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[thomas.stoll@americanbar.org](mailto:thomas.stoll@americanbar.org)**July 20, 2017**Via email to: [TTABFRNotices@uspto.gov](mailto:TTABFRNotices@uspto.gov)The Hon. Mary Boney Denison  
Commissioner for Trademarks  
U.S. Patent and Trademark Office  
P.O. Box 1451  
Alexandria, VA 22313-1451Re: Request for Comments Concerning a Streamlined  
Version of Trademark Cancellation Proceedings  
on Grounds of Abandonment and Nonuse

Dear Commissioner Denison:

I write on behalf of the American Bar Association Section of Intellectual Property Law (the "Section") in response to the USPTO's request for comments concerning *Improving the Accuracy of the Trademark Register: Request for Comments on Possible Streamlined Version of Cancellation Proceedings on Grounds of Abandonment and Nonuse*, published at 82 Fed. Reg. 93 (PTO-T-2017-0012, May 16, 2017) (the "Notice").

The views expressed in this letter are those of the Section. These views have not been approved by the House of Delegates or the Board of Governors of the American Bar Association, and, accordingly, should not be considered as representing the position of the Association.

The Section appreciates the USPTO's invitation to comment on the establishment of a streamlined version of the existing *inter partes* abandonment and nonuse grounds for cancellation before the USPTO's Trademark Trial and Appeal Board ("TTAB") ("Streamlined Proceedings"). The Section supports the overall goal of improving the accuracy of the Register and the establishing of Streamlined Proceedings. The Section understands that the USPTO's Notice is a preliminary notice and that the Section will have a further opportunity to provide comments after the USPTO issues a Notice of Proposed Rulemaking as to the Streamlined Proceedings.

The Section has identified several aspects of the proposal requiring further clarification, and therefore respectfully submits the following comments.

## **I. PRIORITY TREATMENT**

The proposal provides that, in the case of a default judgment, the entire Streamlined Proceeding could conclude within approximately seventy days. The Section applauds the USPTO's proposal to expedite the default judgment procedure; however, the Section seeks clarification on whether Streamlined Proceedings will receive priority treatment from the TTAB interlocutory attorneys and legal support staff to help achieve this goal. If not, the Section recommends giving Streamlined Proceedings priority status when issuing the notice of institution and trial schedule, the notice of default, the Board's judgment by default, and the resulting Commissioner's order cancelling the registration.

Even if the USPTO does not move forward with the Streamlined Proceedings proposal, the Section is interested in ways the USPTO and TTAB can ensure a consistent and predictable timeline for default judgments.

## **II. EVIDENCE REQUIRED**

The Section recommends the USPTO provide further guidance regarding evidence required at the pleading stage, not only for clarification, but also because there is some concern the USPTO's evidentiary requirements might force a petitioner to disclose privileged or work product information.

The proposal states the petition must be supported "by the proof upon which the petitioner relies to establish both standing and the claim of abandonment and/or nonuse." One example provided in the proposal suggests a petitioner might provide a declaration outlining a search for use of the mark and the results. The Section suggests that the USPTO consider further guidance regarding the evidentiary requirements and what it would find sufficiently persuasive in a streamlined proceeding in which there will be no opportunity for discovery or submission of further evidence, other than on the limited issue of standing. In addition, the Section suggests that USPTO address whether the petitioner's signed declaration will meet the procedural requirements for the submission of search results used as evidence in a streamlined proceeding.

Additionally, the Section recommends the TTAB allow respondents to move to dismiss petitions to cancel claims that would otherwise fail as a matter of law in a standard cancellation proceeding. While the Streamlined Proceedings are limited to the claims of "non-use" and "abandonment," a situation may arise in which a petitioner cannot bring a claim as a matter of law or where the petitioner has otherwise failed to state a claim for either of the limited claims available.

## **III. TIME EXTENSIONS**

The USPTO's proposal provides that "extensions of time for the answer or reply would be limited to one per party." The Section suggests that the USPTO address the potential length of these extensions and whether the Board will grant these extensions as a matter of due course or if "good cause" will need to be shown. Further, the Section recommends that the parties be allowed to stipulate to an additional extension of time for the respondent to answer, especially for the

purpose of facilitating settlement discussions. Related to extensions of time, the USPTO's proposal provides that suspensions of Streamlined Proceedings will be rare and typically available only if there is concurrent district court litigation. The Section suggests that the USPTO consider whether a short (1-2 weeks) suspension for settlement discussions would be permitted.

