

**UNITED STATES  
PATENT AND TRADEMARK OFFICE**



# **Introduction & Welcome by TPAC Chair**

**William G. Barber**  
Chair, Trademark Public Advisory  
Committee

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# Opening Remarks

Laura Peter  
Deputy Under Secretary and Deputy  
Director

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# Operational news and updates

Commissioner for Trademarks  
Mary Boney Denison  
April 26, 2019

*Images used in this presentation are for educational purposes only.*

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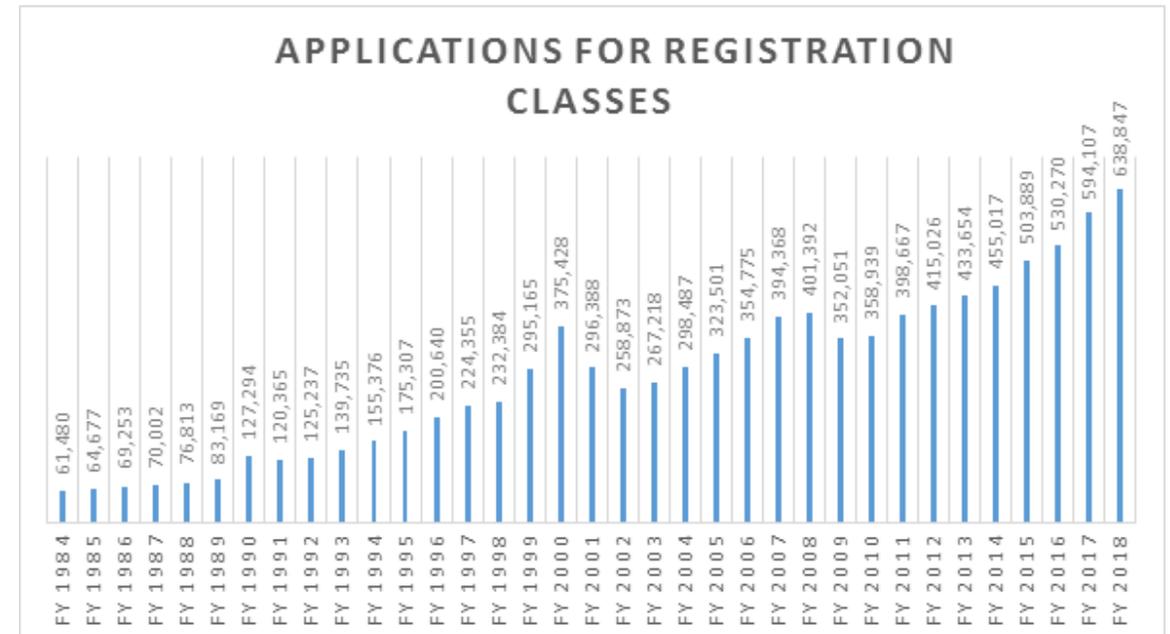


# Trademarks organization staffing

- 957 Trademarks employees (approximately 7% of USPTO)
- 648 examining attorneys (67% of Trademarks)
- 77% of examining attorneys telework full time
- Hired 61 new examining attorneys in FY 2018; hired 83 in FY 2019. Anticipate hiring approximately 40 in FY 2020

# New application filing projections

- FY 2016: 530,270 classes filed
- FY 2017: 594,107 classes filed
- FY 2018: 638,847 classes filed
- FY 2019 projection: 636,800 classes filed (0.3 percent decrease from FY 2018)



# Trademarks performance: pendency

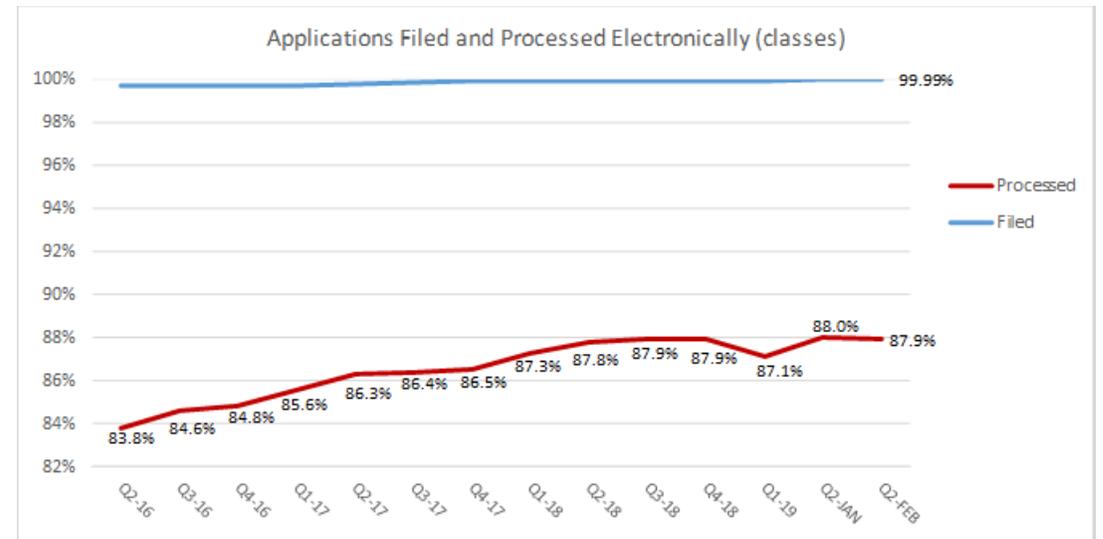
<b>FY 2019 Trademarks performance measures</b>	<b>FY 2019 targets</b>	<b>FY 2019 March results</b>
<b>First action pendency</b> First action pendency from date of filing to the first office action in months	<b>2.5 – 3.5</b>	<b>2.6</b>
<b>Disposal pendency</b> Disposal pendency from date of filing to issuance of a notice of allowance, registration, or abandonment – <b>excluding</b> suspended and <i>inter partes</i> proceedings.	<b>12.0</b>	<b>10</b>

