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software  
association

**Comments on the Proposed  
*Abbreviated Inter Partes*  
Cancellation Proceeding**

*August 14, 2017*



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**Via Email:** [TTABFRNotices@uspto.gov](mailto:TTABFRNotices@uspto.gov)

Attn: Cynthia Lynch  
Trademark Trial and Appeal Board  
United States Patent and Trademark Office  
P.O. Box 1451  
Alexandria, VA 22313-1451

**Re: Request for Comments on Possible Streamlined Version of Cancellation Proceedings on Grounds of Abandonment and Nonuse, 82 Fed. Reg. 22517, pp. 22517-519 (May 16, 2017).**

Dear Ms. Lynch:

The Entertainment Software Association (ESA) welcomes the opportunity to respond to the United States Patent and Trademark Office's (USPTO) request for comments on a proposed streamlined *inter partes* trademark cancellation proceeding held at the Trademark Trial and Appeal Board (Board) published on May 16, 2017, in the Federal Register.

ESA is the U.S. association that serves the business and public affairs needs of companies that publish computer and interactive games for video game consoles, handheld devices, personal computers, and the Internet. We represent nearly all of the major video game publishers and major gaming platform providers in the United States. In 2016, the U.S. video game industry generated more than \$30.4 billion in overall revenue, with consumers spending \$24.5 billion on software, downloadable content and subscriptions, up 6% from 2015. Adding more than \$11.7 billion in value to U.S. GDP in 2016, the video game industry also directly and indirectly employed more than 220,000 people nationwide, with 2,457 video game companies operating in 50 states.

ESA members typically own trademark portfolios containing hundreds, if not thousands, of trademark applications and registrations and conduct hundreds of trademark searches every year. As a result, our members will benefit from the USPTO's proposed abbreviated proceeding. Our comments follow below.

## Comments

The USPTO's request for comments outlines a proposed streamlined *inter partes* cancellation proceeding with limited statutory grounds as the basis for a petition, limited discovery only with demonstrated good cause, no oral hearing, lower fees and the issuance of a Board decision in an expedited timeframe. The USPTO notes that this shortened proceeding will improve the accuracy of the trademark register and facilitate speed and efficiency by providing an avenue for eliminating trademarks that are not in use or that have been abandoned more easily. ESA supports the USPTO's efforts to improve the overall utility of the register for trademark owners and for consumers. To that end, we refer to our previously filed comments supporting the 2016 rulemaking on Sections 8 and 71 affidavits. Our members also support the concept of the abbreviated procedure outlined above in the Federal Register notice because the procedure offers brand owners a simpler mechanism through which to challenge and clear trademarks that are not in use and also help to maintain an accurate register.

Having an accurate register is essential for trademark owners in the video game industry to be able to conduct comprehensive and accurate trademark clearance searches and to register their marks efficiently. Collectively, our members conduct, at minimum, thousands of trademark clearance searches every year. While they generally do not seek to register every mark they clear, our members are concerned that the current state of the registry often impedes their ability to use or seek to register marks for specific goods or services because the registry contains: (1) registrations that contain goods and services that do not appear to be in use; and (2), registrations that are no longer in use at all but that are still live on the register. A streamlined cancellation proceeding could result in the greater availability of trademarks in circulation for potential use by other parties. This is especially important because, although many video game titles are still offered for sale decades after release, there are others that have a much shorter shelf life.

Enactment of a streamlined procedure could lessen the additional time, effort and expense required to overcome an overbroad registration that may include unused goods or services or abandoned trademarks. Video game trademark owners often must conduct a trade investigation, negotiate with a cited registrant to obtain a letter of consent, or file a cancellation petition, among other actions to clear a trademark for use and registration. In many cases, trademark owners must also consult with outside trademark counsel and, when combined with vendor fees, these additional steps to obtain a registration can cost thousands of dollars. This problem is magnified for trademark owners who perform a large number of trademark searches. At worst, applicants are unfairly denied the ability to use or register a mark that should be available to the public for use. The problem of unused marks is amplified for our members because the majority of applications filed by video game publishers are in Classes 9 and 41.

