

**TRADEMARK PUBLIC ADVISORY COMMITTEE
ANNUAL REPORT 2015**



**UNITED STATES PATENT AND
TRADEMARK OFFICE**

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Trademark Public Advisory Committee

Fiscal Year 2015 Annual Report

I. Introduction.

This is the sixteenth annual report of the Trademark Public Advisory Committee (“TPAC”). This report reviews the trademark operations of the United States Patent and Trademark Office (“USPTO”) for the Fiscal Year (“FY”) ending September 30, 2015. TPAC’s mission, which is specified in enabling legislation, 35 U.S.C. § 5(b)(1) and (d)(1), is “to represent the interests of diverse users” of the USPTO and to “review the policies, goals, performance, budget, and user fees” of the USPTO with respect to trademarks.

Pursuant to 35 U.S.C. § 5(d)(2), this report is submitted within 60 days following the end of the federal FY and is transmitted to the President, the Secretary of Commerce and the Committees on the Judiciary of the Senate and the House of Representatives. This report is submitted for publication in the *Trademarks* Official Gazette of the USPTO. The report also will be available to the public on the USPTO website, www.uspto.gov.

Members of TPAC. As of the end of FY 2015, the following individuals were members of TPAC:

- Kathryn Barrett Park (Vice Chair), Chief Global Executive Brand Counsel, General Electric Corporation, Fairfield, Connecticut (term ends December 1, 2015)
- Dee Ann Weldon-Wilson, Trademark Counsel, Exxon Mobil Corporation, Spring, Texas (term ends December 1, 2015)
- Maury M. Tepper, III (Chair), Member, Tepper & Eyster, PLLC, Raleigh, North Carolina (term ends December 1, 2015)
- Anne H. Chasser, Strategic Advisor, Wolfe Domain, Cincinnati, Ohio (term ends December 1, 2016)
- Deborah Hampton, Corporate Trademark Paralegal, Wilmington, Delaware (term ends December 1, 2016)
- William G. Barber, Member, Pirkey Barber, PLLC, Austin, Texas (term ends December 1, 2016)
- Jody Haller Drake, Partner, Sughrue Mion, LLC, Washington, D.C. (term ends December 1, 2017)
- Timothy J. Lockhart, Partner, Wilcox & Savage, P.C., Norfolk, VA (term ends December 1, 2017)
- Jonathan Hudis, Partner, Quarles & Brady LLP, Washington, D.C. (term ends December 1, 2017)

In addition to the above voting Members, TPAC includes the following non-voting Members who are representatives of each labor organization recognized by the USPTO:

- Harold Ross of the National Treasury Employees Union (“NTEU”) Chapter 243.
- Howard Friedman of NTEU Chapter 245.
- Tamara Kyle of the Patent Office Professional Association.

Report Highlights.

In keeping with recent years, Trademark Operations continued to meet and exceed performance goals during FY 2015. Although this accomplishment is not unusual, TPAC commends Trademark Operations for maintaining its high level of performance during a transition in leadership. In December, 2014, Commissioner Deborah Cohn retired after more than thirty years of service to the USPTO. The members of TPAC wish to express their appreciation to Commissioner Cohn for her highly successful tenure leading Trademark Operations and for making many positive contributions to the trademark community. In January, 2015, Commissioner Mary Denison was sworn in and has, to borrow an over-used phrase, “hit the ground running.” Commissioner Denison already had experience, having served as Deputy Commissioner for Trademark Operations, and TPAC appreciates the quick action of Director Michelle Lee to ensure continuity in leadership for Trademark Operations.

TPAC is pleased to note that the Trademark Trial and Appeal Board (“TTAB”) also met its performance goals for FY 2015 and is maintaining pendency of cases within its target ranges. We particularly appreciate action by the TTAB to announce performance goals, helping customers track performance and their own cases.

The Office of the Chief Information Officer (“OCIO”) is continuing its progress on the design of a new, integrated IT system for Trademarks, known as Trademarks Next Generation (“TMNG”), and TPAC is pleased to see the introduction of new systems that are being used internally for examination of trademark applications. OCIO has adopted a new approach to programming and development, called the “agile” methodology. Although TPAC supports the goals behind this approach, we have some concerns about its utility in completing the significant project of creating a unified trademark IT platform. TPAC is also concerned that the development of TMNG continues to take significantly longer and to cost significantly more than originally anticipated. We plan to continue to monitor the significant investment of User Fees in IT systems. TPAC appreciates very much the assistance and cooperation of OCIO in providing regular updates and information in an easy-to-follow format, and we hope that others in the trademark community will be attentive to the return on their investment in IT systems.

We are also pleased to note increased interaction with the trademark community by representatives of the IP Attaché Program, as well as the adoption of enhanced methodologies for allocating the costs of this program. TPAC hopes to continue to dialog between the trademark community and IP Attachés, to help improve the level of service and the return on this program.

Finally, the Office of Chief Financial Officer (“OCFO”) continues to provide excellent information and to support and assist Trademark Operations and other USPTO divisions in the monitoring and allocation of Trademark User Fees. TPAC appreciates the thorough and

responsive approach of OCFO and its significant contributions to successful management of Trademark Operations.

II. Discussion of Specific Issues.

A. Trademark Operations Performance.

1. Performance Statistics.

FY 2015 was another banner year for the USPTO's Trademark Organization, which once again met or exceeded all performance targets.

- a. Increase in Applications. Trademark application filings increased by 10.7 percent for FY 2015 which was 4.3% over the increase Trademark Operations had projected, and more than double the rate of increase for FY 2014 (4.9%). This represents an acceleration of a trend that began in FY 2013
- b. Balanced Disposals. Despite the significant increase in application filings, the Office exceeded its productivity targets for Balanced Disposals of 967,400, with 985,587 Balanced Disposals in FY 2015. A Balanced Disposal occurs when either (1) a First Office Action issues; (2) the application is approved for publication; or (3) the application is abandoned.
- c. Total Office Disposals. Total Office Disposals, which mean the number of applications that resulted in either registration or abandonment, were 439,020, slightly down from the projections.
- d. Average First Action Pendency. Once again, Average First Action Pendency remained within the target range of 2.5 to 3.5 months, coming in at 2.9 months for FY 2015. First Action Pendency is the time between the filing of a trademark application and the substantive review of that application by the USPTO, which typically results in either a notice of publication or a first office action. The range that the Trademark Office maintains represents a balance of an appropriate pipeline of work for the Examining Attorney corps with a predictable and fast response time for the customers of the Office. TPAC has supported this range for several years, and we applaud the Office for continuing to meet this range, as it has done for many years.
- e. Average Total Pendency. The average time between the filing of a trademark application and the final disposition of that application (through registration, abandonment, or issuance of a Notice of Allowance) continued to remain quite low, and in fact, Trademark Operations exceeded its target goals for FY 2015. Average Total Pendency was 10.1 months, if suspended or *inter partes* cases are

excluded, and 11.5 months if those cases are included. (An application is suspended in cases where the outcome of another matter must be determined before further action on the application can be taken. This can occur if there is a previously-filed application still under examination. An *inter partes* case is where there is an opposition or cancellation proceeding before the TTAB.) These stellar results are attributable in part to the greater adoption of electronic filing, through TEAS Plus and TEAS RF, which together now make up almost 80 percent of new filings. End-to-end electronic filing and communication engenders more cost-effective processing, and now comprises 82.2 percent of all applications processed to disposal, slightly exceeding the Office's target of 81 percent. TPAC continues to support the Office's goal of increasing the percentage of trademark applications that are processed electronically from end-to-end.

- f. Overall. Trademark Operations, once again, substantially met or exceeded all of its performance goals for FY 2015. TPAC commends Commissioners Cohn and Denison for their leadership, making these results possible. Commissioner Cohn concluded a highly successful term as Commissioner in December 2014 and handed over an organization that was performing at a high level in all respects. Commissioner Denison, who has significant experience at the USPTO, stepped up to continue leading a talented staff dedicated to providing efficient, fast and reliable service to its customers. Most importantly, these consistently excellent results would not be possible without hard work from the hundreds of employees in Trademark Operations, who all contribute to providing service to customers in a complex and dynamic system.

2. Quality and Training.

As important as the quantitative measures discussed above are to Trademark Operations, of even greater value to the public is the high quality with which work is done, so that the Trademark Register is an accurate reflection of the important substantive trademark rights owned by its customers. Once again, the USPTO has met or exceeded aggressive targets, surmounting last year's outstanding results.

- a. Compliance Rate. Examination quality is measured by evaluating random samples of applications at two different points during the examination process. This measurement is known as the compliance rate, or percentage of actions or decisions that have been determined to have been made correctly, with no deficiencies or errors. The first point of review looks at initial Office Actions that reject applications for registration or raise other issues

regarding formalities that require correction to the application. The second point of review takes place at “final disposition” of an application, either by a final refusal to register or a decision to approve the application for publication. The goal at both points is to determine whether the Examining Attorney’s decisions and written Office Actions comport with the bases of refusals under the Lanham Act. The goal for FY 2015 was a compliance rate of 95.5% for the First Office Action, and a rate of 97% for final compliance. For each of those targets, the Office exceeded both the FY 2014’s results as well as the targets established for FY 2015. For First Office Action, the compliance rate was 96.7%, which is 1.26 percentage points above the target, and for Final Compliance, the rate was 97.6%, exceeding the target by .6%.

