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

Please send all questions via email to TPAC@uspto.gov
Introduction and welcome by TPAC Chair

Chris Kelly
Chair, Trademark Public Advisory Committee
March 12, 2021
Swearing in of new members and Opening remarks

Drew Hirshfeld
Performing the Functions and Duties of the Under Secretary of Commerce for Intellectual Property and the Director of the United States Patent and Trademark Office
Welcome new TPAC members

• David J. Cho
  – Assistant Vice President Senior Legal Counsel - Trademarks and Copyrights at AT&T Inc.

• Tracy L. Deutmeyer
  – Shareholder with the firm of Fredrikson & Byron, P.A.

• Jomarie B. Fredericks
  – Deputy General Counsel and Chief Intellectual Property and Brand Counsel at Rotary International and the Rotary Foundation
Trademark Office performance

David Gooder
Commissioner for Trademarks
Agenda

• Trademark Office update
  • TM Business operations metrics
  • TM Business financial performance
  • TM FY21 priorities
• OCIO update
• OGA update
• OPIA
• TTAB
TM business performance
Trademark Office leadership – New faces

• Dan Vavonese
  – Deputy Commissioner for Trademark Operations

• Amy Cotton
  – Deputy Commissioner for Trademark Examination Policy
Trademarks Office staffing

- 962 Trademarks employees (7% of USPTO)
- 639 examining attorneys (65% of Trademarks)
- 100% of employees have the option to telework during the pandemic

1% Executives
9% Managers/Supervisors
65% Examining Attorneys
13% Staff Attorneys
1% TM Admins/Info Specialists/Secretaries
4% Paralegals/Specialists/ LIEs
1% Librarians
6% Program/Business/Web/Visual Info Analysts
Trademark monthly filings vs. S&P 500 monthly average closing price
Trademark application filing levels

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

FY 2021 year to date: 416,708 classes
FY20 TM filings – A tale of two halves

1st-half: first sustained negative growth we’ve seen since Great Recession
2nd-half: unprecedented growth
FY21 Daily trademark application filings
Actuals compared to plan (789,000 classes)
FY21 Daily trademark application filings
Actuals compared to plan (789,000 classes)
76% of all cases:
Filed by applicant with less than 10 applications all-time
Who is driving the surge

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

Applicant Type
One-Time (1 case all-time), Small (2-9 all-time), Medium (10-99 all-time), Large (100+ all-time)

Filing Basis
USE
(54% of total filings)

Small Filer
(44% of total filings)

One-Time Filer
(32% of total filings)

Filer
(20% of total filings)

Large Filer
(5% of total filings)

Medium Filer
(20% of total filings)

ITU
(34% of total filings)

Other
(6% of total filings)

MADRID
(0% of total filings)

Entity
INDIVIDUAL
(20% of total filings)

CORPORATION
(23% of total filings)

LLC
(20% of total filings)

OTHER
(21% of total filings)

Country
USA
(56% of total filings)

China
(29% of total filings)

Int. Other
(15% of total filings)
## Trademarks performance: quality

<table>
<thead>
<tr>
<th>FY 2020 Trademarks performance measures</th>
<th>FY 2021 targets</th>
<th>FY 2021 Results*</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>First action compliance</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>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</td>
<td>95.5%</td>
<td>95.8%</td>
</tr>
<tr>
<td><strong>Final action compliance</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>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</td>
<td>97.0%</td>
<td>98.8%</td>
</tr>
<tr>
<td><strong>Exceptional office action</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Measure indicating the comprehensive quality of the first office action search, evidence, writing, and decision making</td>
<td>50.0%</td>
<td>52.3%</td>
</tr>
</tbody>
</table>

*through Mar 4, 2021*
Trademarks business FY21 priorities
Trademarks Priorities
FY2021

TM EVO 2021
Trademarks Priorities
FY2021

- Attack the application surge
- TM EVO 2021
- Implement the TMA
- Intensify IT modernization
- Boost TM register protection
Trademarks filings surge 2021

Dan Vavonese
Deputy Commissioner for Trademark Operations
The surge of 2021

• How big a surge
• What’s causing it
• What’s the impact
• What are we doing about it
Unexamined Application Inventory (Classes)

- 100,000
- 125,000
- 150,000
- 175,000
- 200,000
- 225,000
- 250,000
- 275,000
- 300,000
- 325,000
- 350,000
- 375,000
- 400,000

- 10/15/2016
- 1/15/2017
- 4/15/2017
- 7/15/2017
- 10/15/2017
- 1/15/2018
- 4/15/2018
- 7/15/2018
- 10/15/2018
- 1/15/2019
- 4/15/2019
- 7/15/2019
- 10/15/2019
- 1/15/2020
- 4/15/2020
- 7/15/2020
- 10/15/2020
- 1/15/2021
- 4/15/2021
- 7/15/2021

376,821
FY21 First action pendency vs. 10-year average
# Trademarks performance: Pendency