# Trademarks performance: quality

FY 2019 Trademarks performance measures	FY 2019 targets	FY 2019 March results
<b>First action compliance</b> In-process review evaluation of the statutory bases for which the USPTO raises issues and/or refuses marks for registration based on the first office action	<b>95.5%</b>	<b>96.8%</b>
<b>Final action compliance</b> In-process review evaluation of the statutory bases for which the USPTO raises issues and/or refuses marks for registration based on the examining attorney's approval or denial of the application	<b>97.0%</b>	<b>97.3%</b>
<b>Exceptional office action</b> Measure indicating the comprehensive quality of the first office action search, evidence, writing, and decision making	<b>46.0%</b>	<b>58.0%</b>

# E-government statistics

- Original goal was to have all applications submitted electronically; currently, we are at 99.9%.
- Goal shifted from all applications submitted electronically to two-way electronic communication throughout the entire registration process.
- We will continue to encourage end-to-end electronic processing by users.
- We are planning for mandatory electronic filing for FY 2019.



# My.USPTO.gov

- Trademark docket
  - Share collections in dockets with other MyUSPTO users.
- Trademark form finder widget
  - Widget identifies forms using plain language rather than current form names
  - Includes a search box to search the form names
- Next widget: Trademark Electronic Application System (TEAS) Plus Short Form
  - Initial scope: intent-to-use (ITU) word marks, TEAS Plus fee basis
  - Status: currently testing with small set of users. Hope to roll out later in 2019



**TRADEMARK FORM FINDER**

Search

- > File an application
- > Respond to correspondence from the USPTO
- > Respond to a Notice of Allowance
- > Make changes to your application
- > File documents after your mark is registered to maintain or change your registration
- > Change an address
- > Change attorney or domestic representative information
- > File a late response
- > Respond to a Notice of Abandonment
- > File a petition
- > File forms related to the Madrid Protocol
- > File an appeal, opposition, or cancellation with the TTAB
- > Record an assignment for ownership transfers or changes in name, entity type, or citizenship

[All trademark forms](#)

# **TRADEMARK RULES OF PRACTICE**

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# Rulemaking

## Mandatory electronic filing

- Notice of final rulemaking drafted
  - Publication and implementation planned for FY 2019
- Rule will make using TEAS mandatory for all trademark filings and require communication with the USPTO via email
  - Exceptions:
    - International agreements requiring acceptance of paper submissions from certain countries
    - Specimens for scent, flavor, or other non-traditional marks
    - Petition process for requesting acceptance of paper submissions under limited circumstances
    - Postal service interruptions or emergencies
- [uspto.gov/trademark/laws-regulations/mandatory-electronic-filing](https://uspto.gov/trademark/laws-regulations/mandatory-electronic-filing)

# Rulemaking

## **Mandatory electronic filing – petitions to accept paper**

- 2.147(a) – petitions to accept paper when TEAS is unavailable on the date of a filing deadline
- 2.147(b) – petitions to accept certain papers timely filed before the date of a filing deadline
- 2.147(c)– petitions under Rule 2.146

# Rulemaking

## U.S. counsel requirement

- New proposed rule would require foreign-domiciled trademark applicants and registrants to be represented by a U.S.-licensed attorney to file trademark documents with the USPTO
- Proposed rule would:
  - Ensure effective use of available mechanisms to enforce foreign applicant compliance with statutory and regulatory requirements
  - Increase confidence that registrations that issue to foreign applicants are not subject to invalidation for reasons such as improper signatures and use claims
  - Aid our efforts to improve accuracy of the U.S. Trademark Register
- Comment period closed March 18; final rule in the works
- [uspto.gov/trademark/laws-regulations/uspto-proposes-requiring-foreign-domiciled-trademark-applicants-and](https://www.uspto.gov/trademark/laws-regulations/uspto-proposes-requiring-foreign-domiciled-trademark-applicants-and)

# Rulemaking

## **U.S. counsel requirement – impact on U.S. licensed attorneys**

- Will be required to enter bar membership information and confirm active member in good standing
- Owner address will be required
- Beware foreign solicitations – persons located internationally offering to pay to use your bar information to circumvent the rule

# Section 2(a)

- *Brunetti* decision issued on December 15, 2017 holding the immoral or scandalous provision of Section 2(a) unconstitutional. The U.S. Court of Appeals for the Federal Circuit (CAFC) ruled that “Fuct”, while vulgar, was protected speech under the First Amendment.
- Supreme Court granted certiorari on January 4, 2019; argument expected this month.

