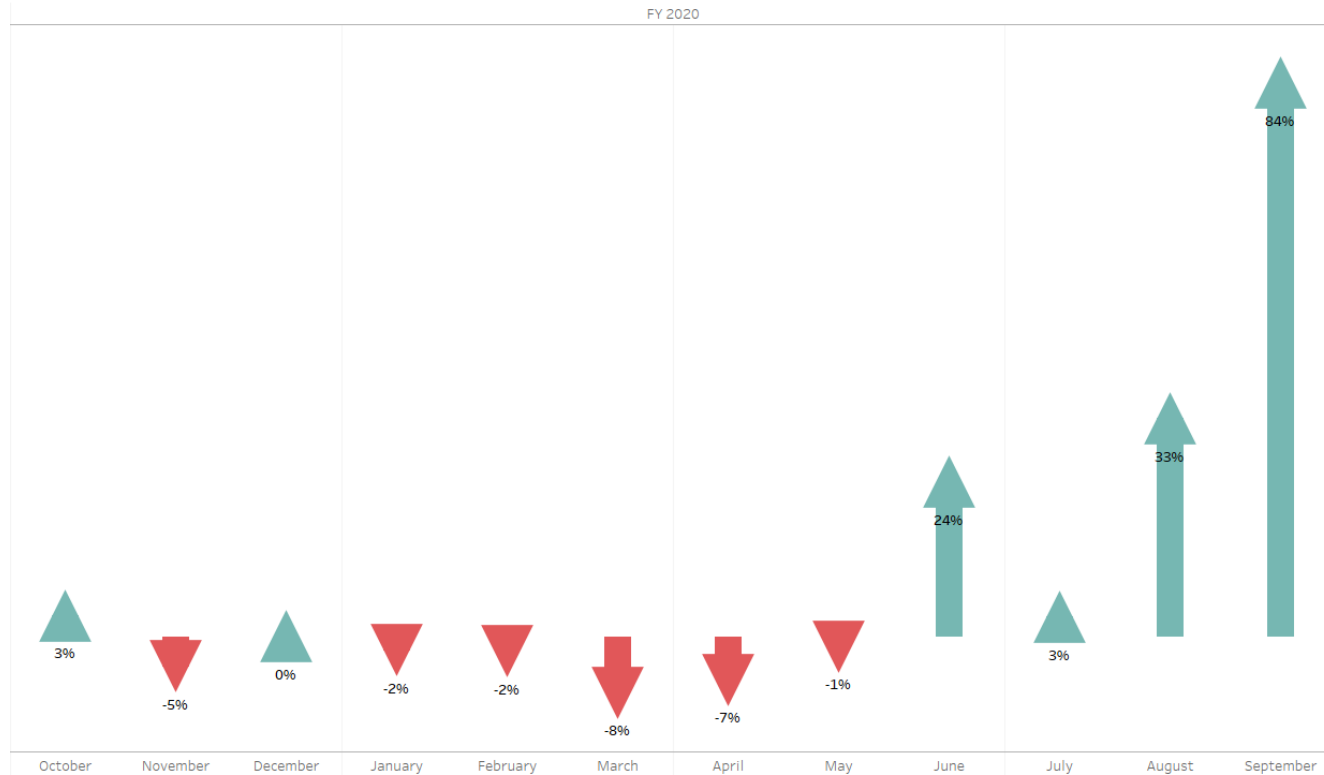
1st-half: first sustained negative growth