- b. Exceptional Office Action. The Exceptional Office Action is a standard with the following four criteria: the appropriateness of the likelihood of confusion search, the quality of the evidence provided, the clarity of the writing, and the quality of the decision making. In FY 2015, Trademark Operations far exceeded the goal of 36%, with 48.3%, office actions of meeting the criteria established.
- c. Training. FY 2015 was peppered with many valuable training offerings to USPTO trademark personnel. All of the training events for Examining Attorneys provided Virginia CLE credit.
 - (1) TMEP and case law update. In October 2014, the Examining Attorneys received a briefing on changes in the TMEP and a review of recent case law developments.
 - (2) Merely descriptive refusal training. In November 2014, all Examining Attorneys received training on common problems relating to the analysis and supporting evidence for refusals of registration on the ground that a mark is merely descriptive of the applicant’s good/services.
 - (3) Training for professional and technical support staff. Also in November 2014, cross training sessions were held for members of various Trademark work units, including Post Registration, Madrid Processing, Intent-to-Use, and the Petitions Office.
 - (4) TEAS Reduced Fee. In January 2015, training sessions were held on the changes to examination procedure resulting from the addition of the TEAS Reduced Fee (“TEAS RF”) option for filing new trademark applications.

- (5) Requirement for Trademark Applicant to claim ownership of prior registrations. Also in January 2015, additional training was provided on the change in the requirements that applicants claim ownership of prior registrations.
- (6) Ethics training. AIPLA provided an ethics lecture, which covered recent revisions of the USPTO's Rules of Professional Conduct, and an overview of the Office's enforcement and disciplinary mechanisms for ethical violations.
- (7) Rights of Publicity. The NFL's Executive Vice President and General Counsel provided a presentation for the Office on the rights of publicity in April 2015.
- (8) The Internet of Things. In July 2015, INTA provided industry training on the topic of "The Internet of Things," featuring speakers from Fiat, GE, and UnderAmour.
- (9) Court of Appeals, Federal Circuit case update, and TMEP review. In July 2015, staff were provided with a review of recent precedential cases from the CAFC, as well as highlights of TMEP updates to implement rulemaking on examination requirements for collective, collective membership, and certification marks.
- (10) INTA mini-seminars. INTA provided two mini-seminars, one in October 2014 on specimens of use, and the other, in March 2015 on USPTO Office Actions. The mini-seminars featured presentation by INTA practitioners to Trademark staff, highlighting common issues and problems in selected areas. The presentations were followed in each instance by group discussion of the identified problems with possible solutions proposed.

3. Initiatives Completed in FY 2015.

- a. TMEP Updates. The USPTO issued updates to the Trademark Manual of Examining Procedure (TMEP) in January and July 2015. The TMEP represents a valuable resource, both for applicants and for Examining Attorneys, and TPAC applauds Trademark Operations for providing ongoing and regular updates to the TMEP.
- b. Final rulemaking. In FY 2015, three notices of final rulemaking were issued.

- (1) Reduction of Fees for Trademark Applications and Renewals. On January 17, 2015, the USPTO introduced the TEAS RF option which reduced the fee for an application filed using the regular TEAS application form to \$275 from \$325 if the applicant agrees to end-to-end electronic processing of the application, that is, all responses and other documents required during the prosecution of the application are filed electronically. The fee for TEAS Plus (where the applicant must use an identification of goods/services from the USPTO Trademark ID Manual, and also must agree to full electronic processing) was reduced from \$275 to \$225, and the fee for renewing a trademark registration also was reduced when the renewal is completed electronically, from \$400 to \$300. The proposed fee reductions encourage applicants and registrants to fully rely on the electronic systems, rather than filing on paper. This reduction in paper filings continues to lower processing costs and promote efficiencies for the USPTO. The lower fees benefit new and existing businesses, providing lower costs for those seeking and maintaining federal trademark registrations. Since its introduction, the use of TEAS RF has steadily increased, and, during the last month of FY 2015, TEAS RF accounted for 50% of all new applications received by the Office. The availability of TEAS RF has resulted in a decrease in reliance on TEAS, from over 57% in January, 2015 to less than 19% by the end of FY 2015. Together TEAS RF and TEAS Plus account for 85 percent of all new applications filed. The decision to offer these reduced fees represents bold and thoughtful leadership by Trademark Operations. This reduction was targeted to encourage further efficient use of electronic processing, and, to date, it appears to be having the desired impact. TPAC appreciates the approach of Trademark Operations in carefully consulting with stakeholders and with TPAC before taking this step.
- (2) Miscellaneous Changes. Various changes were made to codify Office practice and provide guidance relating to representation before the Office. Specific changes included: applicants are required to claim ownership of prior registrations for the same or similar marks only if the owner last listed in the Office records differs from the owner listed in the application; and, when an applicant's mark is being used by one or more related companies whose use inures to the benefit of the applicant, the requirement to indicate this arrangement is eliminated.

This rule brought about a change in TMEP Sections 812 and 819.01.

(3) Requirements for Collective, Collective Membership, and Certification Marks. Effective July 11, 2015, the Office codified existing Office practices and provided guidance relating to the requirements for collective, collective membership and certification marks. The changes adopted include a requirement that with the first affidavit of use after registration, for registrations based on Trademark Act Sections 44 and 66(a), the filer must submit certification standards, and all filers of such affidavits must submit either updated standards if the standards have changed, or a statement indicating that the standards have not changed.

c. Examination Guides. Between updates to the TMEP, the Office occasionally provides guidance on specific issues through the issuance of an Examination Guide. Typically, the Examination Guide supersedes the current edition of the TMEP to the extent any inconsistency exists and the guidance contained is usually incorporated into the next edition of the TMEP. In March 2015, an Examination Guide was issued on marks consisting of a repeating pattern used on all or part of a product, or in connection with a service. The Guide addresses all issues related to repeating pattern marks, including relevant refusals and response options, as well as requirements regarding mark drawing and description, specimens of use, and the identification of goods or services. Examples illustrating the concepts are also provided in the Guide.

d. ID Manual Enhancements. The ID Manual lists identification of goods and services and their respective classifications that Examining Attorneys will accept without further inquiry if the specimens of record support the identification and classification. Although the listing of acceptable identifications is not exhaustive, it serves as a guide to Examining Attorneys, and to those preparing trademark applications, on what constitutes a sufficiently “definite” identification. Failure to appropriately list the goods and services with which a mark is used can prevent registration, so the ID Manual is an invaluable tool.

(1) Enhancements to Beta Version of Trademarks Next Generation ID Manual. In March 2015, the USPTO announced the deployment of enhancements to the “beta” version of the Trademarks Next Generation Trademark Manual of Identification and Classification of Goods and Services, available at <https://tmidm.uspto.gov/idm>. This enhancement was prepared with direct customer feedback

that impacted several of the functionalities of the ID Manual.

- (2) Nice Classification Changes. On January 1, 2015, the Tenth Edition of the Nice Classification came into force. These changes will have some impact on the USPTO's examination policy and examination practice. A complete list of those changes can be found by searching the ID Manual using the Search Term "20150101[ED]."
- e. TEAS Enhancements. In July, 2015, the size limit for some attachments to TEAS forms was increased from 5 megabytes to 30 megabytes. Detailed information about the size increases appear on the TEAS forms. For example, both PDF documents of up to 30 megabytes per attachment, and video files of up to 30 megabytes can be accepted. JPG and sound files, however, are still limited to 5 megabytes.
- f. Courtesy Email Reminders. On January 27, 2015, the USPTO began sending courtesy email reminders of post registration maintenance filing deadlines for both Sections 8 and 71 declarations and Section 9 renewals. Registrants must have a "live" registration as of the date of the email and must have both provided a valid email address to the USPTO and authorized email communication. The Office will not send paper reminders of these deadlines, as the reminders are only a courtesy. Similarly, if the email reminder is undeliverable, the Office will not attempt to follow up with additional emails. To ensure that reminders are received, trademark owners should ensure that the USPTO is added to their "safe senders" list and confirm that their email server will not treat such email as either spam or junk email. The owner of a registration who fails to make statutorily required post-registration filings will not be excused by the failure of the USPTO to provide the courtesy reminder. Courtesy reminders will be sent on the first day of the statutory filing period for the maintenance filing, for example, the 5th anniversary date, the 9th anniversary date, the 19th anniversary date, and so on, to all email addresses of record in the registration with the Correspondence and Current Owner fields. The reminders will also be sent to both the primary and secondary email addresses. Registrants can use the TEAS form "Change of Correspondence Address" to verify or update email address information, to ensure that reminders are received by the appropriate parties.
- g. Enhancements to the Electronic Trademark Assignment System. In the fall of 2014, as the FY 2015 began, the USPTO announced several improvements to the Electronic Trademark Assignment

System, or eTAS. These included: (i) the addition of three new Conveyance Types to improve specificity in the database – Entity Conversion, Court Order, and Merger and Change of Name (to eliminate the need to file two separate documents in the case of a merger and simultaneous name change) and (ii) the ability for customers to designate the order of recordation for related assignment submissions. Improvements were also made to how customers and the Office communicate about assignment documents. These include the introduction of a new phone service whereby the USPTO will contact customers by telephone to resolve recordation issues, instead of issuing a Non-Recordation Notice. The system also features an electronic resubmission capability, allowing customers who receive a Non-Recordation Notice to submit the corrected paperwork electronically. The system also provides three successive measures to give notice, first by email, then by fax, and ultimately by mail. Country codes have been updated and reordered, to make them consistent with other systems in the USPTO, such as TEAS. Finally, there is an addition to the Verification page that requires the filer to confirm that he/she is aware that the unauthorized use of ETAS constitutes a misrepresentation to the federal government and is subject to criminal and civil penalties. This change is designed to prevent the filing of false transfers against another's property. TPAC welcomes these changes, as they will all vastly improve the ease of use for customers of eTAS, and clarify chain of title issues in trademark conveyances.

4. Ongoing Initiatives.

- a. Pilot Program to review Post-Registration Specimens. In FY 2015, Trademark Operations concluded its pilot program, in which 500 randomly-selected registrations were reviewed, to test whether registrants could support claims of use on multiple goods by providing additional specimens for those goods. The purpose of this pilot program was to assess the accuracy and integrity of the use-based trademark register. As part of the pilot program, which commenced in 2012, selected trademark owners were required to submit proof of use of their marks for two additional goods and/or services per class, in addition to the specimen(s) submitted with their maintenance filings. If a response to the inquiry did not fully address the requirements of the pilot or included a request to delete the goods and/or services identified for the pilot, the registration was subject to further proof of use requirements to verify the accuracy of the identification of goods and/or services in the registration. The USPTO selected a statistically significant sample of registrations under Trademark Act Sections 1(a), 44(e), 66(a), and 1(a) and 44(e) combined (dual basis) under the pilot.

