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Via email to: TTABFRNotices@uspto.gov

The Hon. Cynthia C. Lynch
Administrative Law Judge
United States Patent and Trademark Office
Trademark Trial and Appeal Board
P.O. Box 1451
Alexandria, VA 23313-1451

Re: Request for Comments on Possible Streamlined Version of Cancellation Proceedings
on Grounds of Abandonment and Nonuse

Dear Judge Lynch

We write in response to the United States Patent and Trademark Office's ("USPTO") request for comments concerning the proposal entitled "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 "Proposal").

We appreciate the USPTO's continuing efforts to remove deadwood registrations from the register, including the proposed accelerated procedure. In response to the request for comments, we have identified certain aspects of the Proposal which, in its current formulation, may unfairly prejudice registrants. Specific issues are discussed in turn *infra*.

I. Speed and Efficiency

We agree that the streamlined cancellation proceeding outlined in the Proposal would provide a means to expeditiously remove deadwood registrations from the register. However, it seems that the proposed proceeding would only lead to quicker resolutions for cases not decided via default judgment, which in our experience constitute a significant percentage of cancellation proceedings.

In contested cases, the cost of the efficiency to be gained under the Proposal would be borne largely by the registrant, who under the Proposal would be required to quickly locate and produce evidence of use. This could particularly prejudice a number of different registrants including owners

of large trademark portfolios (for whom it may take more time to locate relevant evidence), non-U.S. registrants (for whom time and distance may create obstacles to securing representation and producing evidence), assignees of registrations (where evidence of use prior to registration may be in the possession of the assignor), and smaller registrants (for whom the cost of representation may be prohibitive).

In a traditional cancellation proceeding, the registrant is required only to identify the *location* of “documents, electronically stored information, and tangible things” it has in its “possession, custody, or control” with its Initial Disclosures. 37 CFR § 2.120(a)(2)(ii). Initial Disclosures generally are not due until 60 days after the Answer is due, or 100 days after the proceeding is initialized. Not only may a registrant supplement this disclosure during the course of the proceeding, it is not required to produce the evidence until served with a formal request. In the proceeding envisioned by the Proposal, the registrant would be divested of this period of time to investigate and locate evidence, and the entire discovery process would be replaced with the requirement to produce evidence together with an Answer. While the Proposal would allow the registrant to obtain a single extension of time to file its answer and supporting evidence, the length of said extension is unclear, and so it is difficult to assess whether it would provide sufficient time to gather the necessary evidence of use.

The Board currently allows 40 days to respond to a petition for cancellation. *See* 37 CFR § 2.113; TBMP § 310.03(a). During that 40-day period, the registrant is required to retain counsel and prepare a responsive pleading. Even under the current procedure this 40-day period can present a challenge to certain registrants. For example, while a registrant may have been represented during the application process, that representation is deemed to end when the mark registers. 37 CFR § 2.17(g)(1). As a result, in most circumstances a registrant will not be represented by counsel at the time they receive notice that a petition for cancellation has been filed.¹ Accordingly, during the 40-day period the registrant will in most circumstances need to locate counsel, a task made more difficult for those registrants who either cannot afford counsel or are located outside the United States.

The proposed streamlined proceeding exacerbates this challenge. To wit, the registrant would not only be required to prepare a written response within 40 days, but would also be required to present admissible evidence countering the allegations of abandonment. This would effectively require the registrant to combine its responsive pleading with its initial disclosures and its discovery responses. This task could be time-consuming under the first ground for a petition (abandonment). Under the second ground (non-use prior to the relevant operative date for Section 1-based registrations) accomplishing the task of gathering evidence could be extremely difficult.

¹ This would be particularly true given that, in all likelihood, the registration will be several years old before the petition is filed.

Proposed Revisions

First, we believe that allowing for a reasonable, clearly defined extension of time to respond would help alleviate the potential prejudice. Perhaps a first extension of 30 days could be granted upon request, and a second extension of 30 days could be granted with either the petitioner's consent or on a showing of good cause.

Second, under current practice "plaintiffs are *encouraged* to provide current contact information for attorneys, or in the case of registrations under § 66(a) of the Act, current contact information for the designated representative for the international registration." TBMP § 310.01 (emphasis added). This behavior could be made mandatory in connection with the accelerated procedure, so a petitioner cannot take advantage of inadvertent errors in the records of the Office.

II. Submission of Evidence

While the Proposal sets deadlines for the presentation of evidence, it does not address how evidence will be presented and how objections to such evidence will be addressed. We presume that, in general, Section 700 of the TBMP will apply in the proposed accelerated procedure. That said, one can foresee situations where, in the haste to timely present evidence of use, a registrant may inadvertently run afoul of either the procedural rules or the Federal Rules of Evidence. In other words, there may be situations where the presentation of evidence is objectionable, but the objection could be cured if timely made.

For example, if registrant's proof includes written testimony that is objectionable as hearsay or lacks foundation, upon objection it may be able to present additional information that cures the objection. If a registrant has only one opportunity to present evidence, that ability to cure will be lost.

Proposed Revisions

We believe that the provisions of Section 707 of the TBMP should apply generally to the accelerated proceeding, but that there be deadlines for presenting and responding to objections. Specifically, we suggest that any objection to evidence by a petitioner be served by a date certain, perhaps within 20 days of the Answer and proof or together with the filing of a reply (40 days from the filing of the Answer and proof). Likewise, we suggest that there be a deadline by which the registrant could file additional proof confined to addressing the objection(s). That deadline could be a date certain following service of the objection, perhaps 20 days.

III. Prohibition of Counterclaims and Costs

Under the proposed streamlined proceeding, a registrant would not be permitted to file any counterclaims, and would be required to bring any claims it has against petitioner as part of a separate standard cancellation proceeding.

While allowing registrants to file counterclaims would certainly undercut the goal of quicker resolutions of cases, there is a danger of prejudice to registrants vis-à-vis the relative filing costs

associated with the streamlined proceeding and traditional cancellation proceedings. To wit, the Proposal advises that the filing cost for a streamlined cancellation would be \$300 per class, as opposed to \$400 per class for a full proceeding.

Thus, if registrants' intended counterclaims are not based on abandonment or nonuse, then they will effectively be penalized \$100 per class by being required to bring separate full cancellation proceedings against petitioners on other grounds.

Proposed Revision

Keep filing costs the same for both streamlined and full proceedings.

IV. Conclusion

We commend the USPTO for considering these issues and appreciate the opportunity to offer these comments.

Very truly yours,

SEYFARTH SHAW LLP

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Attachment