# Marijuana-related Trademarks

- 21 U.S.C. §§801-971 (The Controlled Substances Act (“CSA”))
- Regardless of state law, the federal law provides no exception for marijuana
- See TMEP §907 and §1205
- We will refuse drug paraphernalia under the CSA as well
- Review is done on a case-by-case basis
- 2018 Farm Bill and corresponding amendments to CSA remove hemp as a controlled substance
- Also have to consider the Food Drug & Cosmetics Act restrictions

# INITIATIVES

# Anti-counterfeiting efforts

- New Trademark Information Network (TMIN) video
- 2018 video contest



- Nationwide campaign in the works
- June 6 anti-counterfeiting event with the McCarthy Institute



# Bad faith behavior before the USPTO

**Submitting  
fake or altered  
specimens**

**Submitting false  
claims of use in  
U.S. commerce**

**Using  
unauthorized  
practitioners**

**Making  
unauthorized  
address changes**

**Trying to  
circumvent U.S.  
counsel rule**

# Efforts to declutter

## **Proof of use audit program (2012)**

The USPTO began a pilot program in 2012 and made it permanent in 2017, giving the USPTO the authority to cancel audited registrations with unsubstantiated use claims or to delete unsupported goods and services.

## **Excluded unauthorized foreign practitioners (2015)**

The commissioner has excluded specific foreign practitioners from appearing before the USPTO.

## **Proof of actual use in examination (2016)**

Examiners have been trained about the issues posed by mocked-up and fake specimens and to use the 37 CFR §2.61(b) request for information authority to request proof of actual use when refusing registration because the specimen does not show use of the mark in commerce.

# Efforts to declutter

## **Improved readability of declaration (2017)**

The declaration was reformatted to make it more readable and to make the signer acknowledge the required the statements by checking a box next to each one, thereby increasing the likelihood that the signer would read the declaration and appreciate the significance of swearing to use for each and every good or service listed.

**Expedited cancellation pilot for non-use or abandonment claims (2018)** Implemented TTAB pilot program for cases raising non-use or abandonment claims to identify the types of procedures needed to accelerate disposition of those claims; considering whether to make permanent.

## **Issued U.S. counsel rulemaking (February 15, 2019)**

The USPTO issued rulemaking to require all foreign-domiciled trademark applicants and registrants to be represented before the USPTO by a lawyer licensed to practice law in the U.S.

# Decluttering initiative: proof-of-use audit program

- Permanent program launched November 1, 2017
- 3060 first office actions issued as of March 29, 2019
- The program improves the integrity of the Trademark Register.
  - Allows us to cancel audited registrations with unsubstantiated use claims or remove unsupported goods and services from others
- **Your registration may be audited if you meet both requirements:**
  - You filed a Section 8 or 71 declaration of use.
  - Your registration includes at least one class with four or more goods or services, or at least two classes with two or more goods or services.
- **If audited, we will require submission of proof of use for additional goods/services in registration to ensure that register accurately reflects marks that are in use in the United States for all goods/services identified in registrations.**
- [uspto.gov/trademarks-maintaining-trademark-registration/post-registration-audit-program](https://uspto.gov/trademarks-maintaining-trademark-registration/post-registration-audit-program)

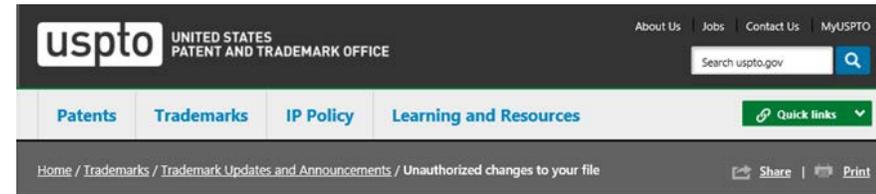
# Proof-of-use audit program results so far

**November 2017 – March 29, 2019**

- 3,060 first actions issued by examiners on project
- 2,195 responses received
- 50.8 percent of registrations with response deleted at least some goods or services
- 79 percent of respondents represented by an attorney
- 21 percent of respondents pro se

# Unauthorized changes

- Unauthorized parties have filed forms through TEAS making changes to trademark records.
- These instances affect a very small number of total applications and registrations.
- We created a webpage where customers can get information on steps to take, if impacted by an unauthorized change (search “unauthorized changes” on [uspto.gov](https://www.uspto.gov)).



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## Unauthorized changes to your file

Unauthorized changes have been made to a number of active trademark applications and registrations. These changes may be part of a scheme to register the marks of others on third-party “brand registries.” Unauthorized parties have filed forms through our Trademark Electronic Application System (TEAS) to make these changes. Although these instances affect a small percentage of total applications and registrations, we want to make sure our customers are aware of the problem as we work to resolve it.

You may receive an email message from the USPTO notifying you of a requested change to your application or registration. For example, when we receive a request to change the primary email correspondence address of record, we may send this email alert to the **prior** primary email correspondence address to alert the applicant, registrant, or attorney of the change.

Please note that this automated email message alert is generated **immediately** after the electronic form requesting to change the primary correspondence email address is submitted. However, it may take up to 72 hours after we receive the request before the change is actually processed or the filing becomes available for viewing through the Trademark Status and Document Retrieval (TSDR) system.

### If you received an email alert message and were not expecting it, you should take the following steps:

1. **Confirm the change was not authorized.** Review the new primary email address in the message to determine if you recognize it. If the address belongs to somebody else within your organization or belongs to a law firm with which you have a current or past relationship, it is possible the change was unexpected but still authorized.

- If you have recently hired an attorney, revoked an attorney, or changed attorneys, a change of correspondence alert will usually result when we are notified of the change.
- If the change was unexpected, but you recognize the party who requested the change, please consider whether communication with the other party will resolve the issue before reporting it to us.