- (1) Summary of Results. In just over half of the registrations selected for the pilot, the trademark owners failed to meet the requirement to verify the previously claimed use on particular goods and/or services. Goods and/or services were deleted in 175 of the registrations, or 35%, of the registrations queried under the pilot. In another 78 registrations, or 16%, the trademark owner failed to respond to the requirements of the pilot and any other issues raised during examination of the underlying maintenance filing, resulting in cancellation of the registration. Accordingly, of the 500 registrations selected for the pilot, 253 registrations, or 51%, were unable to verify the previously claimed use in their Section 8 or 71 Declarations.

 - (2) Proposals for Ongoing Efforts to Improve the Accuracy of Identifications of Goods and Services in Registrations. The statistics from the pilot support implementing ongoing measures to improve the accuracy and integrity of the Trademark Register as to the actual use of marks with the goods and/or services included in registrations. To that end, the USPTO is considering proposals to increase the solemnity of the declaration filed with Section 8 and 71 Affidavits, and to continue and institutionalize random audits of Section 8 and 71 Declarations of Use. Other methods to improve the accuracy of identifications of goods and services in registrations are still under consideration. Although trademark owners may be, understandably, reluctant to embrace a change to the status quo, TPAC fully supports the efforts of Trademark Operations to ensure that the Trademark Register more accurately reflects the scope of rights owned by each Registrant. Trademark owners rely on searches of the Trademark Register every day when seeking information or when clearing new marks, and it is vital that the Register be as accurate as possible. We look forward to continuing to work with Trademark Operations to select and implement appropriate measures to ensure the integrity of the Trademark Register.
- b. Pilot on changing good/services to reflect new technology. On September 1, 2015, the USPTO commenced a pilot program to allow, under limited circumstances, amendments to identifications of goods/services in trademark registrations that would otherwise be beyond the scope of the current identification. Amendments may be permitted where they are deemed necessary because evolving technology has changed the manner or medium by which

the underlying content or subject matter of the identified products and services are offered for sale or provided to consumers. This pilot program is based on user input, including a roundtable discussion on April 11, 2014, a request for comments on the proposal issued on September 4, 2014, and numerous discussions between the USPTO and practitioners. This piloted change in trademark practice takes into account the policy goal of preserving trademark registrations in situations where technology in an industry has evolved in such a way that amendment of the goods/services in question would not generate a public-notice problem. The duration of the pilot will depend on the volume of requests.

(1) Amendment Requirements.

- Among the requirements to amend under this pilot are the following. Amendments will be permitted post-registration upon petition to the Director under Trademark Rule 2.146, 37 C.F.R. § 2.146. (During the pilot period, amendments will not be permitted prior to registration.)
- The petition procedures only apply to amendments not permitted under current practice because they would be considered to be beyond the scope of the current identification. Amendments permitted under current practice remain unaffected by these procedures.
- In the proposed amendment, the existing goods/services for which the petitioner is no longer able to show use must be replaced with the goods/services in their evolved form.
- Further, amendments will only be permitted in situations where the registrant is no longer able to show use of the mark with the goods/services in their original form due to evolving technology. If the registrant is continuing to use the mark with the goods/services in their original form, a new trademark application may be filed in order to seek registration for the evolved goods/services.
- Amendments that change the classification of the goods/services and change the identification from goods to services (or vice versa) may be considered. U.S. registrations under the Madrid Protocol [Section 66(a) of the Trademark Act, 15 U.S.C. § 1141f(a)], are based on the underlying international registration for a period of five years from the international registration date. Thus, during that period, the scope of the international registration will factor into determining whether an amendment is acceptable.

- By contrast, since registrations under Section 44(e) of the Trademark Act, 15 U.S.C. § 1126(e), exist independent of the underlying foreign registration, the scope of the foreign registration will not factor into determining acceptability.
 - The USPTO has posted on its website a non-exhaustive list of acceptable amendments under the new practice, along with a sample declaration - <http://www.uspto.gov/trademark/trademark-updates-and-announcements/recent-postings> . These materials will be updated periodically as amendments are permitted. At the conclusion of the pilot period, the Office will assess whether such amendments should be permitted on a permanent basis, and if so, whether modified guidelines are appropriate.
- (2) Petition Requirements. The petition must meet all requirements of Trademark Rule 2.146, 37 C.F.R. § 2.146, including payment of the petition fee. On petition, the petitioner must request a waiver of the “scope” rule, Trademark Rule 2.173(e), which provides that no amendment to the identification of goods/services in a registration will be permitted except to restrict the identification or change it in ways that would not require republication. In order to show that an extraordinary situation exists, for which justice requires a rule waiver under Trademark Rule 2.146, the petitioner must declare, to the best of petitioner’s knowledge, that: based on changes due to evolving technology in the manner or medium by which products and services are offered for sale and provided to consumers, the petitioner cannot show use on the original goods/services; the petitioner still uses the mark on other goods/services reflecting the evolved technology, and the underlying content or subject matter remains unchanged; and absent an amendment of the identification, the petitioner would be forced to delete the original goods/services from the registration, and thus lose protection in the registration in relation to the underlying content or subject matter of the original goods/services. Also, the petitioner must (1) submit a specimen showing current use of the mark in commerce on or in connection with the amended goods/services; and (2) provide dates of use for the goods/services in their evolved form, both verified with an affidavit or signed declaration under Trademark Rule 2.20, 37 C.F.R. § 2.20. Although the original dates of use would remain in effect in the registration, the “evolved” dates would be made of record

within the TSDR database. Petitioners must file their petitions and requests for amendment under Section 7 together through the Trademark Electronic Application System (TEAS) using the “Petition to the Director under Trademark Rule 2.146,” form number 3, located under Petition Forms. The free-text area of the form may be used to provide both the information needed on petition and the proposed amendment under Section 7. For proper handling, the petition should be captioned “Petition to Allow Amendment Due to Technology Evolution.” The required specimen must be attached to the form and both the “petition fee” and Section 7 “filing amendment to registration fee” must be provided. The declaration may be used to support both parts of the filing.

- (3) Third-Party Harm Considerations. The USPTO will perform a new search of Office records in considering possible third-party harm in allowing the amendment. Any “incontestable” status under Section 15 of the Trademark Act, 15 U.S.C. § 1065, that applied to the original goods/services will not apply to the newly amended goods/services in their evolved form. Moreover, in order to reduce the possibility of third-party harm in relation to registrations, the petitioner must declare that it will not file (or refile, if applicable) an affidavit or declaration of incontestability under Section 15 as to the evolved goods/services for a period of at least five years from the date of acceptance of the amendment. As an additional means of reducing the possibility of third-party harm and to provide a mechanism for interested parties to comment about proposed amendments prior to acceptance, the USPTO will publish on a webpage, to be accessed from the [Trademark Official Gazette](#) and [Trademark Official Gazette Notices](#) webpages of the uspto.gov website, all proposed amendments that appear likely to be acceptable prior to granting the petition and amending the registration. Interested parties will have 30 days from publication to comment on proposed amendments and such comments will factor into assessing the third-party harm aspect of the petition.

5. Outreach Initiatives.

In FY 2015, there were 65 trademark educational outreach programs titled "Trademark Basics: What Every Small Business Should Know Now, Not Later." Craig Morris, Managing Attorney for Trademark Educational Outreach, Office of the Commissioner for Trademarks, traveled to 18

states in which no live program had previously been provided, bringing the total number of states visited to 48 since the outreach program began in February 2012.

There were also 7 Roundtables. All roundtables included a Trademark Office representative or a representative from the TTAB. The cities visited were Dallas, Texas; Rockville, Maryland; Boston, Massachusetts; Phoenix, Arizona; New York, New York; Houston, Texas; and Pittsburgh, Pennsylvania.

The TPAC applauds the USPTO efforts and their commitment to continuing educational outreach programs throughout the United States on a variety of trademark practice and procedure topics.

6. International Matters.

- a. Intellectual Property Rights (IPR) Attaché Program. The U.S. IP Attaché program, which was introduced in 2006, continues to be a very important tool both in advancing harmonization and supporting the protection and enforcement of the rights of US businesses abroad.
 - (1) Fee allocation. TPAC continued in FY 2015 to monitor the IP Attaché program as it impacts trademarks and the USPTO's budget allocations. In FY 2015, the Office adopted a new way for the attachés to report their time, which tracks allocation of their time by category (trademarks, patents, copyrights, and other), rather than just reporting on major initiatives. This means for FY 2015 and going forward, the fees from the Attaché Program which are allocated to trademarks will be adjusted on a quarterly basis so that they directly reflect the work being done on trademark issues. TPAC is gratified by this result and appreciative of the responsiveness of the USPTO to bring greater transparency to funding for this invaluable program.
 - (2) Expansion. FY 2015 saw growth in the Attaché Program. In August, an IP attaché was added to Brussels, Belgium, to operate throughout the European Union, and an IP attaché position was established in Lima, Peru. This brings the total number of IP attachés to thirteen and expands the presence of the program to ten countries. The IP Attaché in Brussels will work on IP matters that arise within the European Union, and will coordinate with the European Commission on IP matters in WIPO and the WTO. The IP Attaché in Lima, Peru will work on IP matters in the Andean region. In addition, the IP Attaché position

formerly based in Moscow, Russia will be posted to Kyiv, Ukraine. The regional responsibilities of the Kyiv position will be expanded to include Eastern Europe, in addition to the Commonwealth of Independent States.