2nd-half: unprecedented growth

Year-Over-Year: Quarterly Growth

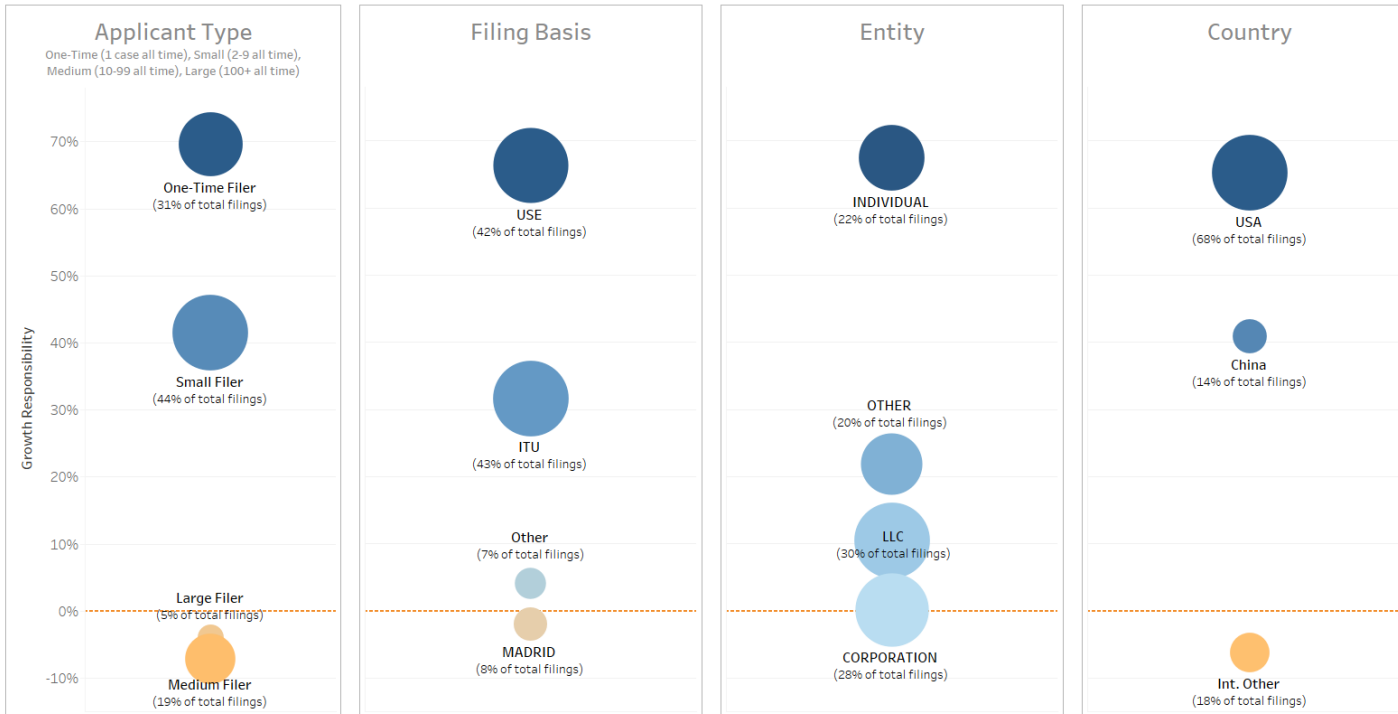


FY20 Year-Over-Year: monthly growth

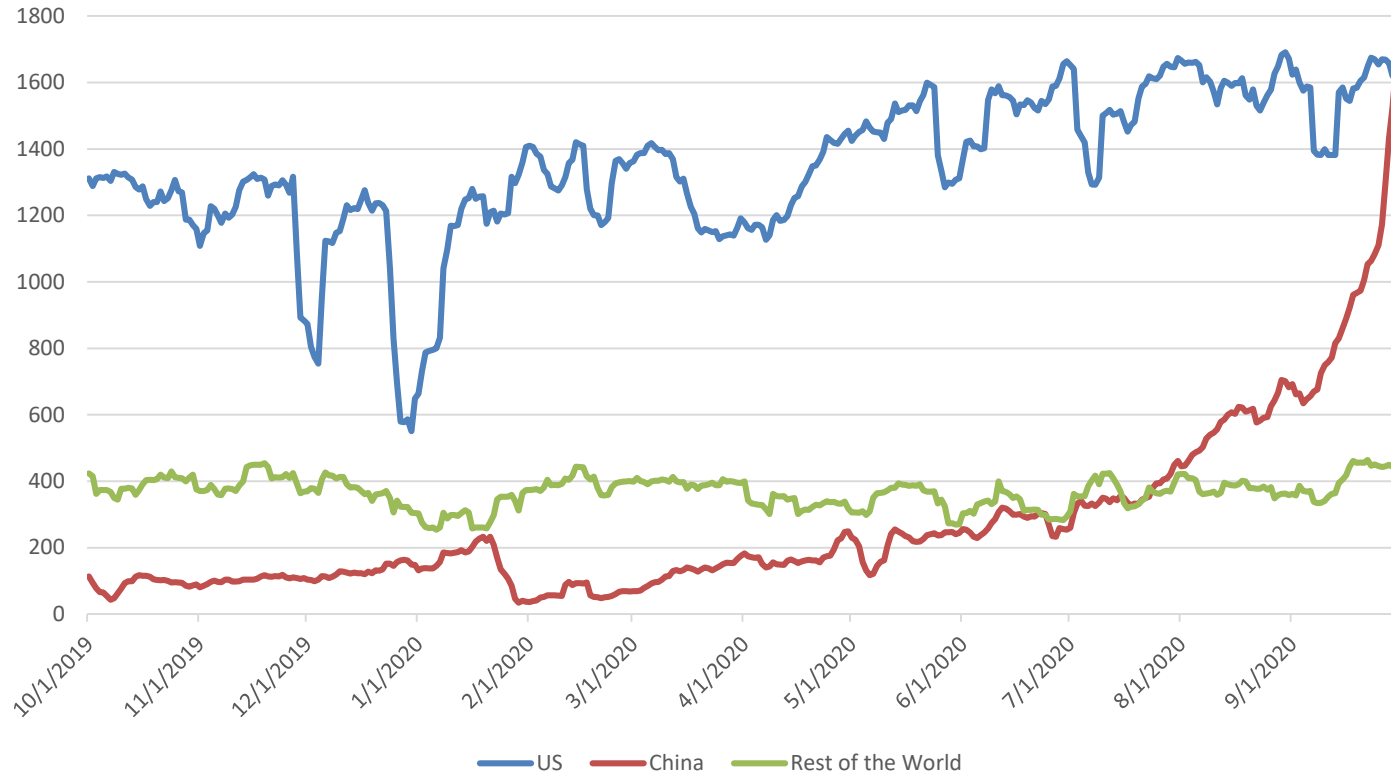


Who drove the growth in FY20?

Filers with less than 10 applications all-time; Use and ITU; Individuals; USA and China



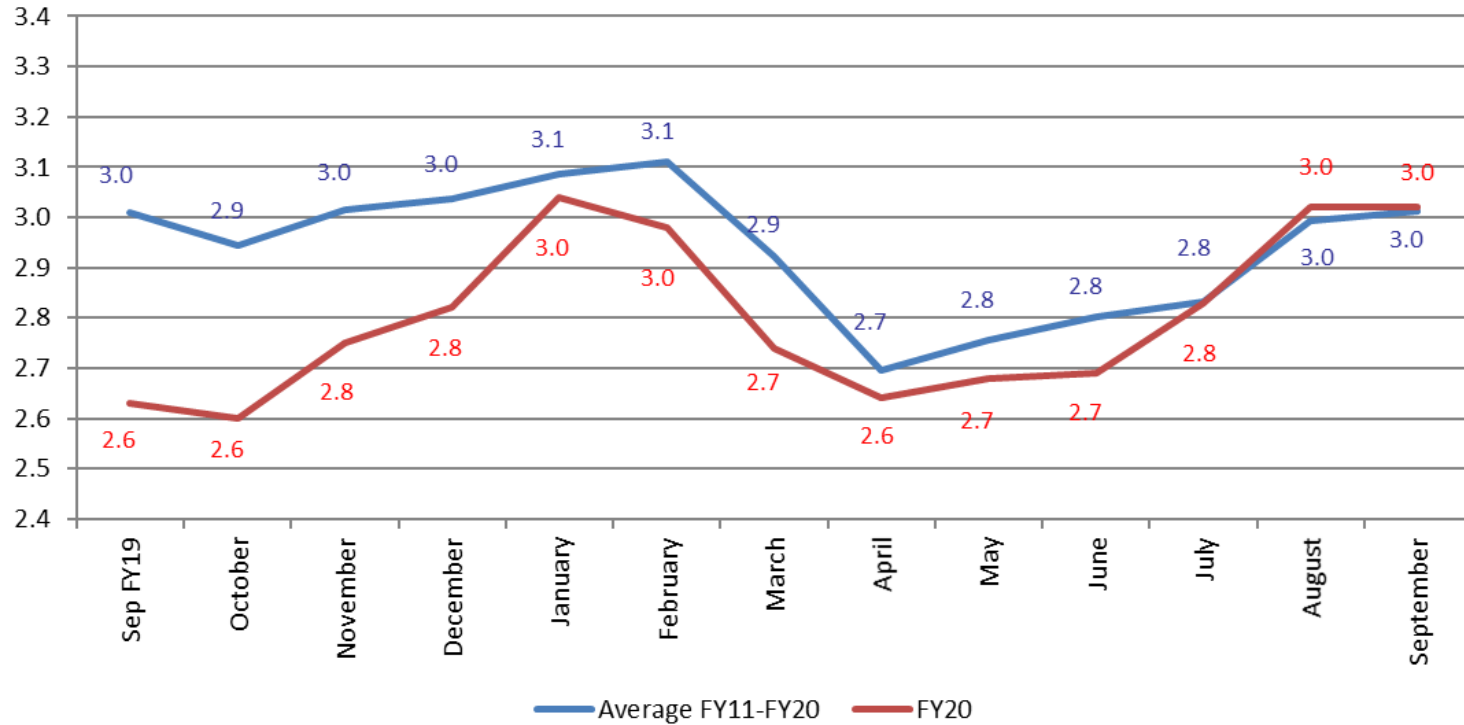
FY 2020 USPTO Application Filings from the US, China, and the Rest of the World