<table>
<thead>
<tr>
<th>FY 2021 Trademarks performance measures</th>
<th>FY 2021 Targets*</th>
<th>FY 2021 Actual</th>
<th>Feb 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>First action pendency</strong>&lt;br&gt;First action pendency from date of filing to the first office action in months</td>
<td>2.5 – 4.5</td>
<td>3.8</td>
<td>4.5</td>
</tr>
<tr>
<td><strong>Disposal pendency</strong>&lt;br&gt;Disposal pendency from date of filing to issuance of a notice of allowance, registration, or abandonment – <strong>excluding</strong> suspended and <strong>inter partes</strong> proceedings.</td>
<td>12.0</td>
<td>9.7</td>
<td>9.8</td>
</tr>
</tbody>
</table>

*Pendency target adjusted from 2.5 – 3.5 to 2.5 – 4.5 in October 2020*
What is causing the surge

• Growth of on-line sales
  – And registration as a requirement to join brand registry programs

• Chinese government subsidies
  – Notably in Guangdong province

• Anticipation of USPTO fee increase in FY21

• Chinese/US law firms/lawyers
  – Marketing filings directly to Chinese SMEs
Impact of the surge: Processing backlogs

• New applications uploaded into TSDR and TESS systems
  • Typically processed within one week
  • In rare situations, it is taking longer; contact TEAS team directly at TEAS@uspto.gov

• First action pendency (target between 2.5 and 4.5 months from filing)
  • Historically, around 3 months from filing to first action
  • Now taking between 4 and 5 months

• Processing of amendments and responses to office actions
  • Typically processed within 14 days
  • Now taking approximately 90 days or more
Filings surge: What actions we are taking

• Reorganized workloads among staff
• Hiring 50 examining attorneys
  • April start
• IT solutions and process improvements
• Notices on our external sites
• Launching monthly pendency metrics
  • Will provide regular updates
  • Users can check processing timeframes
## Pendency metrics: Processing wait times

<table>
<thead>
<tr>
<th>Backlog/Processing Delays (as of Feb 2021)</th>
<th>Pendency Target</th>
<th>Current Pendency</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Pre-Examination Unit</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TEAS</td>
<td>10 days</td>
<td>60 days</td>
</tr>
<tr>
<td>MADRID</td>
<td>10 days</td>
<td>2 days</td>
</tr>
<tr>
<td><strong>Examination Support Unit (ESU)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amendment entry</td>
<td>14 days</td>
<td>102 days</td>
</tr>
<tr>
<td><strong>Intent to use</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Extension requests</td>
<td>15 days</td>
<td>12 days</td>
</tr>
<tr>
<td>Statement of use</td>
<td>15 days</td>
<td>16 days</td>
</tr>
<tr>
<td>Divisional requests</td>
<td>15 days</td>
<td>11 days</td>
</tr>
<tr>
<td><strong>Petitions Office</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Letters of protest</td>
<td>60 days</td>
<td>58 days</td>
</tr>
<tr>
<td><strong>Post Registration</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Affidavits of Use/incontestability</td>
<td>30 days</td>
<td>66 days</td>
</tr>
<tr>
<td>Renewals</td>
<td>30 days</td>
<td>66 days</td>
</tr>
<tr>
<td>Amendments/Corrections</td>
<td>30 days</td>
<td>21 days</td>
</tr>
</tbody>
</table>
Implementation of the Trademark Modernization Act 2020

Amy Cotton
Deputy Commissioner for Trademark Examination Policy
Register protection

• Trademark Modernization Act (TMA) provides us with updated tools
  – Letters of protest
  – Flexible response period
  – New nonuse cancellation mechanisms
Letters of protest

• Third parties may submit for consideration for inclusion in the record evidence relevant to a ground for refusal of registration.
  – Two-month deadline
  – $50 per submission
Flexible response period

• Increase examination efficiency.
  – Authority to shorten six-month response period, but not less than 60 days
  – Extensions available up to full six months
  – Fee for extensions
Nonuse cancellation mechanisms

• New proceedings available
  – Expungement
    • Targets trademarks that have never been used in commerce.
      – Also available as a new claim at the Trademark Trial and Appeal Board (TTAB).
  – Reexamination
    • Targets trademarks that were not in use on or before the “relevant date.”
Nonuse cancellation mechanisms

• Petition/request requirements:
  – Identify registration
  – Identify each good or service challenged
  – Include verified statement regarding reasonable search conducted
  – Include supporting evidence
  – Pay fee
Nonuse cancellation mechanisms

• Who may initiate?
  – Any person
  – The Director

• What may be challenged?
  – Expungement: Sections 1, 44, or 66
  – Reexamination: Section 1
Nonuse cancellation mechanisms

• When may they be filed?
  – Expungement: between 3-10 years after registration
  – Reexamination: between 0-5 years after registration

• What are the available remedies?
  – Cancellation in whole or in part
Nonuse cancellation mechanisms

• What is the appeal process?
  – From the Director to the TTAB and then to the Court of Appeals for the Federal Circuit

• What prevents abuse of the process?
  – Estoppel as to the same goods or services
Nonuse cancellation mechanisms