Class 9 is the most crowded class, having the most number of live registrations and having the largest number of approved identifications in the USPTO's Trademark ID Manual.<sup>1</sup>

The full *inter partes* cancellation proceeding does not allow companies to efficiently challenge registrations that are abandoned because it is very time-intensive and costly. As a result, it becomes highly unlikely that companies will spend the necessary time and money to pursue a mark because of an existing conflict on the register. This is especially true when those companies face numerous conflicts in their clearance searches that are either dead or cover unused goods or services. The *inter partes* procedure was created to be a faster, cheaper alternative to protection of trademarks in federal court, but the volume of litigation at the Board is generally increasing and along with the overall average pendency. Although the Board is working hard to lower end-to-end pendency, it can still take more than one year to resolve a contested proceeding due to, among other things, liberally granted extensions of time. In our members' experience, the inordinate length of time a typical *inter partes* cancellation proceeding takes can often require video game companies to pursue an entirely different mark altogether, requiring it to begin the clearance process again in order to find a suitable mark available for use.

The outlined proposed procedure curbs the most undesirable aspects of a full cancellation proceeding, particularly those that drain a company's time and financial resources. We find useful the limitation of grounds in a petition in this shortened trial to abandonment and non-use, the restriction of discovery and other motion practice, the reduction of the timeframe for the entire proceeding to as little as 70 days (and at most 170 days) and finally, the accelerated issuance of a Board decision on the merits. Lower fees and expedited timeframe also make this program more user-friendly for smaller companies or individual owners that cannot afford to participate in a full cancellation proceeding. The opportunity to convert a shorter proceeding into a full cancellation trial if complex issues that warrant a deeper analysis arise, is an important backstop to protect the rights of all trademark owners. This procedure, which is much shorter than the Accelerated Case Resolution program, gives trademark owners an additional avenue to more efficiently challenge dead marks, creating more legal certainty for our members and allowing them to allocate more resources towards developing new products rather than to trademark clearance and prosecution expenses. This new proceeding will likely spur greater investment by our members in developing new products, ultimately benefiting consumers in the form of increased quality and quantity of marketplace offerings.

Our members commend the USPTO's ongoing efforts to enhance the operation of the Board, particularly with regard to trial proceedings. The Board is working on reducing the

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<sup>1</sup> The Trademark ID Manual currently lists 4,372 entries for Class 9. See <https://tmidm.uspto.gov/id-master-list-public.html> (last visited July 17, 2017). This far exceeds the number of entries in any other Class considering that the Classes with the next closest number of entries are Class 35, with 2,190 entries, and Class 7, with 1,963 entries. *Id.*

overall pendency of trial cases by implementing certain changes, such as mandating electronic filing for cancellation petitions and deleting the service requirement for petitioners. Streamlining trial proceedings promote administrative judicial economy as well as a more efficient allocation of rights and resources among trademark owners.

## **Conclusion**

ESA appreciates the USPTO's efforts to maintain the accuracy and integrity of the trademark register, including by instituting the proposed abbreviated *inter partes* cancellation proceeding. We also believe the proposed procedure will ensure that marks on the register are supported by a *bona fide* use in commerce and facilitate the removal from the register registrations for marks that are in use or that will no longer be used. These benefits will enable our members to clear new brands more easily, leading to the availability of more resources for product development, creating new jobs, and, ultimately, benefiting consumers through the increased quality and quantity of products in the marketplace.

We look forward to participating in any further outreach undertaken by the USPTO. Should the USPTO have any questions or comments concerning ESA's response, please contact Stanley Pierre-Louis at (202) 223-2400.

Respectfully yours,



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Stanley Pierre-Louis  
Senior Vice President and General Counsel