Trademarks performance: pendency

FY 2020 Trademarks performance measures	FY 2020 targets	FY2020 results
First action pendency First action pendency from date of filing to the first office action in months	2.5-3.5	3.0
Disposal pendency Disposal pendency from date of filing to issuance of a notice of allowance, registration, or abandonment — excluding suspended and inter partes proceedings	12.0	9.5

FY20 First action pendency vs. 10-year average



Trademarks performance: quality

FY 2020 Trademarks performance measures	FY 2020 targets	FY 2020 results
First action compliance In-process review evaluation of the statutory bases for which the USPTO raises issues and/or refuses marks for registration based on the first office action	95.5%	95.7%
Final action compliance In-process review evaluation of the statutory bases for which the USPTO raises issues and/or refuses marks for registration based on the examining attorney's approval or denial of the application	97.0%	98.1%
Exceptional office action Measure indicating the comprehensive quality of the first office action search, evidence, writing, and decision making	50.0%	51.0%

Trademarks financial performance

USPTO financial update

Jay Hoffman

Chief Financial Officer

UNITED STATES
PATENT AND TRADEMARK OFFICE



Agenda

- FY 2020 recap
- FY 2021 status
- FY 2022 budget
- Fee rulemaking and fee review

FY 2020 recap: Trademark financial results

<i>\$ in millions</i>	Trademark Adjusted Fee Collections	Trademark Expenses	Contribution to Operating Reserve
FY 2020 Plan (FY 2021 PB)	\$369	\$434	-\$65
FY 2020 Actuals	\$358	\$364	-\$6
<i>Variance (Actuals vs. FY 2021 PB Plan)</i>	-\$11	-\$70	-----

Actual fee collections

Are below the planned levels in the FY 2021 PB due to revenue volatility associated with the pandemic and also the delayed fee rule implementation (August 2020 vs. January 1, 2021)

Actual expenses

Are below the planned levels in the FY 2021 PB due to changes in production assumptions, reduction in costs as a result of reduced spending at the outset of the pandemic, and under execution of other planned spending



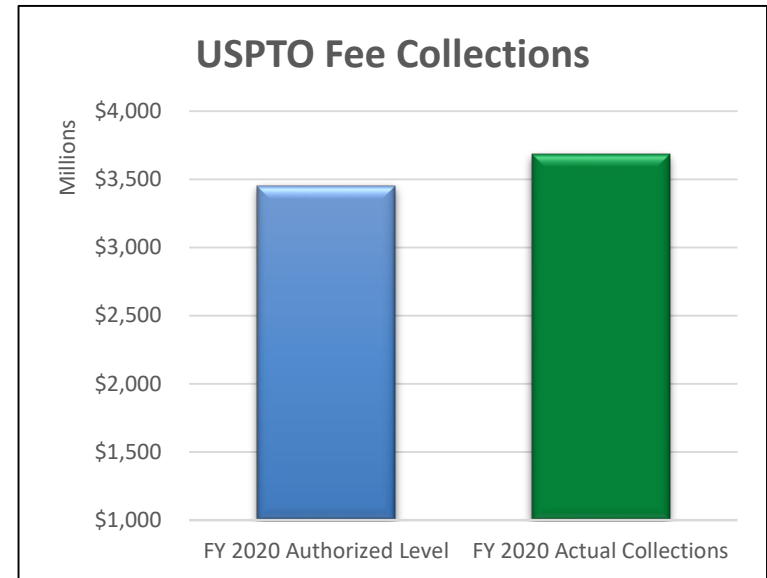
FY 2020 recap: Trademark Fee Collections

Total collections are \$3.68B, which is \$231.9M in excess of the FY 2020 spending authority of \$3.45B (appropriated amount).

The excess fees have been deposited in the Patent and Trademark Fee Reserve Fund (PTFRF) and are comprised of:

