

Testimony of Jenny L. Greisman
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on behalf of
Intellectual Property Owners Association

**Trademark Public Advisory Committee Public Hearing on the
Proposed Trademark Fee Schedule by the United States Patent and
Trademark Office**

September 23, 2019

Good afternoon, Chairman Barber, and Members of the Trademark Public Advisory Committee (TPAC). Thank you very much for the opportunity to testify today on the proposed trademark fee schedule.

My name is Jenny Greisman, and I am an intellectual property attorney for IBM's Corporate Trademark Legal Department. During my career, I have had professional experience with a wide variety of trademark related issues in the context of client counseling, trademark prosecution, litigation, brand protection, transactional, and policy matters. I currently serve as the Chair of the US Trademark Office Practice Committee of the Intellectual Property Owners Association (IPO). I am testifying today on behalf of IPO, which is a trade association representing companies and individuals in all industries and fields of technology who own, or are interested in, intellectual property rights. IPO's membership includes around 200 companies and

nearly 12,000 individuals who are involved in the association either through their companies or as inventor, author, law firm, or attorney members.

IPO appreciates the opportunity to testify at this TPAC public hearing on the proposed trademark fee schedule.

First and foremost, IPO supports the United States Patent and Trademark Office's (USPTO) three fundamental objectives that the fee proposals are intended to support, namely: to better align fees with costs, ensure the integrity of the register, and promote the efficiency of agency processes in the face of some changes in filing behavior.

IPO supports all three objectives and understands that achieving these objectives may require some adjustment to the current trademark fee structure. A more accurate and efficient Register would be of benefit to all, and it is IPO's hope that our suggestions can help the USPTO better achieve this result, without discouraging legitimate trademark activity.

It is IPO's position that the proposed fee adjustments should be clearly tied to the objectives outlined, and be implemented such that they do not have a chilling effect on the trademark registration process, or worse, result in the very inefficient outcomes that the fees are intended to avoid.

First, IPO is concerned that the proposed new Request for Reconsideration fee represents a steep increase that could have a chilling effect on trademark registration, particularly on those applicants who have legitimate issues to raise. Filing a Request for Reconsideration was previously free but, as proposed, a fee of \$400 for electronic filing or \$500 for paper filing would be imposed. Requests for Reconsideration are an important tool, with distinct usefulness and advantages when compared to an Appeal. There are numerous legitimate reasons that an

applicant would file a Request for Reconsideration, which can be efficiently and effectively considered and decided by the Examining Attorney. To name a few, Reconsideration is warranted to notify the Examining Attorney that a cancellation action has been filed against a blocking registration and to request that action on the application be suspended pending disposition of the action. Reconsideration is also the appropriate next step to request suspension of the application because a blocking registration has entered the six-month grace period for maintenance.

To increase the fee to file a Request for Reconsideration from free to \$400 or \$500 represents a significant change. It may result in trademark applicants opting to skip the Reconsideration process, and instead choosing the longer, more resource-heavy Appeal process, which would create inefficiencies. The USPTO therefore should ensure that the fee is reasonable, so that it will not create a chilling effect and discourage applicants from using this tool when it is appropriate. In this regard, we request that additional information be provided by the USPTO as to how the proposed fee was calculated to ensure it is closely aligned with cost, and whether the calculation of this fee took into consideration the potential chilling effect.

Second, the proposed new fee of \$500 for Motions for Summary Judgment also has the potential to unduly chill the trademark process. Motions for Summary Judgment exist to avoid unnecessary litigation and to expedite decision-making processes where a decision might be made as a matter of law. Implementing a high fee as a barrier to initiating this process would discourage applicants from choosing this efficient option. IPO, however, recognizes that there are costs associated with evaluating a Motion for Summary Judgment. In order to ensure the proposed new fee closely aligns with cost, IPO would again appreciate if the USPTO could provide additional cost information for public comment.

Third, based on the information currently provided, IPO is concerned about why the proposed post-registration maintenance fees so greatly exceed unit cost. According to the FY2018 unit cost figure provided in the Table of Trademark Fees – Current, Proposed and Unit Cost,¹ the unit cost of an electronic Section 8 renewal filing is \$30, but the current fee is \$125 per class and the proposed fee is \$225 per class. The increase of \$100 per class represents an 80% increase in the cost of filing. In consideration that the unit cost is already greatly lower than the current fee, it is unclear to IPO why a significant increase of the fee is necessary. As this cost structure is not intuitive, we would like more information as to how this cost structure will further the objectives outlined by the USPTO.

While IPO is in support of the USPTO's goal to encourage early decluttering so as to improve the accuracy and integrity of the Register, a balance must be struck to ensure that the fees in question will not have a chilling effect on good faith registrants from legitimately maintaining their trademark rights. After all, a fee of \$225 per class can be a huge financial burden to US trademark owners with large trademark portfolios, which essentially boost the US economy through active and healthy brand activities.

Fourth, IPO would also like additional clarification from the USPTO on the proposed new fee for deleting goods or services as part of a post-registration audit or Trademark Trial and Appeal Board (TTAB) case. Will the new fee be charged per good/service that is deleted, or per class? According to the Table of Trademark Fees,² if the deletion is as a result of a post-

¹ The Table of Trademark Fees – Current, Proposed and Unit Cost can be accessed at <https://www.uspto.gov/about-us/events/trademark-public-advisory-committee-public-hearing-proposed-trademark-fee-schedule>.

² See *id.*

registration audit, the new fee is charged per good/service deleted, but if the deletion is as a result of an adverse finding in a TTAB case, the fee is charged per class. The difference can be significant. IPO will be happy to provide further comment once more clarification is provided.

Fifth and finally, IPO is concerned with the potential impact of attaching a new fee to Letters of Protest. Recent USPTO statistics showed that the percentage of Letters of Protest that were granted pre-publication was about 75.3%, and the average percentage of Letters of Protest granted pre-publication in which an Examining Attorney issued an office action was about 44.9%. This shows that Letters of Protest submitted to the USPTO have a significant positive impact on the trademark examination process. Therefore, the USPTO should be encouraging the public to more actively participate and contribute via Letters of Protest – which directly improve the accuracy and integrity of the Register. This also helps the USPTO meet its efficiency goal. After all, if, with the assistance of the Letters of Protest, the Examining Attorney can arrive at the correct conclusion in the first place, it will be much more cost-effective than going through expensive opposition and/or post-registration processes.

As such, we request the USPTO to provide more comprehensive cost information with respect to processing Letters of Protest to ensure that the new fee conforms with the associated cost, and at the same time, takes into consideration the potential effect it will have on discouraging useful and effective information from being submitted.

In conclusion, IPO supports trademark fees being set to recover the USPTO's costs and achieve a more accurate and efficient trademark Register. It is IPO's hope that reconsideration of the fee increases based on our suggestions, and additional information from the USPTO, can help the goals be met in a fair and reasonable manner. Thank you for your time and consideration.