

Discussion Questions for Streamlined Cancellation Roundtable

September 25, 2017

The following is a non-exhaustive list of possible questions for discussion at the roundtable. The Board also welcomes input from roundtable participants and viewers of the webcast on other issues of concern arising from the streamlined cancellation proposal. Below are questions which may be explored during the roundtable. Further written comments on any of these questions may be provided after the roundtable, via TTABFRNotices@uspto.gov.

1. In cases where the respondent is likely to default, what benefits, if any, do you see in the streamlined cancellation option? For example, do the narrowing of grounds for cancellation that can be included in the petition and the lack of possible counterclaims in the same proceeding constitute a significant benefit over full proceedings?
2. Given that the statutory provision for cancellation sets out a standing requirement that would apply in these streamlined proceedings, are there any standing-related concerns that are unique to the streamlined proceedings?
3. Several commenters expressed concerns about the potential for abuse or unfair prejudice to respondents. Are there aspects of the streamlined proceedings that you think make them more prone than full proceedings to misuse or unfairness? Are there specific safeguards you suggest to avoid misuse, recognizing that the Board does not order money damages and fee awards?
4. As just one example of the evidentiary showing that could be made in the petition to cancel, the Board's notice mentioned a declaration outlining a search for use of the mark and the results. A couple of comments favored requiring such a declaration, while another commenter expressed worry that a petitioner might be forced to disclose privileged or work product information. What proof of nonuse or abandonment should be required in the context of a streamlined proceeding? Must the standard be the same as it would be in a full cancellation proceeding involving a claim of nonuse or abandonment?
5. Comments were mixed regarding timing, particularly for the answer. Some commenters took the position that 40 days would not allow enough time to find counsel, if needed, or to assemble use evidence, especially for registrations with large IDs. Other commenters opined that a shorter 30-day deadline to answer seems reasonable. Would the 10-day difference matter to petitioners considering use of the streamlined proceeding? Would the availability of a single extension for respondent, for good cause, be sufficient?
6. The lack of discovery except as to standing generated some concerns, with several commenters suggesting at least some discovery be permitted. Given that discovery generally increases the cost, burden, and length of proceedings, do the advantages of discovery outweigh the disadvantages in the streamlined proceeding context? How could the Board allow some discovery while still achieving the objectives of keeping the proceedings quick and efficient?
7. In cases where the respondent answers the petition and asserts use or excusable nonuse, how likely are petitioners to convert to a full proceeding versus taking the streamlined option forward on the merits? What factors would drive the petitioner's decision?

8. The proposal gave only the petitioner – but not the respondent – the option of converting to a full cancellation proceeding, because the respondent would have the information about use or nonuse of the mark, and the respondent would not legitimately need the full proceeding to develop that issue. Also, giving the respondent the ability to unilaterally convert the proceeding would seem to undercut the benefits of streamlining for the petitioner. However, some comments favored allowing the respondent to convert to a full proceeding. Under what circumstances might a respondent need a full proceeding, given the limited claims at issue. Also, if a respondent may unilaterally convert to a full proceeding, would the streamlined proceedings offer any real benefit over existing cancellation procedures? If a conversion option were allowed for a respondent, should a petitioner be able to withdraw without prejudice to assertion of nonuse or abandonment as part of a later full cancellation proceeding?
9. At least one commenter expressed concern about the prohibition on counterclaims, and the potential inefficiencies of having separate proceedings based on the same facts. Allowing counterclaims would almost inevitably require conversion to a full cancellation proceeding. Should a respondent only be permitted to convert a streamlined proceeding when the respondent wants to raise counterclaims (compulsory or permissive)?
10. It is estimated that between 15-20% of petitions for cancellation result in default judgments, although the data is difficult to generate. Some commenters discussed existing full cancellation proceedings and referred to the benefits of providing a consistent and predictable timeframe for default judgments, or of speeding up the default judgment process. How can an expedited default process be deployed without raising the risk of default judgments that would be unwarranted and could result in filings of motions for relief from judgment under Federal Rule 60? How effectively can counsel for a petitioner predict when a default judgment is likely? Would focused pleading of a nonuse or abandonment claim on only particular goods or services, or a Section 18 claim for a restriction, allow more respondents to default with limited consequences?
11. In light of some of the comments in favor of discovery and some of the other options available in a full cancellation proceeding, could benefits comparable to those of a streamlined proceeding be achieved in a full cancellation proceeding by giving a petitioner who raises multiple claims the unilateral option to have a bifurcated proceeding -- first addressing only the abandonment and nonuse claims? If so, should the Board be able to mandate ACR at least as to that portion of the proceeding?
12. Given that the USPTO ultimately has finite resources, is a streamlined cancellation option beneficial enough to justify allocating I.T. and legal resources, as well as the training and staff necessary to implement it?