- (3) Outreach. Throughout FY 2015, the IP Attachés engaged with the corporate community, academia and other US stakeholders to raise awareness of the availability and the services of the Attaché Program and to learn what issues were paramount in the concerns of the community. In December 2014, the IP Attachés hosted or otherwise participated in a series of meetings in Washington, DC, including one with some members of TPAC and various IP organizations such as AIPLA and INTA, and another session with the US Chamber of Commerce. In May 2015, members of the Attaché Program attended and delivered presentations at the INTA Annual Meeting in San Diego, and also traveled to Los Angeles. In San Diego and Los Angeles, they met with legal associations, companies, law schools and industry associations. In FY 2016, it is anticipated that in addition to their meetings in Washington, DC, the attachés will visit with the USPTO regional offices in Detroit and will meet with U.S. stakeholders in that region.

- b. Madrid Protocol Updates. The Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks (the Madrid Protocol) is one of two treaties that comprise the Madrid System for the international registration of trademarks. The Protocol is a filing treaty, not a substantive harmonization treaty. It is a cost-effective and highly efficient way for trademark owners to protect their marks in multiple countries through the filing of one application with a single office, in one language, with one set of fees in a single currency. It eliminates the need for local counsel to act as agents for filing applications in countries or contracting parties. Once an international registration issues, it then devolves to each country or contracting party to determine whether or not protection is granted in its territory. However, once granted, the mark is protected there just as if that country or contracting party's own office had registered it. The Madrid Protocol greatly simplifies portfolio maintenance for registered marks, by providing a single procedural step to record subsequent changes in ownership, name or address of the holder, as well as greatly simplifying the process for renewing the mark.

- (1) Special Edition of Madrid Highlights. In March 2015 the World Intellectual Property Organization (WIPO) published a Special Edition of its quarterly publication, Madrid Highlights, featuring an article about the USPTO as a designated contracting party to the Protocol. It has been translated into the six official languages of the United Nations. The article contains detailed information for filers who seek an extension of protection in the United States about application filing and examination requirements, and tips on how to avoid a provisional refusal. Specific topics included are examination issues commonly seen in Madrid applications, provisional refusals on both absolute and relative grounds and responding to the same, and post-registration requirements. The article provides references to the TMEP so that readers can find additional information on specific topics. The publication is available on the WIPO website at www.wipo.int/madrid/en/highlights.
- (2) Growth of Madrid Protocol Membership. Cambodia, the African Intellectual Property Organization (OAPI), Zimbabwe and Gambia all joined the Protocol in FY 2015. Algeria, which had formerly been only a member of the Madrid Agreement, also joined the Protocol, bringing the total number of countries that now participate in the Protocol to ninety-six.
- (3) Madrid Working Group – October 2014. At the Madrid Working Group meeting in October 2014, the Working Group agreed to recommend several amendments to the Common Regulations to be considered by the Madrid Assembly in October 2015. Among the most notable is proposed new Rule 5(3), which would excuse failure by an interested party to meet a time limit for a communication addressed to the International Bureau (IB) and submitted by electronic means if the interested party submits evidence showing to the satisfaction of the IB that the time limit was not met because of a failure in (1) the electronic communication system with the IB or (2) the system which affects the locality of the interested party.
- (4) Status of Proposal re Division/Merger of the International Registration & Freezing Dependency. Discussions at the Working Group continue regarding a proposal for the introduction of the recordal of Division or Merger concerning an International Registration as well as freezing the 5-year dependency of the basic application/registration. Freezing dependency would allow a U.S. basic application

to contain a broad ID that ultimately gets narrowed in examination, but not before it is sent to the IB and issues as an international application. Most countries supported a trial period of suspension, while some countries favored a trial period but less than five years. WIPO is surveying users on this issue.

c. The Five Trademark Offices (“TM5”).

The TM5 is a framework through which five intellectual property offices, namely, the USPTO, the Japan Patent Office (JPO), the Korean Intellectual Property Office (KIPO), the Office for Harmonization in the Internal Market (OHIM), and the Trademark Office of the State Administration of Industry and Commerce of the People’s Republic of China (SAIC), exchange information on trademark-related matters and undertake cooperative activities aimed at harmonizing or improving their respective trademark systems and procedures.

- (1) Annual Meeting of December 3-5, 2014. The last annual meeting of the TM5 was held December 3-5, 2014, in Tokyo, Japan. At that time, the TM5 offices discussed various joint projects, including the “Continuation/Expansion of the Bad Faith Project” and the “ID List Project.” The partners also approved the USPTO’s proposal to conduct a new project called “Indexing of Non-Traditional Trademarks,” in which the partners will share best practices for searching and retrieving non-traditional mark features and work together to develop a common recommended indexing scheme that could be adopted by any interested intellectual property office. As part of the “Common Status Descriptors” project, each of the TM5 offices have agreed to use the same terminology to identify the statuses of trademark applications and registrations with their offices. The partners will work to display these on their publicly facing websites.
- (2) Ongoing Initiatives. The partners are working to select a sample of cases that were filed in all five TM5 offices to be analyzed in a Comparative Analysis of Examination Results Project. Also, the partners have created and are currently completing a standardized method of providing information about the TM5 offices’ requirements for applications that each office receives under the Madrid Protocol.

- (3) Mid-Year Meeting. Most recently, the TM5 partners conducted their mid-term meeting on May 4, 2015, in San Diego, California in conjunction with the International Trademark Association's Annual Meeting. Sessions for users were held in connection with both the annual and mid-term meetings.
 - (4) Trademark ID Search Tool. On January 24, 2015, a dedicated TM5 ID List search tool was posted to the homepage of the TM5 website. This tool allows the public to search a growing list of over 15,000 identifications of goods and services that are pre-approved by all five TM5 offices as acceptable to use in trademark applications with their offices. This tool, as well as more information on the TM5's activities, may be found on the [TM5 website](#).
 - (5) Upcoming Annual Meeting. The TM5 has designated the USPTO to act as the secretariat for the next Annual Meeting, which will take place on December 1-2, 2015, in Alexandria, Virginia.
- d. Geographical Indications and the Lisbon Agreement Diplomatic Conference. In May 2015, The World Intellectual Property Organization (WIPO) held a diplomatic conference in Geneva, Switzerland to revise the Lisbon Agreement for the Protection of Appellations of Origin and their International Registration. Under the Lisbon Agreement as it stood prior to May, a contracting party could register appellations of origin that are recognized and protected in the country of origin, which then precludes use of the appellation in any of the contracting parties. An appellation of origin is "the geographic denomination of a country, region, or locality, which serves to designate a product origination therein, the quality of characteristics of which are due exclusively or essentially to the geographical environment, including natural and human factors." During the diplomatic conference in May, the Lisbon Agreement was revised to change the subject matter covered by the Lisbon registry to include all geographical indications, and not just appellations of origin.
- (1) Treaty Negotiations. Unlike other recent treaty negotiations at WIPO, the diplomatic conference did not permit voting by all WIPO members, but only by the 28 members of the Lisbon Union. Other countries, including the US, participated as observer delegates, and were permitted to make suggestions, but not to make formal proposals for negotiation. The US and other countries had argued unsuccessfully that all WIPO members should be

permitted to participate and vote, because the outcome of the diplomatic conference, extending protection to all geographical indications, would inevitably impact trade relations between Lisbon Union and non- Lisbon Union parties. Over the objection of the United States and other WIPO Members, namely, Argentina, Australia, Canada, Chile, Japan, New Zealand, Panama, Republic of Korea, Saudi Arabia, Singapore, and Uruguay, the Lisbon Union adopted the Geneva Act which expands the coverage of the Lisbon Agreement to include geographical indications (GIs) and paves the way for the European Union to join the Act.

- (2) Geneva Act of the Lisbon Agreement Inconsistent with US Law. The Geneva Act enshrines a sui generis approach to geographical indications which differs in fundamental respects from a trademark-based system like the US one, which means that many countries will be unable to join it. For example, it requires too broad a scope of protection, and it continues to shield a registered GI from ever being found to have become generic in a receiving country. This is contrary to the way the WIPO treaties are generally intended to work, as a bridge among different national approaches that enables there to be an overlapping international architecture. Second, the treaty is not self-funding, despite the efforts of the US and other countries to ensure otherwise, meaning that intellectual property owners who take advantage of the Patent Cooperation Treaty and the Madrid System for trademarks may, in fact, contribute to funding the operation of the Lisbon Union. However, the Geneva Act now makes it clear that contracting party offices can charge an individual fee to pay for the costs of processing the requests for GI protection through the System. While not all contracting parties will take advantage of this flexibility, it eliminates the historical expectation that Lisbon contracting party governments should pay for the protection of another country's GIs in its territory. Further, the US and other countries were able, through the suggestions made during the conference, to improve the text in some respects. The U.S. and many other countries will continue to work on the issue of GIs, developing future strategies to improve the funding model and to advance discussions at WIPO regarding alternative systems to protect GIs.
- (3) Impact of the Geneva Act. The resulting Geneva Act will significantly affect U.S. exporters in the dairy, meat, wine

and other industries because it gives primacy to a list of geographical indications above pre-existing and longstanding uses in the territories of treaty members. The current Lisbon Agreement Registry includes various names that are commonly used in those industries, *e.g.*, PILSNER and CHAMPAGNE. The treaty members that put a high premium on GIs as part of their agriculture policy may well pressure other countries to accept their lists of GIs, even if they are in legitimate use by others. This may make it extremely difficult, if not impossible, to export U.S. products bearing those names into Lisbon Member countries. The Geneva Act will likely result in 4000 more European GIs added to the Lisbon Registry which will pose additional barriers for U.S. exporters. Although the process and outcome surrounding the Geneva Act were both disappointing, TPAC appreciates the involvement and leadership of the USPTO, and we recognize that the USPTO's efforts on behalf of trademark owners, even in a difficult circumstance, have made a positive impact. TPAC urges the USPTO to continue to work to minimize the potentially significant negative impacts of this Act.