2. **If the change still appears to be unauthorized,** report it to us by forwarding the original “alert” email message to [TEAS@uspto.gov](mailto:TEAS@uspto.gov) with the following information:

- Your name **and** your direct telephone number
- The application serial number(s) and/or registration number(s) affected by the allegedly unauthorized change
- The date and time of the alert message
- A brief explanation of your relationship to the named applicant or registrant of record
- Any other information you believe may be pertinent to your particular situation.

3. **Once you contact us, we will likely advise you to file one or more of the following:**

- [Change of Correspondence Address, Revocation](#)
- [Appointment and/or Change of Correspondence Address of Attorney/Domestic Representative](#)
- [Request for Withdrawal as Attorney \(after Power of Attorney Ends\)](#)
- [Other TEAS correspondence form](#) as may be appropriate under the circumstances.



# Misleading solicitations

**Collaboration:** We're collaborating with stakeholders to find solutions.

- Informal interagency working group on combatting fraudulent solicitations
- 2017 roundtable with TPAC and numerous bar groups and government agencies
- TM5 project co-led by the European Union Intellectual Property Office (EUIPO) and the USPTO

**Education:** We're warning applicants and registrants at key stages.

- Warnings on application filing receipts, office action cover emails, and paper notices mailed with each trademark registrations
- Examples of notices and video explanation on our webpage "caution: misleading notices"

**Prosecution:** We're working with DOJ on criminal prosecutions.

- 2017: Two men pled guilty to stealing \$1.66 million from U.S. trademark applicants and registrants; third man was convicted.
- 2018: We sent two attorneys to DOJ to work on criminal prosecutions.
- 2019: We extended the attorneys work with DOJ USPTO on criminal prosecutions.

# Specimen issues

- Mocked-up or fake specimens are increasing.
- Issues are much more sophisticated.
- Applicants are pasting their marks on products or services of others to show use in commerce.
- We are doing our best to refuse the fraudulent specimens.
- We are starting an internal pilot program using digital forensic services to help us.

# Mock-ups and digitally altered specimens

- Fake specimens present several issues:
  - Fail to show mark as used in commerce
  - Fraud on the USPTO
  - Discipline by the Office of Enrollment and Discipline (OED)
  - Impact on validity of registration

# Specimen protest pilot program



*Images used in this presentation are for educational purposes only.*

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# Specimen protest pilot program



*Images used in this presentation are for educational purposes only.*



# Specimen protest pilot program

- New streamlined process for public to report improper specimens
- Email submissions should include either:
  - Objective evidence of third party use of images identical to the specimen of record
  - Registration or serial numbers showing identical specimens bearing different marks
- Additional submission guidelines and details on the process on our website under “Recent postings”
- Specimens mailbox email address: [TMSpecimenProtest@uspto.gov](mailto:TMSpecimenProtest@uspto.gov)

# Initiatives to enhance customer experience

- FY 2018-2019 focus areas include:
  - Implementing four customer touchpoint surveys on:
    - Trademark Assistance Center
    - Website content
    - MyUSPTO
    - Application prosecution
  - Dramatically improving our website so customers can find, understand, and use the information they need
    - This includes improving the organization of materials and adding information on advanced topics such as petitions' decisions.
  - Improved TESS guidance includes:
    - "Get ready to search – classification and design search codes"
    - "Using the Trademark Electronic Search System"

# INTERNATIONAL

# TM5

- Comprised of the five largest trademark offices:
  - EUIPO
  - Japan Patent Office (JPO)
  - Korean Intellectual Property Office (KIPO)
  - Trademark Office of the State Administration for Industry and Commerce of the People's Republic of China (CNIPA)
  - USPTO
- Focuses on exchange of information and collaboration and harmonization projects regarding trademark matters to benefit users
- Projects include, among others:
  - Minimizing bad faith filings
  - Common status descriptors
  - ID list
  - Indexing of non-traditional marks
  - Image searching

# TM5 ID list



- TM5 ID list search tool posted on the TM5 website: [tmfive.org/](https://tmfive.org/)
- As of April 5, 2019, the TM5 ID list contained 19,567 pre-approved terms that are acceptable to all partner offices.