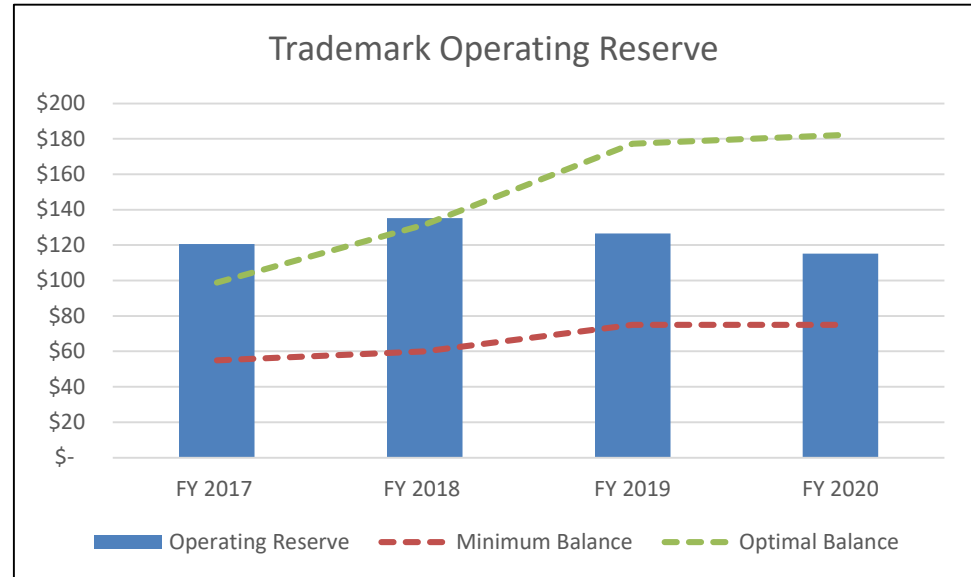
Trademarks: \$16.4M

Patents: \$215.5M

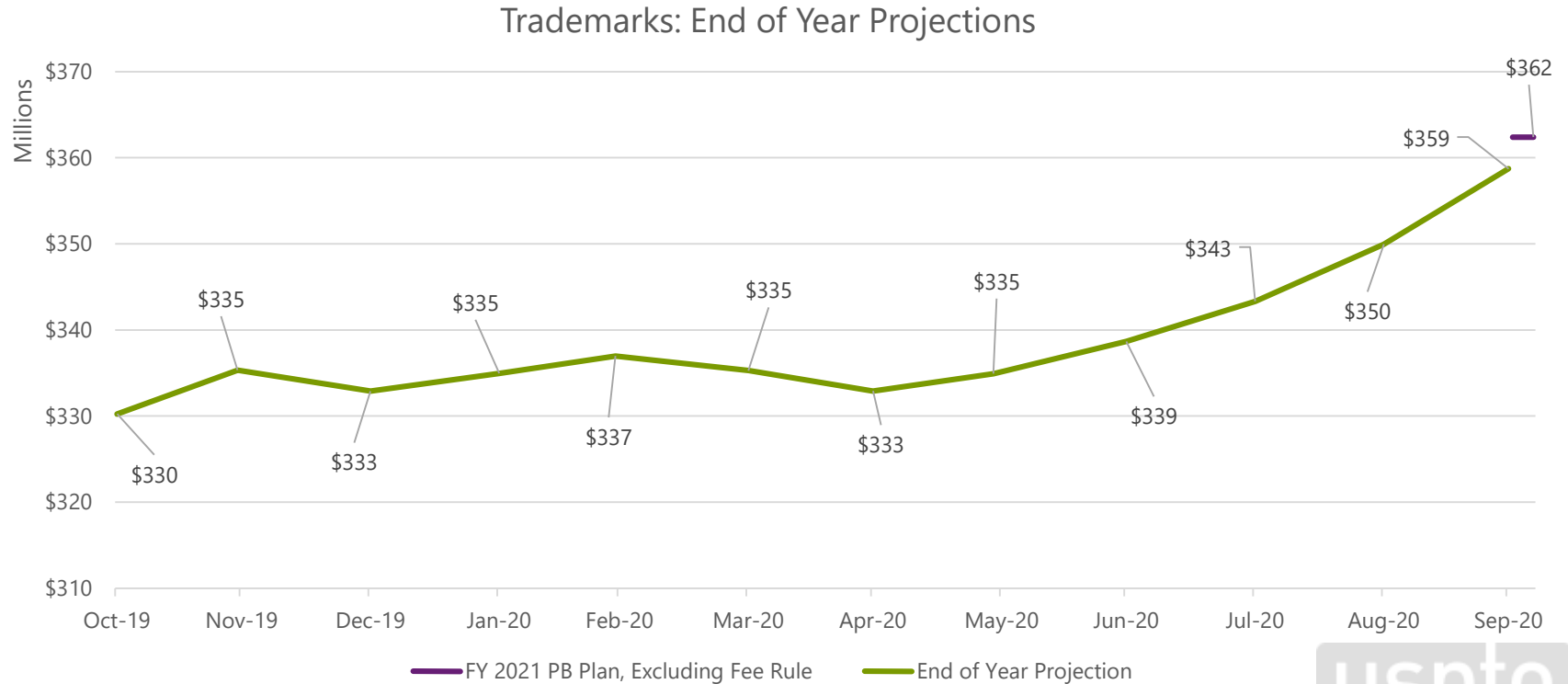


FY 2020 recap: Operating Reserve Balances

- Trademarks operating reserve at the end of FY 2020 was \$110M
- The reserve declined \$11M from FY 2019 end of year
- FY 2020 reserve targets were:
 - Minimum = \$75M
 - Optimal = 6 months of requirements

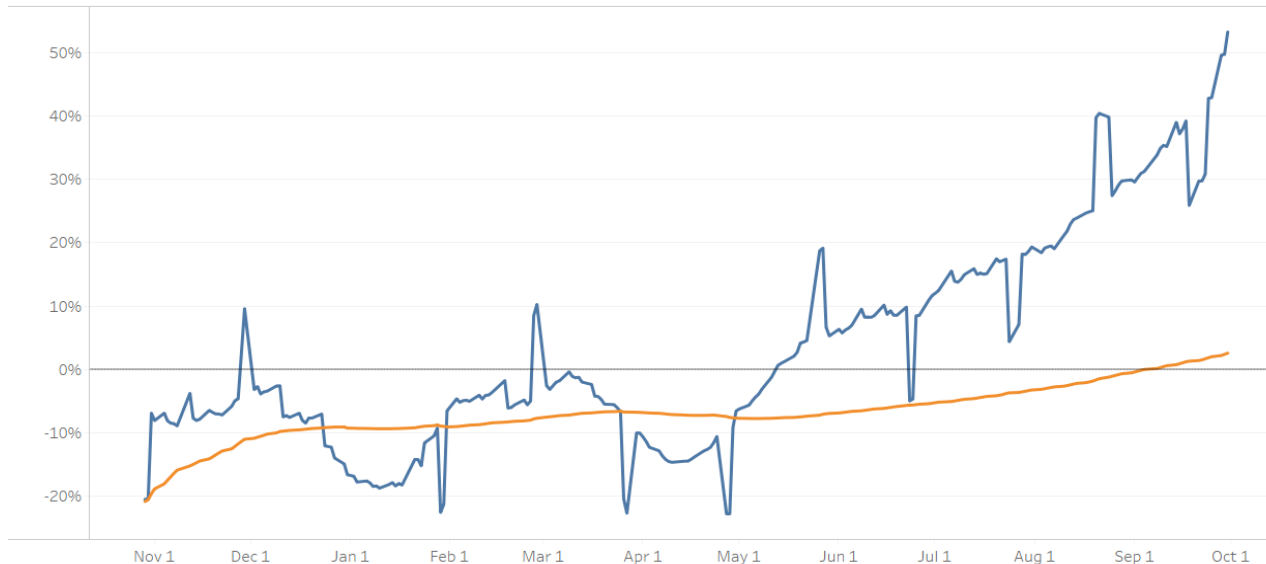


FY 2020 recap: Trademark seasonally adjusted revenue rate



FY 2020 recap: Trademark application filing revenue above/below plan

Trademark Applications: Above/Below (%) of Daily Collections vs End of Year Projections 20 Day Moving Averages



*Above Below Difference between FY2021 President's Budget Planning Assumption, excluding Fee Rule (\$362M) and Daily Collections.