- e. Belmora LLC v. Bayer Consumer Care AG. The USPTO intervened to defend a TTAB decision in a case that is currently pending before the United States Court of Appeals for the Fourth Circuit, Belmora LLC v. Bayer Consumer Care AG. It filed its opening brief on May 26, 2015, along with the appellant Bayer, and then a reply brief on August 7, 2015, in response to the brief of appellee Belmora, which was filed on July 13, 2015. In summary, the case involves two broad issues. First, whether the owner of a well-known foreign mark, that is, a mark that is known to US consumers although not used in US commerce, can bring a cancellation for misrepresentation of source under Section 14(3). And second, whether protection for well-known foreign marks is incorporated in Section 43(a) of the Lanham Act. In this case, the foreign mark was FLANAX, which is owned and used by Bayer in Mexico to identify pain relievers. Although Bayer does not use its FLANAX mark in the US, it asserts that its mark enjoys a reputation among US consumers. Belmora registered and began using the FLANAX mark for analgesics in the US, and Bayer filed a TTAB action seeking cancellation of Belmora's FLANAX registration under Section 14(3) of the Lanham Act, on the ground that Belmora is using the FLANAX mark to misrepresent the source of its goods as emanating from the same source as Bayer's FLANAX goods in Mexico. The TTAB granted the cancellation petition and Belmora sought review of that decision in the district court. Bayer then joined claims under 43(a) of the Lanham Act,

seeking to enjoin Belmora's use of the FLANAX mark. The district court dismissed Bayer's unfair competition and false advertising claims under Section 43(a), holding that because Bayer had not alleged prior use of its FLANAX mark in the US it had no standing. The district court further held that the TTAB had erred in not dismissing Bayer's misrepresentation of source ground under Section 14(3) for the same reason. Bayer appealed the district court's decision, and the USPTO intervened in the appeal to defend the TTAB's decision to cancel Belmora's registration, as well as to express its views on how Congress has implemented the U.S.'s commitments regarding protection of well-known marks under Article 6bis of the Paris Convention for the Protection of Intellectual Property. In particular, the USPTO argued that a plaintiff need not own a mark registered or used in the U.S. to maintain a claim for false advertising under Section 43(a)(1)(B), a claim for false association under Section 43(a)(1)(A), or a petition to cancel a registration based on misrepresentation of source under Section 14(3). Rather, Bayer's allegations that its FLANAX mark is well-known among relevant consumers in the U.S., and that Belmora was using the mark to pass off and misrepresent the source of its goods, are sufficient to confer standing and state claims under those provisions of the Lanham Act. TPAC applauds the USPTO's efforts to intervene to address these important international issues.

B. IT and E-Government Issues.

1. Trademarks Next Generation ("TMNG").

In 2009, the Director of the USPTO proposed a project called Trademarks Next Generation (TMNG), intended to offer additional e-government capabilities to customers of the Office. Since 2011, the Office of the Chief Information Officer (OCIO) has been working on, among other information-technology (IT) projects, the planning, development, testing, and implementation of TMNG. The intent of the TMNG initiative is for the trademark operation of the USPTO to function as an advanced, cloud-based system that will allow end-to-end electronic processing of trademark applications, including appeals to the TTAB of refusals to register, and trademark registration maintenance, both for USPTO Examining Attorneys and support staff and for trademark owners and practitioners. TMNG will replace—and with respect to certain, select functionality has already begun to replace—the patchwork of legacy trademark application forms and databases that are, in some cases, intertwined with non-trademark IT resources, operate on relatively old and therefore outdated software environments, and pose considerable challenges in terms of efficiency, maintenance, support and reliability.

Although originally envisioned as a more limited set of new features and capabilities for external users that was to be delivered in an 18-month window, the broader scope and definition of TMNG has led to a multi-year development effort to integrate all trademark IT capabilities into a single environment. Commensurate with the scope of this project, the development of TMNG has been divided into four interlinked phases that overlap from fiscal year to fiscal year:

FY 2011-FY 2014. The “TMNG” Phase. This phase focused on the design and development of capabilities for Examining Attorneys and on building the TMNG infrastructure and framework.

FY 2015-FY 2017. The “TMNG-2” Phase. This follow-on phase is initially focusing on completing the development and deployment of capabilities for Examining Attorneys, in particular the comprehensive “Examiner Tool” for examining trademark applications, conducting the research required for such examination, and preparing Office Actions. Once that task has been completed—perhaps during the first half of FY 2016—the focus will shift to developing and delivering non-examination functions.

FY 2013-FY 2016. The “TMNG External” Phase. This phase, separate from but related to the TMNG and TMNG-2 Phases, focuses on developing capabilities for external users that will be built on the same platform and database used by Examining Attorneys. Examples of TMNG developments for external users include the Electronic *Official Gazette* (eOG), the ID Manual of Acceptable Goods and Services (IDM), and eFile, the replacement for the Trademark Electronic Filing System (TEAS) and ESTTA.

FY 2017. The “Trademark Trial and Appeal Board” (“TTAB”) Phase. This phase, also separate from but related to the TMNG and TMNG-2 Phases, will focus on designing and developing TTAB-related capabilities for internal and external users that will replace the separate systems currently utilized by the TTAB.

This year, TPAC has had the opportunity to view two demonstrations of the Examiner Tool, which is under development. As TPAC members noted during both of those demonstrations, the Examiner Tool appears to be a comprehensive, robust, user-friendly application that will enable Examining Attorneys to perform their duties more effectively and efficiently. The Tool is to enter beta testing in the first quarter of 2016, and rollout to the Office will commence in the second quarter of FY 2016. TPAC will continue to monitor the progress of this testing, and we look forward to receiving a report on the reactions and recommendations of Examining Attorneys.

Concerning the TMNG External Phase, TPAC understands that the TMNG-2 Phase, with its focus on implementing TMNG for internal users first, needed to take priority over the TMNG External Phase. TPAC concurs with this approach. In addition, TPAC notes with approval the development and implementation of the eOG and the OCIO's plans to complete the development and release of both IDM and eFile. Members of TPAC, however, were surprised and concerned to learn that, after six years of TMNG projects, OCIO has not yet developed a plan, or at least not a comprehensive and essentially firm plan, for what the TMNG interface portal will look like or how it will function for external users. OCIO does have some interesting preliminary ideas for that portal, which OCIO is calling "MyUSPTO." Members of the TPAC IT Subcommittee had the opportunity to review an early version of "MyUSPTO" at our September subcommittee meeting, and were pleased with the flexibility of this interface. TPAC strongly encourages OCIO to work with external users to develop this interface and to seek input from a broad range of customers. TPAC is also concerned that progress on TMNG, including the interface for external trademark customers, should not be slowed down by linking this process to "office-wide" initiatives, like MyUSPTO, that may not have sufficient funding or that might not be as high a priority for patent stakeholders.

With regard to the TTAB Phase, TPAC is concerned that a single fiscal year may not be enough time to plan, design, develop, and implement all desired TTAB-related capabilities for internal and external users, especially if, as the history of TMNG development suggests is certainly possible, the schedules for the TMNG-2 and TMNG External Phases slip. TPAC recommends that, notwithstanding its fiscal and human resource constraints, OCIO at least begin planning those capabilities no later than early in FY 2016.

2. Staffing and Hiring.

In the middle of FY 2015, OCIO had approximately 450 employees and 700 contractors. At that time, OCIO had approximately 160 job vacancies, some at a high level. OCIO has reported that this relatively high number of unfilled vacancies—which apparently still persists—has made it difficult for OCIO to develop and implement TMNG (and work on the OCIO's many other projects) as quickly as OCIO, not to mention internal and external stakeholders, would like.

OCIO has apparently made some outreach efforts to fill those vacancies, including aggressively advertising the positions and actively recruiting veterans of the U.S. Armed Forces with IT experience. TPAC commends those outreach efforts, in particular the recruitment of military veterans, and strongly recommends that they continue. Also, TPAC understands that the differences between government compensation and hiring

practices and those of the private sector create a challenge for filling government vacancies.

However, a personnel shortfall of approximately 26 percent obviously has a very significant negative impact on OCIO's ability to perform its assigned tasks. To the extent that OCIO or the USPTO at large can do anything further to fill some of these job vacancies, TPAC urges that it be done. Moreover, although an increased reliance on external contractors, which already occurs at a high rate, may not be the ideal long-term solution (and given fiscal constraints, might not be possible), TPAC recommends that OCIO at least explore the option of pursuing additional contract work in order to ensure completion of TMNG within currently projected timeframes.

3. Budget Planning and Tracking.

The following figures show the projected total investment (spent and obligated to spend) of Trademark User Fees in the phases of TMNG, as of March 31, 2015:

TMNG Phase	\$67,741,000
TMNG-2 Phase	\$71,689,000
TMNG External Phase	\$21,392,000
TTAB Phase	Not yet determined
Total	\$160,822,000

Given the significant investment of Trademark User Fees in TMNG, TPAC worked this year with OCIO and with OCFO to more closely monitor spending and progress on TMNG initiatives. TPAC appreciates that cooperation of OCIO and OCFO in this effort, which has proven very helpful to our Committee, and we plan to continue to more closely monitor the ongoing investment of Trademark User Fees in this project. TPAC encourages external stakeholders, including IP associations and corporations, to also focus on what has become a significant ongoing investment of Trademark User Fees and to help ensure timely delivery of IT capabilities that support the needs of the trademark community.

4. Agile Approach to Software Development (Advantages and Disadvantages).

OCIO has adopted and is now using the "Agile" approach to software development, which has replaced the more traditional "Waterfall" approach previously employed by OCIO. The Waterfall approach focused on a master software plan designed to address comprehensive system

requirements and having predetermined goals, or “milestones,” for completion of various phases of the master plan. Although some portions of the software system—“deliverables”—might be produced, tested, and implemented incrementally, the system as a whole could not be put into place until the last milestone was reached. Waterfall development required elaborate documentation, focused on single implementation of an entire system, and was resistant to changes in specification along the way, which, depending on their nature and timing, could increase project cost significantly.