# IP attaché's around the world



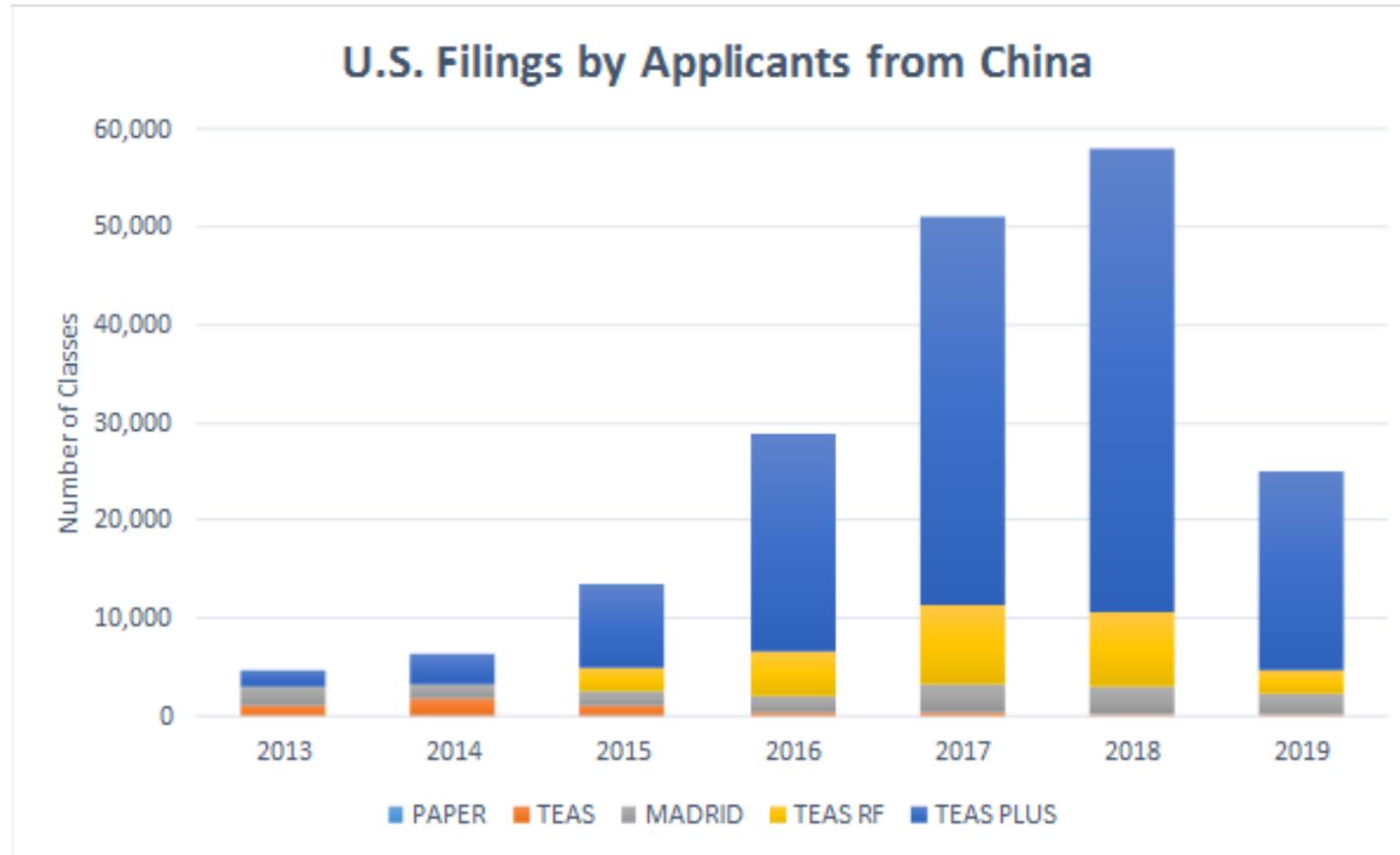
**CHINA**

# Focus on China

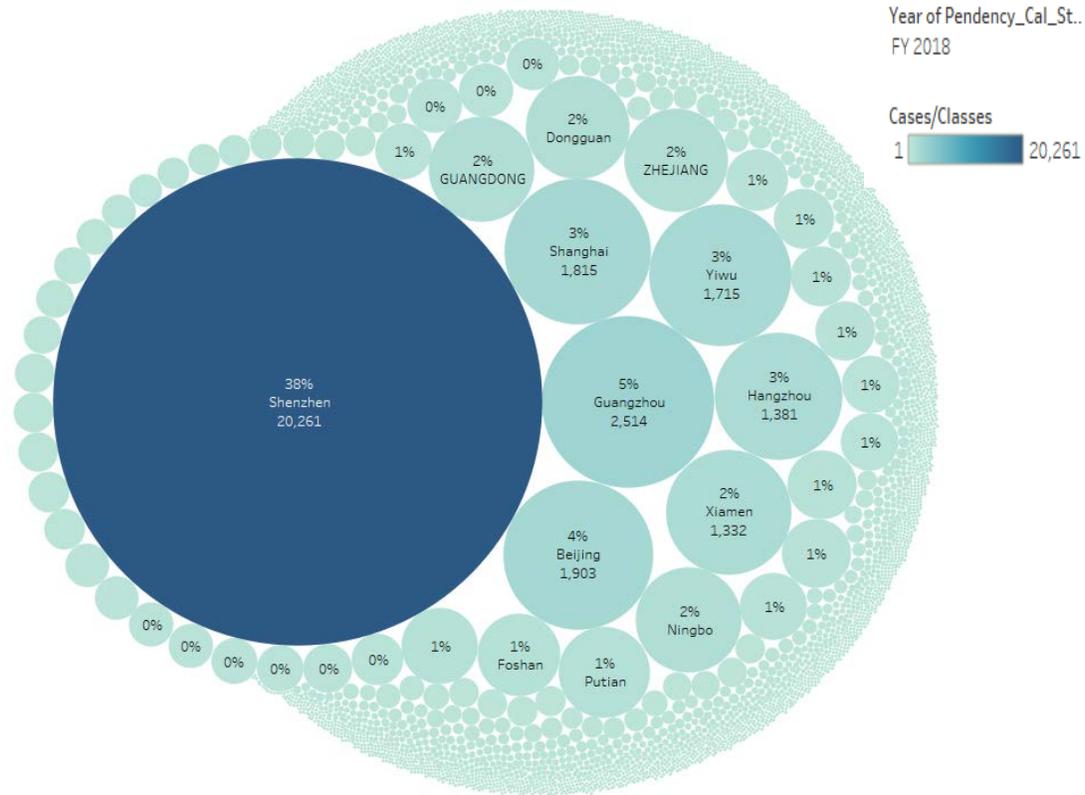
- Influx of Chinese filings
- Specimen issues
- Counterfeiting
- Bad faith filings