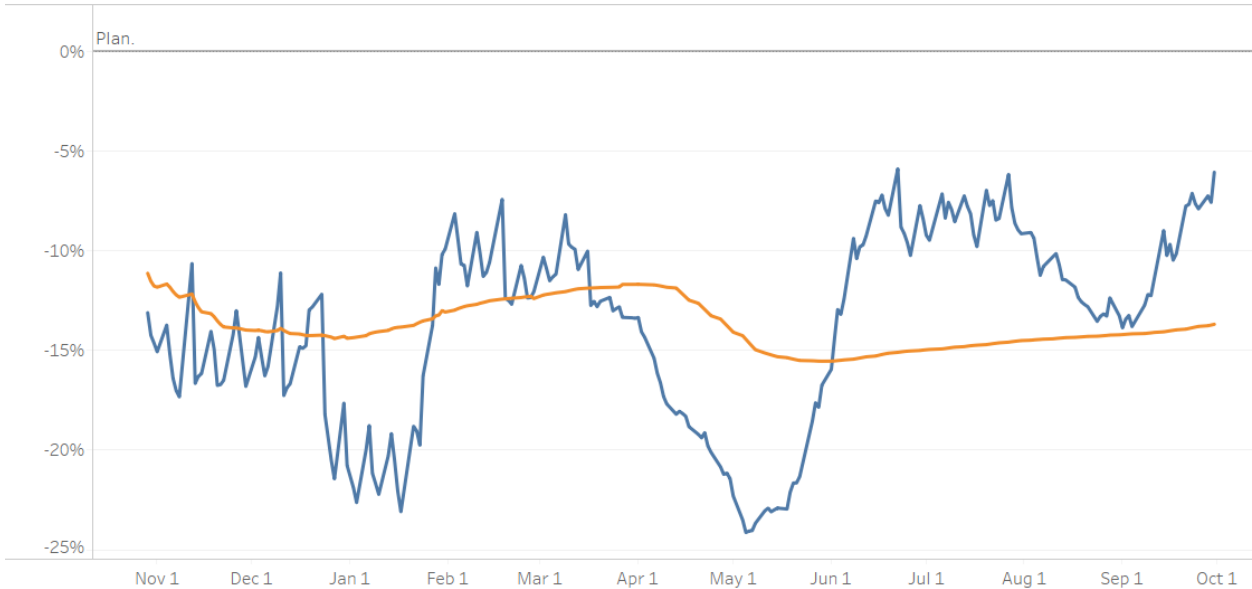
**Above Below Difference between end of year Patent projections and FY2021 President's Budget Planning Assumption, excluding Fee Rule (\$362M).

Measure Names
■ 20 Day MA Above/Below Plan in % (*)
■ EOY Projection 20 Day MA (**)



FY 2020 recap: Trademark renewal revenue above/below plan

Trademark Renewals: Above/Below (%) of Daily Collections vs End of Year Projections 20 Day Moving Averages



*Above Below Difference between FY2021 President's Budget Planning Assumption, excluding Fee Rule (\$362M) and Daily Collections.

**Above Below Difference between end of year Patent projections and FY2021 President's Budget Planning Assumption, excluding Fee Rule (\$362M).

Measure Names

- 20 Day MA Above/Below Plan in % (*)
- EOY Projection 20 Day MA (**)

FY 2021 status

<i>\$ in millions</i>	USPTO	Trademarks
FY 2021 PB Requested Authority	\$3,695.3	\$444.6
FY 2020 Enacted Level	\$3,450.7	\$341.3
<i>CR level (19.7% of FY 2020 Enacted)</i>	<i>\$680.8</i>	<i>\$67.3</i>
<i>+ Carryover and other income</i>	<i>\$523.2</i>	<i>\$116.9</i>
Total FY 2021 Spending Authority	\$1,204	\$184.2

- The current Continuing Resolution (CR) is through December 11, 2020.
 - The USPTO is held to an adjusted spending level calculated from the FY 2020 \$3.45B (plus carryover and other income).
- USPTO closely monitors its spending. Where possible, the Agency:
 - Defers requirements to later in the fiscal year
 - Incrementally funds contracts
- FY 2020 excess fees in the PTFRF \$16.4M will be available after the reprogramming request is approved



FY 2021 status:

Trademark financial outlook

Trademark revenues forecast is \$362.9M, based on the FY 2021 projection developed this past summer

Estimates assume the final fee rule will be effective by January 2021

There is uncertainty in the forecast

Trademark application demand has been strong and increasing since May 2020

USPTO will reevaluate estimates for the FY 2022 President's Budget; upward adjustment likely

Trademark expenses are \$393.9M in FY 2021



FY 2022 budget

The FY 2022 President's Budget request should be submitted to Congress on February 8, 2021

USPTO expects that appropriation hearings will be held for DoC's FY 2022 Budget by the House and Senate CJS subcommittees

Fee rulemaking and fee review

- USPTO is currently finalizing its trademark rulemaking package.
 - The spend plan assumes the final rule is effective by January 2021
- Later in FY 2021, the Agency plans to begin a biennial review of fees to ensure that the agency recovers the cost of the services it provides and maintains a modest operating reserve.



Thank you!

Jay Hoffman

jay.hoffman@uspto.gov

(571) 272-9200

www.uspto.gov

Trademarks fee rule

Fee rulemaking

Two-year process:

- TPAC public hearing on September 23, 2019
- Notice of Proposed Rulemaking published in the Federal Register on June 19, 2020
- Comment period ended on August 3, 2020

Notice is posted at [uspto.gov](https://www.uspto.gov) at:

<https://www.uspto.gov/about-us/performance-and-planning/fee-setting-and-adjusting#tmfee-info>

Fee rulemaking

Going forward:

- Reviewing comments and considering the economy
 - Adjusting where needed/appropriate
- Internal, DOC and OMB clearance
- Final publication
- Timeframe

Protecting the integrity of the U.S. trademark register

Protecting the Integrity of the TM register

- Recall that use in interstate U.S. commerce is required
 - To obtain and/or maintain U.S. registration
- To protect the integrity of the register
 - Ensure actual use in commerce is proven
 - In filings and renewals
 - Otherwise, register becomes cluttered with “dead wood”
- Three pronged approach
 1. Use of proper specimens
 2. Proof of Use Audit program
 3. U.S. Counsel rule

Protecting the TM register: Specimens

- Ensure legally acceptable specimens being used
 - Some applicants trying to submit computer generated, digitally altered and fake specimens
 - Examiners trained to spot and refuse them
 - AI-aided tool in development (ASAP)
 - Examination policy/procedure being revised
 - To protect good faith filers
 - Launching this month
- Reporting fake specimens
 - Email us: TMSpecimenProtest@uspto.gov
 - Letters of Protest

Protecting the TM register: Proof of Use Audit program

Why the need?