By contrast, the Agile approach focuses on the incremental and, ideally, rapid development, testing, and implementation of small pieces of an intended whole, the features and functionality of which are not predetermined but rather evolve over time with customer input. Not only is it more accepting of change (and therefore generally less expensive) than the Waterfall approach, the Agile approach is actually driven by the changes and new features and functionality that customers request as they work with the portions of the evolving system that have already been delivered, tested, and implemented.

The Agile approach uses “scrum masters” who conduct daily standup meetings of the small project teams under their supervision, and who oversee the “sprints” of software development that the teams perform. That development is intended to respond to input from customers—collectively, the “product owner”—who define desired system features, determine system priorities, and are able to change those requirements at the start of every sprint.

The Agile approach offers several obvious advantages, and TPAC understands why OCIO has embraced it. We note, however, that in the context of TMNG development, the Agile approach also carries some disadvantages for external stakeholders—who are or at least should be part of the “product owner.” First, given that Agile development is not based on a master plan, external stakeholders have no way of knowing what features and functionality TMNG will have when it is fully and finally implemented. Second, external stakeholders have no way of knowing what input to TMNG internal stakeholders have provided or will provide under the Agile approach and therefore no way of addressing the potential impact to them of system changes made in response to that input. Third, external stakeholders have only a very limited ability to provide their own input regarding the portions of TMNG to which they now have access—*i.e.*, the recent changes in the features and functionality of the Trademark Electronic Search System, the Trademark Electronic Application System, and other functionalities of the USPTO website.

As a result, although the Agile approach may be beneficial to OCIO and to internal stakeholders, the benefits to external stakeholders are less clear at

this point in time. TPAC does not recommend that OCIO go back to the Waterfall approach, but we do urge OCIO to be mindful of the need to keep external, as well as internal, stakeholders apprised of plans for and progress on TMNG, as well as considering how changes recommended by a small project team might later impact other users of the system. TPAC recommends that OCIO provide information to external users via a “TMNG Update” icon on the Trademarks page of the USPTO website (<http://www.uspto.gov/trademark>), which would lead interested readers to a landing page providing regular updates about OCIO’s recent accomplishments with respect to TMNG and its public plans for short-term and longer-term development of the system. That page could also include a link to OCIO’s briefing slides from the most recent TPAC meeting and provide an additional forum for external users to submit suggestions and recommendations.

5. Accomplishments in FY 2015.

The OCIO reports that it made the following trademark-related accomplishments in FY 2015. As the headings indicate, some of these accomplishments relate to TMNG and others relate to legacy systems.

a. TMNG Internal Accomplishments.

- Continued to develop electronic workflow for trademark Examining Attorneys:
 - Developed Approval for Publication and other Office Action capabilities;
 - Migrated all documents, except for TTAB documents, from legacy systems, comprising 200+ million documents and 5+ million images;
 - Began synchronizing legacy mainframe with TMNG; and
 - Planned for deployment of TMNG Examiner Tool to beta users for testing beginning in September 2015.
- Initiated work on non-Examining Attorney capabilities:
 - Developed workflow for international trademark applications (Madrid System); and
 - Defined workflow for Petitions to the Director of the USPTO.

b. TMNG External Accomplishments.

- TMNG Electronic Official Gazette (TM eOG):
 - TM eOG makes it easier for consumers of data published in the USPTO's *Trademark Official Gazette* to review the content and search for items of interest and provides individual users with the ability to download only those cases of interest rather than the whole publication.
 - Two releases of enhanced capabilities, based on customer feedback, were deployed in FY 2015.
- TMNG ID Manual (IDM):
 - TMNG IDM provides an editable and searchable version of the identifications of goods and services and their respective classifications.
 - A beta version of TMNG-IDM was deployed in early FY 2015.
 - Two releases of enhanced capabilities, based on customer feedback, were deployed in FY 2015.
- TMNG eFile:
 - Focusing on development of updated smart filing forms with wizards; and
 - Developed initial eFile capabilities related to attorney forms.

c. Trademark Legacy Systems Accomplishments.

- Trademark Electronic Application System (TEAS):
 - Implemented TEAS RF capabilities; and
 - Deployed two releases based on customer feedback, including increasing the size limit for each attachment to 30 MB.
- Legacy Content Management Migration (LCMM):
 - Developing ability to view same content in both legacy and TMNG applications.

- Madrid Processing System:
 - Deployed processing stabilization and notification enhancements for Madrid System.

The OCIO reports that it plans to work on the following projects in the near term.

- TMNG Internal Projects:
 - Deploy TMNG examination capabilities to Trademark Law Offices;
 - Develop and deploy TMNG capabilities for Madrid System; and
 - Define, develop, and deploy capability to process Petitions to the Director of the USPTO.
- TMNG External Projects:
 - Develop and deploy smart forms for filing domestic and international applications and related documents.
- Legacy Systems Projects:
 - Develop and deploy enhancements to the Trademark Trial and Appeal Board Information System (TTABIS), the TTAB’s internal electronic docket, seen by external users as TTABVUE; and
 - Began developing enhancements to the Electronic System for Trademark Trials and Appeals (ESTTA).

6. Timeline for Completion.

Although the USPTO’s initial goal was to develop and implement TMNG within 18 months, both internal and external stakeholders recognized at the time that such a goal was most likely unrealistic and more of a call to action than an actual proposed timeline. OCIO recently estimated that TMNG will be fully implemented by the end of FY 2017—*i.e.*, September 30, 2017. Since that estimate, however, TPAC is aware that USPTO has reduced its agency-wide budget and that OCIO is re-evaluating projects for 2016 and 2017. We therefore anticipate further delays in the implementation of all TMNG capabilities.

TPAC, along with most trademark system users, would have liked to have seen TMNG implemented sooner than the eight years that will have gone

into its development by the end of FY 2017. A variety of factors have contributed to the time required for TMNG development and implementation, such as the difficulties posed by working to replace relatively old and poorly documented software while still having to maintain and operate that software, the complexity of the proposed cloud-based system, evolving and constantly changing specifications for functionality presented by Examining Attorneys and, to a lesser extent, external stakeholders, the limitations of fiscal and human resources, and competing demands from elsewhere within the USPTO, to name a few.

Some of those factors continue to exist today and thereby still affect and to some degree impede OCIO's efforts to complete TMNG initiatives. Nevertheless, TPAC believes that OCIO should make every reasonable effort—if necessary, to the point of equating “reasonable” with “possible”—to complete TMNG by the end of FY 2017. In TPAC's view, delaying the full implementation of TMNG beyond that date would be and should be unacceptable.

C. Budget and Funding Issues.

1. Fee Reduction.

In January 2015, the USPTO implemented a reduction of certain trademark fees, with the goal of promoting increased use of electronic filing and processing. Through the end of FY 2015, the reductions saved Trademark Applicants and Registrants more than \$21 million in fees. The revenue collection is on target with the projections.

The reductions are as follows:

- Reduced by \$50 the fee for applications using regular TEAS applications, if applicant authorizes email communication (a change from \$325 to \$275 per class)
- Reduced by \$50 the fee for TEAS Plus (a change from \$275 to \$225 per class), and
- Reduced by \$100 the fee for filing TEAS Renewal of Registration (a change from \$400 to \$300 per class).

TPAC applauds Trademark Operations for its efficiency and its willingness to pass savings on to its customers. The USPTO projects that this fee reduction will result in a decrease in the Trademark Operating Reserve during FY 2015 and FY 2016, and that the Reserve will begin to replenish by FY 2018. TPAC intends to work with Trademark Operations to continue to monitor the impact of this fee reduction on the Trademark

Operating Reserve and to ensure that the Reserve remains funded at an appropriate level.

TPAC encourages the Trademark Office to look at other areas within Trademarks and the Trademark Trial and Appeal Board (TTAB) where changes in fees might incentivize efficiency and greater use of electronic filing.

2. Activity-Based Information Accounting System and Maintenance of Trademark and Patent Fence.

Under the Leahy-Smith American Invents Act (AIA) a “fence” was created for both patent and trademark fees to clearly distinguish spending of users fees between the two operations. As stated in previous annual reports, there are only two sources of revenue to support the USPTO: (i) Patent user’s fees, and (ii) Trademark user’s fees. TPAC continues to carefully monitor the percentage allocation of funding to the operation of shared administrative services including the Office of Chief Information Officer, Office of Chief Financial Officer, Office of the Chief Administrative Officer, Office of Policy and International Affairs, Office of General Counsel and the Office of the Director.

As stated in the 2014 Annual Report, the Activity Based Information Accounting (ABI) has been a highly effective tool in Trademarks and in the Trademark Trial and Appeal Board (TTAB) for supporting decisions in management and metrics. As was recommended in previous Annual Reports, TPAC recommends that the ABI model be used to monitor activities in shared support units to better support management decisions and ensure that the fence is honored for both Trademarks and Patents.

In keeping with the support of the fence protecting the use of both patent and trademark user fees, TPAC applauds the establishment of the Financial Advisory Board (FAB) in 2015. The FAB is comprised of representatives from the Patent, Trademark, Chief Information Officer (CIO) and Chief Financial Officer (CFO) organizations. The Chief Financial Officer is the chair and the Commissioners of the Patent and Trademark organizations are co-chairs. The purpose of the FAB is to put discipline and structure around the budget process and determine what initiatives are needed to improve and preserve the IP system. In addition, when Patent or Trademark fees need to be increased or reduced the FAB will make recommendations to the Director in support of the primary goals of the agency. All offices must present their budget justifications to the FAB for review and approval before submission in the final budget. While the formation of the FAB began in the second half of FY 2015, TPAC is encouraged that the Commissioners for Patents and Trademarks will have a stronger voice in budget decisions involving user’s fees. The

FAB will also be responsible for ensuring that the Operating Reserve Fund does not fall below its minimum acceptable floor.