#### **IV. PROPOSED FEE**

The Section seeks clarification on the fee required to convert a Streamlined Proceeding into a traditional cancellation proceeding. The proposal allows a petitioner to file a notice of conversion to a full cancellation proceeding and pay the "appropriate fee." The Section asks the USPTO to clarify whether the "appropriate fee" is the difference between the fee for the streamlined proceeding and the full proceeding, the full fee for a full proceeding, or some other fee amount.

#### **V. ANSWER AND COUNTERCLAIMS**

The Section believes that the USPTO should provide examples of acceptable pleaded defenses, and the USPTO should clarify whether there is a definitive requirement of proof of use by the respondent (e.g., what if the respondent believes the petitioner's claims were not adequately pled; would the respondent still have to submit proof of use or could it move to dismiss the petition for failure to state a claim?).

The Section also seeks clarification as to whether counterclaims will be permitted by the respondent if a petitioner converts the Streamlined Proceeding to a full proceeding in front of the TTAB.

#### **VI. SHIFT IN THE BURDEN OF PROOF**

The Section does not read the current proposal as requiring a shift in the burden of persuasion, but rather a shift of the burden of production to the respondent once the petitioner has met its burden. Furthermore, the proposal itself indicates the USPTO does not anticipate the current proposal will require a statutory amendment.<sup>1</sup> The Section recommends future proposals specifically address the issue of petitioner's burden of proof. Under well-established Federal Circuit law, even prima facie evidence of validity means a challenger must prove invalidity by a preponderance of the evidence and testimony. *See Cold War Museum, Inc. v. Cold War Air Museum, Inc.*, 586 F.3d 1352, 1358 (Fed. Cir. 2009) ("Due to this presumption of validity, the burden of persuasion in a cancellation proceeding rests on the party seeking to cancel the registration."). Likewise, even if a registered mark has not been used in three years, the resulting prima facie evidence of abandonment under Section 45, 15 U.S.C. § 1127, shifts only the burden of production to the respondent on the issues of ongoing use and an intent to resume use. *See On-Line Careline, Inc. v. Am. Online, Inc.*, 229 F.3d 1080, 1089 (Fed. Cir. 2000).

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<sup>1</sup> Footnote 1 of the Request for Comments states, "If this Streamlined Proceedings proposal is implemented, the USPTO will have a better sense of whether the proceedings are effective.... and can *then* evaluate whether proposals necessitating statutory amendment also would be useful."

## **VII. DISCOVERY**

The USPTO's proposal states there will only be limited discovery for a respondent (on the issue of standing). The Section believes the USPTO should consider allowing limited discovery for both parties (for the petitioner, on the issue of use/ nonuse/ abandonment).

## **VIII. SUBSEQUENT PETITION TO CANCEL**

The Section recognizes two issues related to the possible preclusive effect of the proposed Streamlined Proceedings. First, the Section understands that a petition to cancel under the proposed mechanism would be limited to non-use and abandonment. The Section also understands that if a petitioner sought to cancel a registration under the new proceeding on the basis of either of these two causes of action – and was ultimately unsuccessful – that success would preclude the petitioner from petitioning to cancel the same registration on the same grounds. However, the Section would like to know how the TTAB would treat a subsequent petition to cancel brought under a different claim, but based upon the same facts. For example, if a petitioner later petitioned to cancel the registration on a claim of fraud which stemmed from the same facts surrounding the alleged non-use and/or abandonment. In such a case, the Section asks if the TTAB would expand the preclusive effect of the Streamlined Proceedings to include any such future claims of fraud extending from the alleged non-use/abandonment.

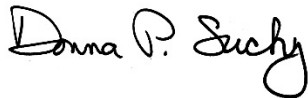
## **IX. SUBSEQUENT ACTIONS BASED ON NEWLY DISCOVERED FACTS**

Conversely, the Section seeks clarification as to possible subsequent actions based on new or different facts. For example, if a petitioner unsuccessfully brings an action under non-use or abandonment, but subsequently learns of new or different facts arising after the TTAB ruling in the previous action, would the petitioner be permitted to bring a new action to cancel the registration on the same grounds asserted in the Streamlined Proceeding? This assumes the earlier action asserted a distinctly different set of facts.

## **CONCLUSION**

The Section appreciates the opportunity to provide these comments. If you have any questions or would like to discuss any of these comments, please feel free to contact me.

Very truly yours,



Donna P. Suchy  
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