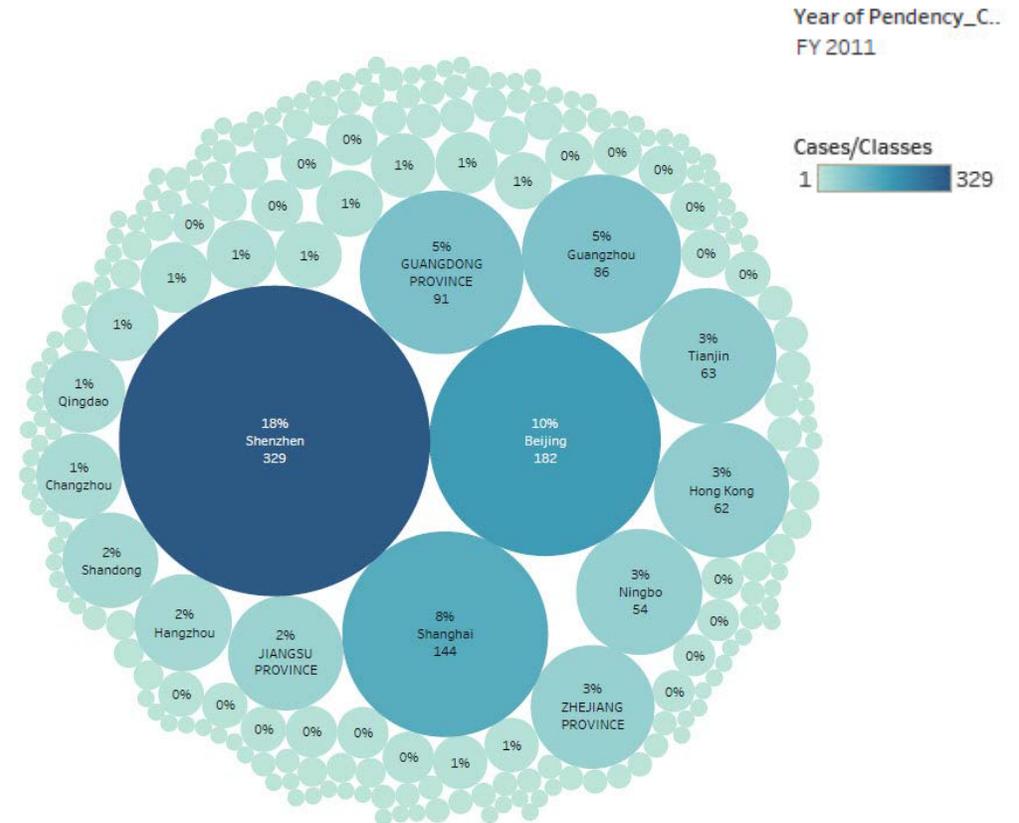
# U.S. filings by applicants in China



# China filings by region



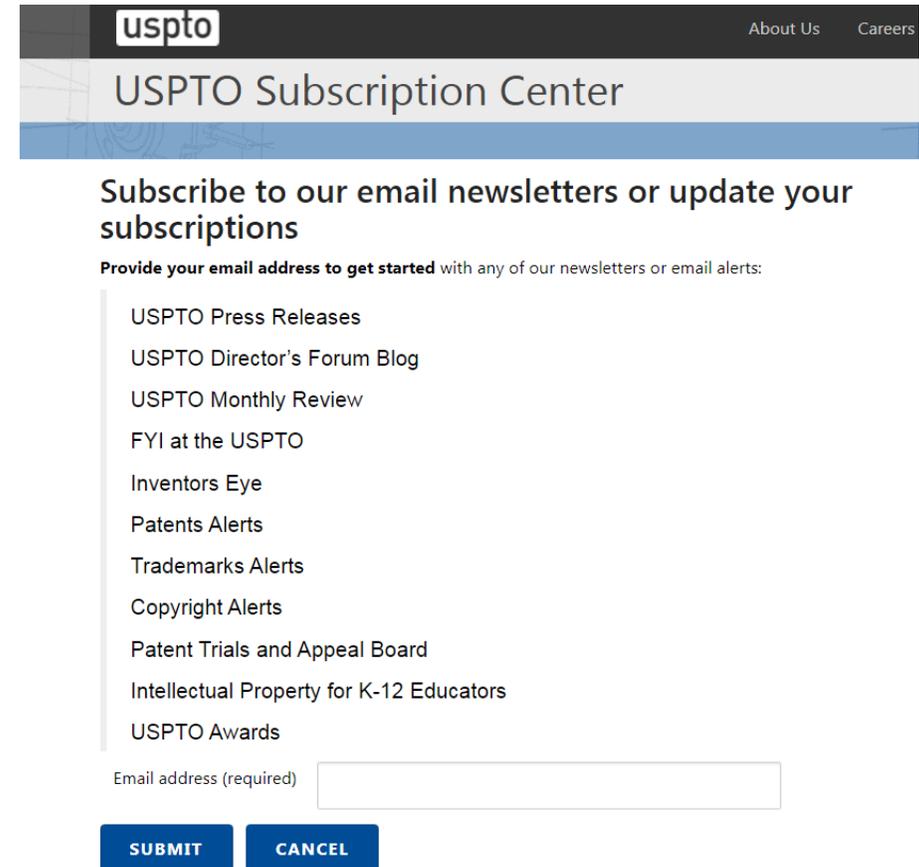
**FY 2018**



**FY 2011**

# Stay informed

Sign up to receive updates and announcements on upcoming Trademarks system changes, events and roundtables, rule changes, and other Trademarks Operations matters.



