

UNITED STATES PATENT AND TRADEMARK OFFICE

Comments by the International Trademark Association

I. General comments

INTA appreciates the opportunity to participate in this hearing and provide comments at this stage. INTA commends the USPTO's efforts to ensure adequate funding for its operations and reserves. The USPTO Subcommittee of INTA's Trademark Office Practices Committee prepared the following comments.

We have reviewed the proposed fee changes and other related documents provided by the USPTO. For the increases with paper filings, TOPC understands the goal of encouraging electronic filing, and appreciates the role fees play in shaping behavior. INTA also wants to encourage the office to keep TEAS forms current to reduce the need for paper filings.

Apart from the proposed increases for paper filings, we would like to better understand the impetus and support for the dramatic increases in some areas, as well as many of the new fees. INTA would also like to understand the rationale for the proposed fees where cost data was listed as "n/a". We welcome public disclosure of information that USPTO has considered or may use in the future for its forecasting, estimates, and regulatory clearance. If such data is not presently available, we welcome the Office's explanation of the methodology that will be used to approximate unit costs. INTA would also like to understand the justification in those instances where the USPTO is specifically trying to change behavior. Where behavior is being targeted, INTA would like the opportunity to comment on the likely efficacy of using fee changes to accomplish a particular goal. Further, INTA would also like to know which IT systems in particular will be funded with the increase in fees and why there are dramatic increases and new fees where the office had a surplus in the latest fiscal year.

INTA would also like to better understand the financial situation at the USPTO, particularly where many increases are significant (or new fees) and it appears the PTO has sufficient reserves and operated at a surplus in FY2018. INTA would also like to understand if there has been a change in circumstances from the TPAC Annual Report for 2018 where the five year outlook was considered and it was reported that, at the time, additional fee increases were not warranted.

INTA members will be required to explain these fees to clients, foreign associates and trademark owners, and we need information to explain the rationale for the increases and new fees. Many fees will also affect practice, budgets and prior advice, and practitioners would appreciate time to explain the changes and educate stakeholders before fees are implemented. Additional information will also assist INTA in providing comments during the Notice of Proposed Rulemaking stage and will also enable this committee in helping to address issues that come up at the office, especially with respect to improper filing behaviors. It is also submitted that the USPTO allow time for its many recent rule-changes to take effect and gauge any influence before imposing new fees as a means to try to change behavior.

II. Application Fees

INTA appreciates the need for periodic and reasonable increases in application fees and does not have any comments on the proposed application filing fees.

III. Petition Fees

Two of these fees are particularly striking and could pose a hardship for some trademark owners.

First, the increase in the fee for Petitions to the Director filed through TEAS, from \$100 to \$250. This is a 150% increase and seems significantly beyond a rate that is appropriate for periodic increases, particularly where it appears the PTO has sufficient reserves and operated at a surplus in FY2018. The unit cost given for this fee from FY18 is \$108. Oftentimes these petitions are necessary in order to correct a USPTO error, and even when the fee is refunded to the petitioner this 150% increase is significant. Given the unit cost of \$108, the increase to \$250 is not well understood and seems disproportionately high compared to other increases.

Second, the new fee for filing a Request for Reconsideration (\$400 if filed electronically; \$500 if filed on paper). This is a new fee, and no cost data has been provided. This amount is in addition to the doubling of the per class fee for filing an appeal, from \$200 to \$400. It is not uncommon to receive an Office Action with very little detail (such as identification of goods/services proposals), little explanation of the basis of the refusal, or a basis that has little to no justification. Many times, a final refusal does not even address the Applicant's arguments/explanations. Without evidence from the Examining Attorney, or evidence presented by the Examining Attorney in the final action, the applicant is forced to file a request for reconsideration and notice of appeal.

IV. Post-Registration Fees

An increase of 80% for the Section 8/71 declaration is dramatic. The increases in the Section 8/71 and Section 15 fees do not seem tethered to the unit cost of processing these filings. Further, the Section 15 Declaration is disproportionately high compared to the unit cost.

The post-registration audit fee of \$100 per each good or service deleted is not well understood. It appears to be a costly exercise (for both the Office and the trademark owner) with no resulting benefit. For example, if an owner submits specimens for 10 discrete clothing items in Class 25, but cannot produce a specimen that the Office will accept for the 11th item, no decluttering will have been achieved. The registration will still cover 10 items of clothing and will still block another entity from registering a similar mark on another item of clothing. If the Office wants to achieve decluttering that will have meaning to brand owners, a more palatable option would be to charge the fee on a per-class basis instead.

INTA also has concerns about the implementation of the audit and the overly strict technical requirements related to specimens of use. We are also concerned because it seems the bad actors are driving a lot of policy changes and that the fees are being implemented in ways that amount to practice changes. INTA believes it would be more appropriate to target applications/registrations that look suspect. INTA would also still like more clarification about the plans for the audit and how it be implemented for software reciting several functions, for example. INTA also wants to make sure that the Office does not consider the audit as a means of collecting revenue or to be encouraged to expand/continue the audit because of a possible financial benefit. INTA does not want Examiners to feel, either directly or indirectly, that strict audit requirements/refusals will be viewed positively in performance reviews or as money-making opportunities for the office. Many INTA members report that “deletions” occur for numerous reasons, not attributable to fraud, and this is an ongoing concern.

V. ITU Fees

INTA does not have comments at this time.

VI. Madrid Protocol Fees

INTA does not have comments at this time.

VII. TTAB Fees

INTA would first like to point out that there were significant fee increases at the TTAB three years ago and the proposed fee increases at the TTAB are dramatic, all ranging from 50%-100%. The increase to \$600 per class to file a cancellation or notice of opposition is steep and will be a

particular hardship to smaller companies or individuals who want to protect their rights. That price, especially in a multi-class application, could deter some Plaintiffs. With recent issues related to the influx of improperly filed applications, these fees might prevent Plaintiffs from taking action to challenge improper registrations/applications as a matter of routine policing, especially where a high number of these applications/registrations are abandoned/cancelled after default.

We also note that the electronic filing fee is very close to the paper filing fee, which may encourage more paper filings. It appears strange that the cost to the Office for processing paper filings is a fraction of the cost of electronic filings and INTA would like to better understand this discrepancy.

The \$400 fee to request an extension of time to oppose is a significant increase that seems disproportionate to effort on the Office. The introduction of a fee for requesting an extension of time to oppose is relatively new. Doubling the fee so soon after its introduction seems difficult to justify. Further, potential opposers often use that time to pursue settlement. Such a significant fee might deter those efforts.

Summary judgment fee (\$500). Summary judgment is one of the mechanisms allowed under the Federal Rules of Civil Procedure and the TTAB rules and is a useful tool to bring to a close what could otherwise be a lengthy and costly proceeding. Courts do not charge for parties to utilize such a motion. Even when it is not granted, it can often lead to ACR. INTA is concerned about the effect of discouraging this type of motion.

In conclusion, INTA would like to understand the rationale behind some of the fee proposals to enable it to provide effective and useful comments during the Notice of Proposed Rulemaking and to enable it to educate its members and brand owners. INTA looks forward to continuing its discussion of these issues with the USPTO.