It should be noted that direct spending by Trademarks and TTAB remains approximately 44% of collection of revenue and the majority of Trademark related revenues are allocated outside of the control of Trademark Operations. Continued implementation of the ABI Model and the establishment of the FAB will serve as vehicles to monitor the return on investment of Trademark Funds in shared service activities.

3. Ensuring Full Access to User Fees.

Under the America Invents Act, the USPTO was given full use of its user fees with the authority for the establishment of the Patent and Trademark Fee Reserve Fund. Under this provision, any fees collected above the Congressional appropriation would go into Fee Reserve Fund for the sole use of the USPTO. In order to access these funds, the USPTO submits a reprogramming request to Congress for the transfer of funds into its Operating Reserve. In December 2014, the new system was tested and the funds in the amount of \$148.2 million including \$19.5 million in trademark revenues collected in FY 14 were reprogrammed back to the Patent and Trademark Office. The USPTO has established a policy to maintain an operating reserve with a ceiling equivalent to six months of trademark operating expenses and a minimum floor equivalent to two months of trademark operating expenses.

4. Office of the Chief Information Officer.

In February 2015, the Budget and Finance Subcommittee met with the representatives from the Budget Planning and Finance Office to discuss the significant increase in spending by the Office of the Chief Information Officer for IT projects for Trademarks, especially the progress in Trademark Next Generation (TMNG).

While the Information Technology Subcommittee addresses specific IT matters in its report, the Budget and Finance Committee expressed its concern in the increase in budget for the OCIO.

As a result of the discussions, TPAC Subcommittees are working more closely to monitor the relationship between budget expenditures and completion of discretely prioritized Trademark IT projects by the OCIO. While these monthly reports have provided greater accountability and transparency in specific IT projects, especially TMNG, it is TPAC's intention to continue to monitor activities to ensure that support organizations deliver projects on time and within budget.

D. Trademark Trial and Appeal Board.

1. Impact of *B&B v. Hargis*.

On March 24, 2015, the United States Supreme Court issued its decision in the closely watched case of *B&B Hardware, Inc. v. Hargis Industries, Inc.* The Court held that TTAB decisions can have issue-preclusive effect in subsequent district court infringement actions between the same parties, provided the ordinary elements of issue preclusion are met. This decision may have a significant impact on parties' decisions on whether to litigate a trademark dispute in the TTAB (as opposed to a district court) in the first instance, and the resources and effort parties may devote to the TTAB proceeding. This decision has generated a good deal of discussion and speculation among trademark practitioners and IP associations regarding the potential for changes in the way in which parties pursue *inter partes* proceedings before the TTAB. Since the *B & B* decision issued, the TTAB has increased its outreach to stakeholders and the Chief Judge, Deputy Chief Judge and Senior Attorney/TBMP Editor, among others, have appeared at roundtables and numerous CLE programs to discuss the impact of the decision. TPAC encourages the TTAB to continue to seek out and fully consider comments, concerns, and suggestions from the public regarding the potential impact of the *B&B Hardware* decision on future TTAB cases and procedures.

2. Performance Statistics.

In FY 2015, the TTAB continued its efforts to increase productivity where necessary, and to maintain inventories of cases awaiting final decision as well as cases awaiting decision on contested motions that are sufficient for TTAB staffing but low enough to support pendency goals. TPAC is pleased to note that the TTAB met key performance goals and metrics this year, as detailed below.

a. Precedential Decisions.

TPAC commends the TTAB for issuing 42 precedential decisions in FY 2015, once again meeting its target of 40-45 precedents per year. Precedential decisions give trademark owners guidance on substantive trademark issues arising in appeal and trial cases, as well as clarification of evidentiary and procedural issues which may arise in TTAB cases. The Board's precedential decisions issued during FY 2015 addressed a number of important issues, including ownership, disparagement, false suggestion of connection, consent, likelihood of confusion, parody as a defense to a dilution claim, ornamentation, acquired distinctiveness, fraud, laches, concurrent use, and a number of discovery and procedural issues.

b. Oppositions and Cancellation Proceedings.

In FY 2015, there was a 4% decrease in the number of oppositions filed, from 5,509 in FY 2014 to 5,290 in FY 2015. Cancellations increased 2.3%, with 1,763 filed in FY 2015 compared to 1,722 in FY 2014. The decrease in oppositions is likely an aberration, as the four previous fiscal years involved increases. Likewise, cancellations have increased four years in a row. The general trend for all filings at the Board is up.

c. Pendency and Inventory Goals

In FY 2015, the TTAB continued to set and disclose goals for pendency and measure its performance against those goals, giving both the agency and the public valuable guidance for monitoring the TTAB's performance and time-frames for tracking cases and decisions. For pendency of final decisions on the merits in FY 2015, the TTAB goal was to decide cases within a 10-12 week range, as measured from the dates the respective cases became ready-for-final decision (RFD). This is an average time frame for all issued non-precedential final decisions in *ex parte* appeals and *inter partes* trial cases, with each case captured in the average measured from, as appropriate, the oral hearing date or the submission on brief date, until the decision is issued. The TTAB also set a goal to issue non-precedential decisions on contested motions between 8-9 weeks on average from the RFD date (*i.e.*, the date the motion is fully briefed), with a "reach" goal for the age of the oldest contested motion RFD to be no more than 12 weeks. The TTAB also set inventory control goals for cases awaiting final decisions and awaiting decisions on contested motions. For final decisions, the target inventory range was set at 115-135 cases; and for contested motions, the target inventory range was set at 130-160 cases. The TTAB met or bettered all but one of these goals. Average pendency for decisions on contested motion pendency was a bit above the goal, as discussed below; but the other two goals for motion processing were attained.

TPAC applauds the TTAB for setting objective performance goals and for tracking its progress against those goals. These performance measures assist the Board and the public in setting realistic average-time expectations and monitoring overall workflow and progress on an ongoing basis.

d. Final Decision and Overall Average Pendency.

The average pendency of final decisions (excluding precedential decisions) issued in FY 2015 was 9.7 weeks. This average is

slightly above the FY 2014 average of 9.2 weeks, but still better than the target of 10-12 weeks. This also represents a significant decrease from the FY 2012 levels that peaked at 24 weeks. TPAC recognizes that these overall reduced pendency averages for final decisions reflect the TTAB's hard work and continued focus on productivity and output from the Administrative Trademark Judges (ATJs). The Board's ATJs, under the leadership of Chief Judge Gerard Rogers, issued a total of 562 final decisions in FY 2015, an increase in production of 4.7%, which helped the Board reduce its total inventory of cases ready for final decision to 112 at year end, better than the target of 115-135 cases.

In FY 2015, the TTAB also tracked average pendency of non-precedential final decisions separately by type of case, with *ex parte* appeals decided within an average of 9.3 weeks from RFD and *inter partes* trial cases decided within an average of 11.2 weeks from RFD. Thus, even measured separately, each was within or better than the target of 10-12 weeks.

At the request of TPAC, the TTAB is also now tracking average pendency of precedential decisions, again measured from RFD to the date of the decision. For precedential decisions issued in FY 2015, average pendency was 48.1 weeks for final decisions in *inter partes* cases (compared to 42.6 weeks in FY 2014), 39.7 weeks for final decisions in *ex parte* appeals (compared to 28.5 weeks in FY 2014), and 45 weeks for interlocutory orders (compared to 23.7 weeks in FY 2014). While these averages are by necessity higher than those for non-precedential decisions, the Board plans to pay increased attention to process improvements to extract time savings throughout the process of preparing and issuing these precedential decisions.

The average "end to end" or "commencement to completion" pendency of trial cases (*i.e.*, *inter partes* cases) was 161.2 weeks in FY 2015, compared to 165.2 weeks in FY 2014. The median pendency of trial cases was 142 weeks in FY 2015, the same as in FY 2014. The FY 2015 reduction in average pendency is the fourth consecutive year this measure has been reduced.

For *ex parte* appeals in FY 2015, the average "end to end" processing time was 42.7 weeks, compared to 43.8 weeks in FY 2014. TPAC is pleased that average *ex parte* appeal pendency levels have been reduced back to FY 2009 and 2010 levels, when average pendency for an *ex parte* appeal was 44 and 45.5 weeks, respectively. Median pendency for appeals in FY 2015 was 35 weeks, compared to 36 weeks in FY 2014.

e. Contested Motions.

In FY 2015, the TTAB's average time to issue non-precedential decisions on contested motions was 9.8 weeks, not counting adjustments for reassignments made to maintain even workloads on the Interlocutory Attorneys. The adjusted figure was 9.2 weeks, and was up only slightly compared to the 9 week average in FY 2014. The adjusted figure was only .2 above the target of 8-9 weeks. The age of the oldest contested motion ready for decision at the end of FY 2015 was 12 weeks, compared to 11.9 weeks at the end of FY 2014, so that the Board again met this "reach" goal of having no case with a contested motion older than 12 weeks at year end. The TTAB also met its inventory target, with 159 cases awaiting a decision on one or more contested motions at the end of FY 2015 (compared to 135 cases at the end of FY 2014). Though the year-end inventory was up over the prior year, it was within the goal of 130-160 cases. In addition, the inventory should be reduced in FY2016 as the Board continues to incorporate two new attorneys who joined the Board in mid-year.

TPAC is heartened by the overall positive performance of the TTAB in FY 2015. The TTAB has met most of its goals, and skillfully managed case inventories and decisions issued under the leadership of Chief Judge Gerard Rogers, Deputy Chief Judge Susan Richey, and the valuable contributions from the ATJs, Interlocutory Attorneys, Paralegals, and staff. Further, the supervisor of the Interlocutory Attorneys, Kenneth Solomon, contributed significantly to the overall success of the TTAB's performance.

f. Active *Inter Partes* Proceedings Pending Under "Old Rules."