The screenshot shows the USPTO Subscription Center page. At the top, there is a dark header with the 'uspto' logo on the left and 'About Us' and 'Careers' links on the right. Below the header is a light gray banner with the text 'USPTO Subscription Center'. Underneath is a blue horizontal bar. The main content area has the heading 'Subscribe to our email newsletters or update your subscriptions'. Below this heading is a sub-heading: 'Provide your email address to get started with any of our newsletters or email alerts:'. A list of newsletter options is provided, each with a small square selection box to its left. At the bottom of the list is an 'Email address (required)' label followed by a text input field. Below the input field are two blue buttons: 'SUBMIT' and 'CANCEL'.

uspto [About Us](#) [Careers](#)

## USPTO Subscription Center

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Provide your email address to get started with any of our newsletters or email alerts:

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- Inventors Eye
- Patents Alerts
- Trademarks Alerts
- Copyright Alerts
- Patent Trials and Appeal Board
- Intellectual Property for K-12 Educators
- USPTO Awards

Email address (required)



# Feedback

- We want to hear from you!
- Email [TMFeedback@uspto.gov](mailto:TMFeedback@uspto.gov) for general suggestions.
- Other Trademarks contact information can be found on our website at:

[uspto.gov/trademark/contact-trademarks/other-trademark-contact-information](https://uspto.gov/trademark/contact-trademarks/other-trademark-contact-information)

# China's Bad Faith Measures for "Abnormal Applications"

Shira Perlmutter

Office of Policy and International Affairs

April, 2019

# China's bad faith filing measures

- China issued draft provisions for comment to address problems including bad faith applications
- USG provided comments to China
- Provisions characterize what constitutes an “abnormal application for trademark registration”

# What is abnormal?

- 1) Copying a trademark that is widely recognized by the relevant public & riding on goodwill
- 2) Applying for mark used by another with a certain degree of influence to misappropriate goodwill
- 3) Preemptively applying for a mark identical or similar to another where the applicant knew or should have known of the other's prior rights
- 4) Filing repeat applications for unfair purpose
- 5) Filing unreasonably large number of applications in short period of time
- 6) Filing with no intent to use and no actual need to obtain exclusive right to use
- 7) Other acts of filing that violate principle of good faith, infringe on legitimate rights and interests, or disrupt market order
- 8) Assisting others or acting as agent in the filing of applications under 1-7

# Grounds for refusal & third party challenge

- **In examination:**
  - if an examiner suspects that an application is abnormal then the examiner may issue a request for evidentiary materials and an explanation for the application.
  - If the response does not include justified reasons or sufficient evidence, then the examiner may reject the application.
- **Third party opposition appears to be available to challenge abnormal applications; if registration obtained by unfair means under Article 44 of the Trademark Law, it shall be declared invalid**
- **Assignments will not be approved if will create “adverse effects” as noted under Article 42 of the Trademark Law**

# Penalties

- Rejection of application or invalidation of registration
- Publication of notices on SIPO's website and the China Intellectual Property Daily; disciplinary measures by relevant departments
- Investigation of trademark agent firms and possible discipline
- Financial aid withdrawn; no further aid for 5 years if serious violation; referred for criminal violations if fraudulently obtained aid
- Third party reporting system for abnormal applications; the office will deal with the report in a timely manner and in accordance with the law



**Trademark Public Advisory Committee**  
**Quarterly Meeting**  
Legislative/Governmental Affairs Update

Dana Robert Colarulli

Director, Office of Governmental Affairs  
April 26, 2019

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PATENT AND TRADEMARK OFFICE

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# Legislative activity

*116th Congress*

## Trademark legislation

- **Fair Licensing Access for Government (FLAG) Act (S. 963/H.R. 1999):** Sens. Klobuchar (D-MN); Tillis (R-NC) & Schumer (D-NY) and Reps. Jeffries (D-NY-8) and Roby (R-AL-2)
  - Introduced: April 1, 2019
  - The legislation amends Trademark Act of 1956 to allow for registration of marks consisting of the flag, coat of arms, or other official insignia of the U.S., any state or municipality of the U.S., or any foreign nation

# Legislative activity

*116th Congress*

## Trademark legislation

- **No Stolen Trademarks Honored in America Act (S. 756/H.R. 1683):** Sens. Menendez (D-NJ) and Rubio (R-FL) and Reps. Wasserman Schultz (D-FL-23) and Rutherford (R-FL-4)
  - Introduced: March 12, 2019 (reintroduction from the 115<sup>th</sup> Congress)
  - Amends the Department of Commerce and Related Agencies Appropriations Act, 1999 to prohibit U.S. courts from recognizing, enforcing, or otherwise validating any assertion of rights by an individual (under current law, by a designated Cuban national) of a mark, trade name, or commercial name that was used in connection with a business or assets that were confiscated by the Cuban government unless the original owner of such mark or name, or such owner's bona fide successor, has expressly consented

# Legislative activity

*116th Congress*

## IP legislation

- **S. 1092:** Sen. Cruz (R-TX)
  - Introduced: April 9, 2019
  - Imposes sanctions with respect to the theft of U.S. intellectual property by Chinese persons, and for other purposes.