• Rules
  – Must include:
    • What constitutes reasonable investigation
    • What constitutes acceptable types of evidence
  – May include:
    • Response and extension times
    • Limits on timing and number of petitions
    • Relationship to other proceedings
TMA implementation

- Notice of Proposed Rulemaking
  - Spring, 2021
- Deadline for implementation
  - December 27, 2021
USPTO resources and feedback

• USPTO external site

• USPTO feedback
  – Send input to TMFeedback@uspto.gov
Boosting register protection

David Gooder and Amy Cotton
Register protection: Integrity + Accuracy

• Why does accuracy matter?
  – Trademark register is meant to be a reliable reflection of marks in use in commerce
  – Inaccurate or improper use claims:
    • Could result in loss of registration
    • Contribute to a cluttered trademark register
    • Diminish the register’s utility to business and public
Register protection

• Why does register integrity matter?
  – Obtaining registration by improper means gives bad actors an unfair advantage over competitors
  – Challenging improperly granted registrations is costly for businesses
  – Scams aimed at USPTO harms customers and erodes trust
“Bad behavior”

Sloppy behavior

• Overclaiming
• Improper specimens
• Improper appointment of attorneys
• Unauthorized practice of law

Sleazy behavior

• False domicile
• Fake names
• Unauthorized change of correspondence address
• Credit card charge backs
• Scams/solicitations
Register protection

- Battle bad behavior
  - Special task force
    - Fighting the suspicious activities and scams
  - LEA cooperation
  - Education + Outreach
  - Database login

- Improve accuracy
  - U.S. counsel rule
  - Specimen refusals
  - Post-registration audit
  - TMA
Current TM register protection team

• Primary Trademarks Team:
  ▪ Leader: Former examiner + policy experience
  ▪ Supporting attorneys and analysts

• Plus
  • OGC
  • OED
  • CIO
  • OCCO
Current TM BP workflow

- Suspicious application identified
  - Applicant or attorney complaint
  - Data analytics finding
  - STIA review of related matters

Special task force investigation

- Examining attorney
  - TM Policy and Petitions on call
  - Trademark Assistance Center

- Criminal fraud
  - Attorney misconduct
  - Rule violations
  - Intentional rule violations

- USPTO OGC
  - Office of Enrollment and Discipline
  - State Bar

- Managing attorneys
  - Examiners attorneys
  - Office actions

- Commissioner for TMs
  - Show cause orders
  - Exclusion or termination orders
Law enforcement agency cooperation

> Interagency cooperation
  - USPTO, DOJ, USPIS, and FTC

> Cooperation w/non-US law enforcement

> Noteworthy actions
Education + Outreach

- Webpage resources
  - Listing of known solicitation scams
- Warnings to filers
  - in Office actions and at registration
- Topic of discussion
  - Blogs, bar groups, and brand owners
- Dedicated mailbox
  - to report solicitations: TMScams@uspto.gov
Additional resources

New filers:
• USPTO Trademark Basics Boot camp
• USPTO.gov/trademarks/basics
  o Video series
• Law School Clinic program

Experienced filers:
• Advanced practitioner seminars
  o March 30: Specimens of Use
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
  o Set up an account and log in
  o Provides updates on status changes every 24 hours

• USPTO app
  o Does not require a USPTO account
  o Provides updates on status changes in 15 mins or less
Greg Dodson
Deputy Commissioner for Trademark Administration

IT modernization
Trademark “Future IT” Update

• Vendors selected
  o Alliant 2 contract vehicle let late December 2020
  o Four highly-qualified IT firms chosen
    - Accenture Federal Services (Accenture)
    - Booz Allen Hamilton (Booz Allen or BAH)
    - General Dynamics Information Technology (GDIT)
    - REI Systems (REI)

• “New Ways of Working”
  o Focused Trademark organization (Group Director for Information Technology)
  o Dedicated, educated, and empowered, professionals
    ▪ Lead Product Owners, Product Owners, Tech Leads, SME’s, etc.
  o Agile, DevSecOps, industry/government best practices, failing isn’t failure
Trademark “Future IT” Update

• Six business-focused “centers” to build-out the enterprise
  - Trademark Center (external tools and applications; TEAS, TESS, etc.)
  - Trademark Exam Center (FAST 1 & 2, XSearch, petitions, etc.)
  - Trial and Appeal Board Center (ESTTA, TTABIS, etc.)
  - Trademark International Center (Madrid, WIPO/IB, etc.)
  - Trademark Data and Analytics Center (TQRS, Reports, AI/ML/RPA, etc.)
  - Trademark Content Management Services (TRAM/TRM, admin consoles, etc.)
Trademark AI/ML/RPA Efforts

• **ASAP**
  - Automated Specimen Analysis Product
  - Customized commercial image search software
  - Scans targets of interest or filter incoming filings against millions of prior-filed specimens
  - In limited use with the STIA

• **Image Search and ID/Goods & Services**
  - Two RFI efforts in work:
    - Internally-developed applications; code/app “improved” under IAISS contract
    - Externally-developed applications; in late stages of acquisition timeline

• **Chatbots, Robots and Cobots**