Overall program stats (Nov 2017–Sept 2020):

- 12,740 first actions issued by examiners on project
- 9,219 responses received
- 4,759 responses deleted goods/services/classes in response to audit
- 987 registrations that have been audited have since been cancelled

Proof of Use Audit program

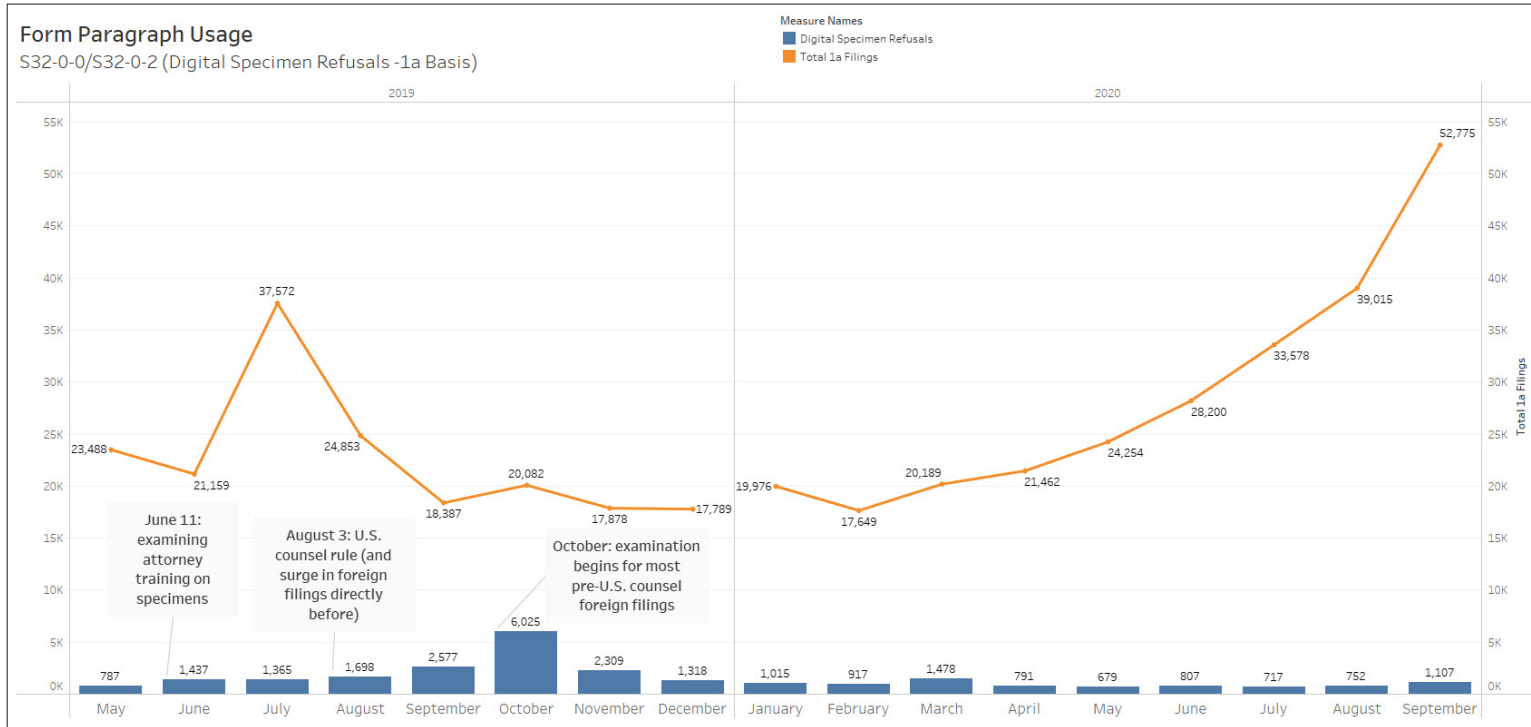
Deletions in registrations where either a response was filed deleting goods or services or the registration was cancelled (Nov 2017–Sept 2020):

FILING BASIS	PERCENT OF REGS W/ DELETED GOODS OR SERVICES
1(a)	52%
1(a) and 44(e)	68%
44(e)	69%
66(a)	70%

Protecting the TM register: U.S. Counsel Rule

- Non-U.S. applicants must use a U.S.-licensed attorney
 - To file documents with the USPTO
- Results:
 - Specimen refusals have decreased
 - TM owners report having to oppose fewer applications

Impact of U.S. Counsel rule on digitally altered specimens



Protecting the TM register: U.S. Counsel Rule

However, circumvention schemes are on the rise


- Unauthorized use of attorney information
- Improper signatures/use of credentials
- Mail drops and false domiciles
- False applicants
- Unauthorized changes of correspondence information

Combating the circumvention schemes

- PTO initiatives and tools
 - Developing policies, procedures, and technology solutions
 - Special task force
 - Show cause orders
 - Mandatory log in
- User tools
 - MyUSPTO account
 - USPTO app

User tools to monitor application and registration activity

- Tools enable users to search for trademark applications and registrations and monitor activity
- Choose from a variety of status change alerts
- Available in the Apple App Store and Google Play

- **MyUSPTO**
 - Set up an account and log in
 - Provides updates on status changes every 24 hours
- **USPTO app** 
 - Does not require a USPTO account
 - Provides updates on status changes in 15 mins or less