In November 2007, the TTAB instituted a major rules change that impacted cases filed from that point on. For the last several years, the TTAB has been working to move all the "old rules" cases to final decision. The Board continued to make progress in that regard in FY 2015, as only 48 such proceedings remain on the Board's docket, with nine of these in the process of being resolved on the merits. There are 39 proceedings commenced prior to November 2007 that are not under the Board's sole control, because they are suspended for another proceeding, have been remanded to a Trademark Examining Attorney, or have been decided and are in the appeal period or on appeal.

With the nine proceedings that are "on track" toward resolution on the merits, the TTAB has issued interlocutory orders to set schedules for completing discovery, trial or briefing, as necessary.

In many cases, TTAB Interlocutory Attorneys and/or ATJs have utilized telephone conferences to discuss the status of “old rules” cases, so as to hasten them toward resolution. Suspension of these cases to accommodate settlement negotiations by the parties is no longer permitted.

While TPAC recognizes that there are some cases over which the TTAB has no ability to control scheduling, such as those suspended because of a court matter, our Committee commends the TTAB for its active management of the remaining “old rules” cases. TPAC, like the TTAB, looks forward to the day when the Board will no longer have to operate under two different sets of rules.

3. Personnel.

The TTAB currently has 23 ATJs, 13 full-time and one part-time Interlocutory Attorneys, and 11 paralegals. New ATJs hired in FY 2015 were Cheryl Goodman (former TTAB Interlocutory Attorney), Cynthia Lynch (former USPTO Administrator for Trademark Policy and Procedure), and David Heasley (an experienced trademark litigator). In April 2015, Mike Webster and Jeff McNutt were hired as Interlocutory Attorneys. TPAC would like to congratulate and welcome these individuals to their new roles at the TTAB.

In FY 2015 (as in previous years) the Board continued to utilize law students as summer externs to work on large record cases in both contested and uncontested matters, and on various other research projects.

It is clear that the use of detailees and summer externs has helped the TTAB manage caseloads more efficiently. TPAC supports the TTAB as it continues to consider future details, work projects, and law student programs to assist with management of workload, particularly on cases with large records. These programs not only benefit the TTAB, but also provide valuable exposure and experience for Examining Attorneys and for students.

4. Process/Procedures.

a. Stakeholder Outreach.

ESTTA Users Forum. On January 29, 2015, the TTAB hosted an external stakeholder forum to discuss issues relating to the Electronic System for Trademark Trials and Appeals (ESTTA). Issues discussed included difficulties encountered with attachments to filings, both in terms of pre-filing review and resolution of images in TTABVUE following submission; expansion of the list of grounds on the ESTTA cover page when initiating opposition

and cancellation proceedings; modification of the consent motion form to allow filers to control resetting of dates that have not yet lapsed; and implementation of a “saved” feature to allow more than one author to contribute to the filing before submission. The TTAB is planning a number of enhancements to ESTTA and TTABVUE in light of these discussions, and has worked with CIO staff to identify the necessary system improvements. Plans are to have the improvements deployed in FY2016.

Roundtable on Evolving TTAB Processes. On February 19, 2015, the TTAB held a roundtable with user groups to discuss a number of topics and possible changes to TTAB processes and procedures, including increased use of email service and electronic communication from the Board, restrictions on extensions of time to oppose, changes to the Board’s Standard Protective Order, changes to discovery rules, submission of testimony by affidavits/declarations with live cross-examination, permitting submission of produced documents by Notice of Reliance, judicial notice of USPTO records, limits on extensions/suspensions for settlement negotiations, conferences with the Board on motions for summary judgment/partial summary judgment, retrieval of documents after termination of trial cases, non-use expungement proceedings, eliminating interferences, reconsideration and remands of *ex parte* appeals. Representatives from a number of organizations participated in the roundtable, including ABA-IPL Section, ACC, AIPLA, INTA, and IPO. The Board is considering a number of changes to its procedures and processes in light of these discussions, and TPAC looks forward to reviewing and advising the TTAB on any proposed changes.

As the discussion above demonstrates, the Board continues to actively seek input from its customers and seeks to implement changes based on that input. TPAC commends the TTAB for its responsiveness and for its willingness to include stakeholders whenever considering new changes.

b. Trademark Trial and Appeal Board Manual of Procedure (TBMP).

TPAC consistently encourages the TTAB to revise and update the TBMP on at least an annual basis. The TTAB has been doing so for the past several years. Keeping the TBMP up to date through consecutive annual revisions is critical for the TTAB and for those who practice before it. In FY 2015, the TTAB launched the TBMP in RDMS format, which will make the TBMP easier for users to search electronically and will allow for ongoing collection of stakeholder feedback and suggestions. TPAC applauds this

enhancement and appreciates the ongoing efforts of the TTAB to provide stakeholders with an up-to-date resource.

c. Accelerated Case Resolution (ACR).

The TTAB continues in FY 2015 to advocate that parties adopt ACR. Cases in which the parties agree to ACR show that the procedure has the potential to significantly improve the speed at which a matter is resolved, thus reducing costs associated with the proceeding. Because ACR can be adopted by the parties at any time during the pendency of a case, the statistics on ACR do not always reflect the potential efficiencies that can be realized through the use of ACR. Some parties only agree to a form of ACR after significant investment of time and resources in discovery and motion practice. It is clear, however, that even when parties stipulate to ACR-type procedures later in a proceeding, they still realize significant resource-saving benefits.

In FY 2014, for example, the average end-to-end pendency for an ACR case was 136.3 weeks, about 17.5% lower overall than a case employing standard discovery and trial methods. Similarly, in FY 2015, average ACR commencement to completion pendency was 138.6 weeks, about 14% lower overall compared to the traditional trial schedule cases.

The TTAB has also committed to accelerate the issuance of final decisions in ACR cases. For example, if parties agree to use the bench trial or cross-motions for summary judgment model for ACR and the Board approves the trial of the case by ACR, the Board generally will render a final decision within 50 days following completion of the briefing (compared to the overall 10-12 week target for pendency of non-precedential final decisions). See TBMP 702.04(a).

The TTAB web site provides detailed information and representative case listings concerning ACR, which is regularly updated. The web site also includes “plug and play” options, including one set suggested by American Intellectual Property Law Association (AIPLA), and another set of possible approaches proposed by the TTAB. The parties to a TTAB proceeding may opt to follow the “plug and play” options, or agree to pursue other ACR-type procedures by filing a stipulation with TTAB approval. The TTAB also actively seeks public suggestions on ACR with its dedicated mailbox for ACR: ACRsuggestions@uspto.gov.

For example, in some cases, the parties have stipulated that the briefs and evidence filed in conjunction with a summary judgment

motion can be used as the trial record and briefs, thereby presenting the case for final decision on the merits without the need for traditional trial and briefing. This approach requires the parties to expressly stipulate that the Board can resolve any issues of material fact not stipulated to by the parties or which may have been overlooked or unforeseen by the parties. Another common approach to ACR involves the parties agreeing upon alternatives to traditional discovery, trial and briefing. Indeed, a key benefit of ACR is that it is very flexible and the parties can design an approach that meets the needs of their case.

Notwithstanding these offerings by the Board, a lack of awareness of ACR among practitioners remains a major hurdle to the broader adoption of ACR. To that end, the TTAB continues to promote ACR with information on the TTAB web site, and through presentations at major IP events, articles, webinars, and other public outreach methods.

The TTAB's efforts to promote ACR are showing signs of success, as the use of ACR by litigants appears to be trending upwards. In FY 2014, there were 21 cases decided on the merits following use of some form of ACR, representing an increase of 133% over the previous high of 9 such cases. In FY 2015, this number fell to 10 cases, but another six had been submitted for decision near the end of the fiscal year and were in the process of being decided at year end. Despite the decrease, the interest in ACR still is well above 2012-13 levels.

TPAC encourages intellectual property associations, Continuing Legal Education (CLE) providers and others to assist in making practitioners more aware of the availability of ACR options in proceedings before the TTAB and in discussing the significant benefits available through the use of ACR.

As in our report last year, TPAC continues to encourage the TTAB to consider appropriate action in FY 2015, such as proposed rule-making, to memorialize the ACR procedures as the preferred and most efficient schedule for cases before the tribunal.

d. Dashboard.

In FY 2013, the TTAB introduced a new Dashboard, to provide users with easy-to-understand visuals showing important TTAB statistics, which is now part of the USPTO Data Visualization Center. The TTAB Dashboard is available to the public and open for public use and comment at TTABdashboards@uspto.gov.

The Dashboard reports on a quarterly basis statistics on pendency measures, new filings, and inventory of cases and motions at the TTAB. As discussed above, the TTAB's decision to set measurable performance goals has made it much easier both for the public and for the Board to track progress. The Dashboard provides a useful visual tool to facilitate such tracking.

e. Standard Protective Order.

The TTAB is considering a number of changes to its Standard Protective Order, including: (1) specifically stating in the Order that it is automatically imposed in all *inter partes* cases, subject to any changes agreed to by the parties and approved by the Board; (2) encouraging parties to sign the Order to create a binding contract enforceable after termination of the TTAB proceeding; (3) reducing the tiers of protection from three to two; (4) addressing the presence of confidential information in electronically stored information; and (5) handling of confidential information after termination of the proceeding. TPAC provided comments and suggestions regarding the proposed new version of the Standard Protective Order in June 2015. The TTAB is also soliciting public input regarding the new version on its IdeaScale® webpage (see <http://uspto-tbmp.ideascale.com>).

f. ESTTA Opposition/Cancellation Cover Sheet.

The TTAB is working on changes to the online cover sheets listing the grounds for opposition or cancellation when filing an *inter partes* action through ESTTA. The goal is to list most available grounds so that parties can easily identify and check off the ground(s) being relied upon when filing an action. TPAC provided comments in June 2015.

g. Other Enhancements to ESTTA and TTABVUE

Because the Board is considering a package of Rule changes, it is likely that at least some changes or enhancements of these legacy applications will be needed, possibly in FY2016, to accommodate the changes.