



The Hon. Mary Boney Denison
Commissioner for Trademarks
U.S. Patent and Trademark Office
P.O. Box 1451
Alexandria, VA 22313-1451

Dear Commissioner Denison:

Microsoft Corporation (“Microsoft”) welcomes this opportunity to provide its comments to the United States Patent & Trademark Office (“USPTO”) in response to the USPTO’s proposal regarding new streamlined cancellation proceedings, as outlined in “Improving the Accuracy of the Trademark Register: Request for Comments on Possible Streamlined Version of Cancellation Proceedings on Grounds of Abandonment and Nonuse” (the “Notice”).¹

Microsoft is a worldwide leader in the IT industry and its mission is to empower people and organizations throughout the world to achieve more and realize their full potential. Since the company was founded in 1975, it has worked to achieve this mission by creating technology that transforms the way people work, play, and communicate. Microsoft is also an owner and champion of intellectual property rights. It maintains sizable trademark and domain name portfolios and takes pride in the worldwide recognition of many of its trademarks. Microsoft’s trademark portfolio is truly global in nature.

In the United States alone, Microsoft has nearly 900 trademark applications and registrations as of the date of this letter. Each year, Microsoft’s domestic trademark portfolio continues to change, primarily through the filing of applications for new trademarks, but also by sometimes moving on from others that no longer align with Microsoft’s business objectives. As a result, Microsoft’s interest in the proposed streamlined proceedings is from the perspective of both a potential challenger and a potential respondent in these proceedings.

With that in mind, Microsoft agrees with and supports the USPTO’s initiatives to improve the accuracy of the Trademark Register and its efforts to develop streamlined cancellation proceedings. Indeed, Microsoft believes that an accurate Register is important for business, while excessive clutter of unused marks hinders fair competition. Moreover, new streamlined cancellation proceedings for removing unused marks from the Register will likely

¹ Federal Register Vol. 82, No. 93 (May 16, 2017), pp. 22517-22519.

create several benefits over the existing process, which can often be burdensome, costly and lengthy. Nevertheless, Microsoft also has a strong interest in ensuring that any newly adopted proceedings are fair, and that existing trademark owners are given appropriate deference given the presumption afforded validly registered trademarks and sufficient ability to defend against unwarranted challenges.

Accordingly, Microsoft offers the following comments regarding the proposed streamlined cancellation proceedings. In doing so, Microsoft understands that the USPTO's proposal in the Notice is only preliminary and that further development of the proposed streamlined proceedings is currently planned.

Standing

Microsoft recommends that the USPTO review the standing requirements for the streamlined cancellation proceedings to determine whether those requirements may be further clarified or simplified. In particular, the USPTO may want to consider providing guidelines with respect to outlining specifically both the requirements and representative situations where sufficient standing will likely be found, as well as legitimate reasons for challenging standing. Clarified standing requirements could have the dual benefits of simplifying the initial petition, with respect to the petitioner's need to provide proof of standing, as well as avoiding frivolous or unwarranted challenges to standing, which are likely to significantly increase the costs and time spent on these proceedings. Furthermore, if and when such challenges to standing are permitted, Microsoft suggests that all other deadlines in the proceeding should be suspended until the challenge is resolved. Doing so will help the parties to avoid incurring any unnecessary costs.

Use Requirement

Microsoft is also concerned that the Notice is silent as to the standard that will be used in the streamlined proceedings for determining what constitutes "use." While the Notice is admittedly directed to new *procedures* regarding a streamlined cancellation proceeding, Microsoft is concerned that, in view of the USPTO's stated concern about facilitating the elimination of registrations from the Register that are not in use, some Stakeholders may push for a lower standard in the streamlined proceedings, relative to full cancellation proceedings, for establishing that a mark is not in use. Instead, Microsoft urges the USPTO to ensure that the rights of current registrants are properly protected by neither lessening the burden on the petitioner for showing nonuse nor increasing the burden on the registrant for rebutting such a showing. This should not be tantamount to a reexamination of the mark.

Suspensions

The Notice states that, in the streamlined proceedings, suspensions will be rare and typically only available when there is a concurrent district court proceeding involving the same mark and issue. Thus, it appears that parties to the streamlined cancellation proceedings will not

have the option of stipulating to a suspension of the proceedings, for example, while they negotiate a settlement. Microsoft believes this aspect of the proposed proceedings is out of step with American legal tradition, which typically encourages such settlement negotiations between adverse parties. Accordingly, Microsoft encourages the USPTO to review the potential situations when a suspension will be available, and to consider, in particular, allowing stipulated suspensions for the purpose of settlement negotiations.

Bad Faith Challenges

Finally, Microsoft is concerned about potential abuse of the streamlined cancellation proceedings. In particular, certain parties could take advantage of the lower fees of the streamlined proceedings to harass trademark owners with bad faith challenges to their registrations. Such harassment would be very detrimental to trademark owners, both in terms of the costs involved and the time and effort spent fending off frivolous cancellation actions. Accordingly, Microsoft believes that the USPTO should include rules that will serve to deter or punish harassing or bad faith actors.

Again, Microsoft appreciates the opportunity to provide input on this matter and thanks the USPTO for its consideration of Microsoft's foregoing comments. If you have any questions or wish to discuss any of the points raised herein, please feel free to contact the undersigned.

Regards,



Elena M. Grimme
Assistant General Counsel and Assistant Secretary
Microsoft Corporation