Helping our Customers

COVID-19 Stakeholder relief: Fee waivers & extensions

- Petition fee waivers and refunds
 - if the abandonment or cancellation occurred before June 30, 2020, *and* was a result of the COVID-19 outbreak
 - refunded the \$100 Petition to Revive fee in **163** applications
 - refunded or waived the \$100 Petition to the Director fee requesting relief under the CARES Act in **272** petitions
- Deadline extensions
 - Pursuant to authority granted under the CARES Act
 - for filings with due dates between March 27, 2020 and May 30, 2020, statutory deadlines were automatically extended until June 1, 2020
 - Petitions to accept a late filing for deadlines after June 1 are being considered on a case-by-case basis
 - 369 petitions received to date
 - Most are for acceptance of a Section 8 or 71 affidavit after the statutory deadline

COVID-19 Stakeholder relief: Priority examination

- On June 15, the USPTO announced a program to advance the initial examination of applications for marks used to identify qualifying COVID-19 medical products and services
 - USPTO will waive petition fee
 - To date, we have received 191 petitions
 - 92 granted, 12 pending
 - 65% published or approved for publication
 - Additional information and FAQs are on the USPTO website at: www.uspto.gov/trademark/laws-regulations/covid-19-petition-prioritize-applications



Protecting our Customers

Protecting customers: TM scams

- Scams proliferating
 - Just like other forms of TM piracy
- USPTO has limited enforcement authority, but...

TM Scams: USPTO actions

➤ Education and outreach

- Webpage resources with listing of known solicitation scams
- Warnings to filers in Office actions and at registration
- Topic of discussion at events with bar groups and business owners
- Dedicated mailbox to report solicitations to USPTO:
TMScams@uspto.gov

➤ Interagency cooperation

- (USPTO, DOJ, USPIA, and FTC)
- [*United States v. Suhorukovs*, No. 6:20-cr-00210-DCC \(D.S.C.\)](#)

Trademarks initiatives

New initiatives & guidance

- e-Registration certificate initiative
- Generic.tld Exam Guide

Trademarks Business FY21 Priorities

FY 2021 Priorities

- Keep our employees safe, supported, and engaged
- Ensure our performance continues to meet our pendency and quality objectives
- Drive the key FY21 initiatives that support our customers
 - CARES Act programs continue in effect
 - Fighting challenges to the integrity of the TM register
 - Stabilizing and modernizing public and private TM IT systems
- Ensure our trademark organization has
 - Optimum organizational structure; and
 - Adequate funding...

To achieve these priorities and meet our longer term strategic objectives





Thank you!

David S. Gooder

Commissioner for Trademarks

www.uspto.gov

Office of Policy and International Affairs Update

Amy Cotton

Senior Counsel for Trademarks

UNITED STATES
PATENT AND TRADEMARK OFFICE



WIPO Madrid Working Group

- Rule changes
 - Email addresses (Feb 1, 2021)
 - Appointment of representative (Nov 1, 2021)
 - Excuse in delay in meeting time limits (Nov 1, 2021)
 - New means of representation (Feb 1, 2023)
 - Partial replacement (Nov 1, 2021)
- Languages

ICANN 69

- WHOIS
- DNS abuse
- Rights Protection Mechanisms Working Group

TM5

- Updates on 15 projects
- New Project Proposal: Joint Communication Action (EUIPO and KIPO)
- TM5 user session

OPIA TM meetings/webinars

Nov 2-3: WIPO virtual meeting of the Lisbon Union/Geneva Act Working Group

Nov 3: Georgia/Sakpatenti webinar on TTAB practice

Nov 4-5: Bhutan IP office webinar on relative examination

Nov 9-13: WIPO virtual meeting of the Committee on Development in IP

Nov 17-20: Virtual meeting of Argentina-US Innovation and Creativity Forum

Nov 18: China/CNIPA webinar on Advanced trademark examination

Nov 23-26: WIPO virtual meeting of the Standing Committee on Trademarks

Nov 23: Afghanistan webinar on trademark examination and advanced procedural issues

Dec 3: Webinar with Israel Trademark Office webinar on trademark office developments

Dec 8: Webinar with ARIPO on trademark "hot topics"



Legislative/governmental affairs update

Branden Ritchie

Director, Office of Governmental Affairs

Kimberly Alton

Deputy Director, Office of Governmental Affairs

UNITED STATES
PATENT AND TRADEMARK OFFICE



Legislative activity

116th Congress

- **Telework for U.S. Innovation Act (H.R. 7448/S. 4138)**
 - Would make the USPTO's authority to conduct TEAPP permanent
 - Update
- **Trademark Modernization Act 2020 (H.R. 6196/S. 3449)**
 - Update
 - China Task Force Act (H.R. 12) – Comprehensive legislation to respond to threats from China, which includes the Trademark Modernization Act
- **Stopgap funding (H.R. 8319)**
 - Extends government funding through December 11, 2020

116th Congress

- State Sovereign Immunity Study
 - In response to a request from Congress, the USPTO is “study[ing] the extent to which patent or trademark owners are experiencing infringement by state entities without adequate remedies under state law”
 - The USPTO will be issuing a Federal Register Notice seeking information and relevant evidence from external stakeholders, including the states, IP owners, and others in the coming weeks

Legislative activity

116th Congress

- USPTO's legislative priorities
 - IP attaché rank
 - TEAPP extension
 - Monitor/provide technical assistance regarding pending trademark-related legislation



Thank you!

Branden Ritchie

Office of Government
Affairs and Oversight

branden.ritchie@uspto.gov

571-272-7300

www.uspto.gov

Trademark Trial and Appeal Board (TTAB) update

Gerard Rogers

TTAB Chief Judge

UNITED STATES
PATENT AND TRADEMARK OFFICE



Cumulative increases FY17-FY19

- Ex parte appeals up 6.8%
- Extensions to oppose up 7.6%
- Oppositions up 18.3%
- Petitions to cancel up 31.3%

FY 2020 TTAB incoming filings

FY 2020 TTAB incoming filings	FY 2019 EOY results	FY 2020 Full Year	Rate of Change
TYPE OF FILING Notices of appeal Extensions of time to oppose Notices of opposition Petitions to cancel	3,333 20,502 6,955 2,426	3,487 18,893 6,712 2,501	+4.6% -7.8% -3.5% +3.1%

FY 2020 TTAB performance: contested motions

FY 2020 TTAB performance: Contested motions	FY 2019 EOY results	FY 2020 Target	FY 2020 full year	Variance
<p>PENDENCY – Contested motions</p> <p>(1) Measured from ready-for decision until mailing; average of orders on contested motions, excluding precedents, issued during reporting period</p>	11.5 weeks	8-12 weeks (target)	12.4 weeks	Above target range
<p>INVENTORY – Contested motions ready for decision</p> <p>The number of cases with contested motions in which briefing was completed, becoming ready for decision, as of the end of the reporting period</p>	242		213	12% decrease

Attorney achievements FY20

- Increased decisions issued by 7%
- Increased motions resolved by 8.6%
- FY20 average pendency—within goal Q3
- Q4 cleared 30+ previously undocketed motions to start FY21 with none over goal

Trends—cases ready for decision

Final decisions on merits appeals and trial cases	FY17	FY18	FY19	FY20
Maturing to Ready for Decision (change from prior year) (appeals/trials) (percent trials)	679 (-1.2%) (517/162) (23.9%)	650 (-4.3 %) (473/177) (27.2%)	744 (+14.5%) (514/230) (29.9%)	681 (-8.5%) (523/158) (23.2%)
Awaiting decision at end of period (appeals/trials) (percent trials)	93 (+12%) 65/28 (30.1%)	130 (+39.8%) (74/56) (43.1%)	206 (+58.5%) (123/83) (40.3%)	126 (-23.3%) (118/40) (25.3%)

FY 2020 TTAB performance: final decisions

FY 2020 TTAB performance: Final decisions	FY 2019 EOY results	FY 2020 target	FY 2020 Full Year	Variance
<p>PENDENCY – Final decisions in ex parte appeals Average time to issuance, measured from ready for decision date until mailing for final decisions, excluding precedents, in appeal cases decided during reporting period</p>	12.7 weeks	10-12 weeks (target)	11.7 weeks	within target range
<p>PENDENCY – Final decisions in trial cases Average time to issuance, measured from ready for decision date until mailing for final decisions, excluding precedents, in trial cases decided during reporting period</p>	15.3 weeks	12-15 weeks (target)	17.7 weeks	above target range

ATJ achievements FY19-20

- Increased production 11.3% & 12%
- Trial cases decided 203 and 200
- FY20 average pendency–appeals above 10-12 week goal Q1 and Q2, below goal Q3 and Q4
- FY20 average pendency–trials above 12-15 week goal Q1 and Q2, within goal Q3 and Q4

FY 2020: TTAB performance: End-to-end processing times

FY 2020 TTAB performance: End-to-end processing times	FY 2019 EOY results	FY 2020 full year	Variance
TOTAL PENDENCY Average total pendency, commencement to completion, excluding precedents			
Appeals (448 in FY19; 529 decided FY20)	40.5 weeks	44.7 weeks	+10.4%
Trial cases (203 in FY19; 200 decided FY20)	160.6 weeks	146.6 weeks	-8.7%
ACR trial cases (27 decided in FY19; 20 decided FY20)	126.2 weeks	101.3 weeks	-19.7%

TTAB IT issues–addresses/email

- Problem: Most returned Board email comes from address(es) not in any TTAB records.
- Fix: **Avoid auto-forwarding to unlisted email addresses. Instead, list the address as a secondary (CC) email using ESTTA change of address form.**
- Problem: ESTTA filing receipts and other notifications often returned as SPAM.
- Fix: ESTTA email comes from estta@uspto.gov (for party primary email) or esttanoreply@uspto.gov (for secondary (CC) email)–set SPAM filters accordingly.



TTAB IT issues—counsel

- Common problems:
 - TTAB institutes cancellation, listing registrant address as correspondence address, but attorney enters appearance only in registration through trademarks.
 - TTAB grants attorney withdrawal, new counsel enters appearance only in application/registration, not at Board.
 - Counsel “appears” by filing answer, or a consent motion, or revocation/power of attorney as a “general filing.” Use ESTTA correspondence update form instead.

TTAB IT issues—counsel

- Attorneys need to update correspondence and bar information with TTAB for application/registration in Board proceeding. Don't rely on "roll over" from entry via TEAS.
- Attorneys representing U.S. domiciled parties need to check ESTTA box noting client is represented, to be taken to screen for updating correspondence and bar information. (Only non-U.S. domiciled parties forced to that screen.)
- Check files commenced prior to July 2, 2020. If bar information is missing, enter it.



TTAB IT—steps we are taking

- Daily monitoring of correspondence updates in Trademarks for applications or registrations involved in Board proceedings.
- Minimizing our requests for bar information by checking Trademark or other TTAB records from July 2, 2020 or later.
- Performing “whereabouts” search when defendant’s email institution notices returned as undeliverable, to prevent premature notices of default/default judgment.

TTAB IT—use the Reading Room

- TTAB Reading Room replaced e-FOIA webpage August 1.
- Search final decisions and precedential decisions/orders.
- Search by date, issue involved, or other criteria, or by text.
- URL: <https://e-foia.uspto.gov/Foia/TTABReadingRoom.jsp>
- Provide feedback via TTABFeedback@uspto.gov (suggestions will be considered for future releases).

Trademark IT update to the Trademark Public Advisory Committee (TPAC)

Eunice Wang

Trademark Product Line Manager
(acting)

UNITED STATES
PATENT AND TRADEMARK OFFICE



A year in review: major milestones

- Supported the USPTO's COVID-19 efforts
 - System changes to support the Coronavirus Aid, Relief, and Economic Security Act (CARES Act)
 - System changes to support the COVID-19 prioritized Trademark examination program
- Strengthened security with two-step authentication login for TEAS
- Decreased number of paper filings through mandatory electronic filing
- Increased system uptime and performance through stabilization efforts of Trademark and TTAB systems



Activity since last TPAC meeting

- **Delivered business value**
 - Developed new Trademark Trial and Appeal Board (TTAB) Reading Room to replace the former TTAB e-FOIA webpage
 - Masked owner email address in the Change Address or Representation (CAR) form to reduce solicitations
 - Deployed new dedicated-field Response to Office Action for Post-Registration Matters form to streamline document processing
 - Required new TSDR API key to download bulk data in order to reduce system downtime which included feedback from API beta participants
- **Improved technology**
 - Continued stabilization efforts for Trademark and TTAB systems
 - Completed stabilization of Madrid, involving over 30 teams with an impact to more than 20 dependent systems

Road ahead

- Continuing improvements
 - Login phase 2: Identity verification to reduce suspicious filings
 - Trademark system modernization and stabilization as directed by business priorities, subject to financial resources
- Transformation
 - Utilize the DevSecOps model

Closing remarks

David Gooder

Commissioner for Trademarks

UNITED STATES
PATENT AND TRADEMARK OFFICE