# Congressional activity

*116th Congress*

## **Oversight of the USPTO(March 13, 2019)**

- Hearing before the Senate Judiciary Subcommittee on Intellectual Property
- Some issues raised by Senators:
  - Surge in Chinese trademark applications
  - Fake/suspicious specimens
  - Decluttering trademark register
  - IT system modernization
  - USPTO's report on gender diversity in patenting
  - § 101 Subject matter eligibility
  - Patents and drug pricing
- Possible oversight hearing before the House Judiciary Committee in the coming months

# Congressional activity

## *116th Congress*

### **Lost Einsteins: Lack of Diversity in Patent Inventorship and the Impact on America's Innovation Economy (March 27, 2019)**

- Hearing before the House Judiciary Subcommittee on Courts, Intellectual Property and the Internet
- Focused on the USPTO's recent report *Progress and Potential: A profile of women inventors on U.S. Patents*
- Witnesses:
  - Hon. Michelle K. Lee, Former Under Secretary of Commerce for Intellectual Property and Director of the U.S. Patent and Trademark Office
  - Prof. Lisa D. Cook, Associate Professor of Economics and International Relations, and Director, American Economic Association Summer Training Program, Michigan State University
  - Prof. Ayanna Howard, Professor and Chair, School of Interactive Computing, Georgia Institute of Technology
  - Ms. Susie Armstrong, Senior Vice President, Engineering, Qualcomm, Inc.

# Congressional activity

*116th Congress*

## **Trailblazers and Lost Einsteins: Women Inventors and the Future of American Innovation (April 3, 2019)**

- Hearing before the Senate Judiciary Subcommittee on Intellectual Property
- Focused on the USPTO's recent report *Progress and Potential: A profile of women inventors on U.S. Patents*
- Witnesses:
  - Ms. Robin L. Rasor, M.S., CLP, Executive Director, Office of Licensing and Venture, Duke University
  - Dr. Barbara Gault, Ph.D., Executive Vice President, Institute for Women's Policy Research
  - Dr. Patricia E. Bath, M.D., President, American Institute for the Prevention of Blindness
  - Ms. Sandra K. Nowak, Assistant Chief Intellectual Property Counsel, 3M Innovative Properties Company

# THANK YOU



Dana Robert Colarulli  
Director, Office of  
Governmental Affairs

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[Dana.Colarulli@USPTO.GOV](mailto:Dana.Colarulli@USPTO.GOV)

# USPTO budget update

Tony Scardino  
Chief Financial Officer  
April 26, 2019

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# Agenda

- **FY 2019 status**
- **FY 2020 budget**
- **FY 2021 budget**
- **Biennial fee review**

# FY 2019 status

- The Consolidated Appropriations Act, 2019 passed on February 15, 2019.
- The bill provides USPTO with \$3.37B for FY 2019 and requires that:
  - Any amount received in excess of the FY 2019 appropriated amount will be deposited in the Patent and Trademark Fee Reserve Fund (PTFRF)
  - \$1.5M shall be transferred to the OIG account for associated with carrying out investigations and audits related to the USPTO

# FY 2019 status: Fees

- Trademark fee estimate is \$346.5M.

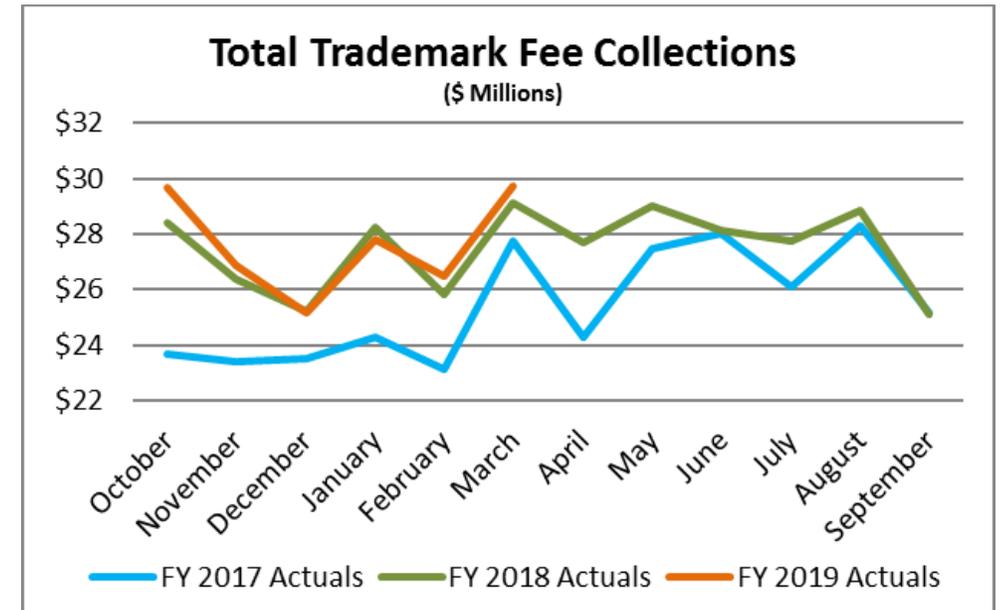
Total Trademarks collections (dollars in thousands)

FY 2017		FY 2018		FY 2019	
Actual	Actual	Increase	Plan	Increase	
\$305,033	\$328,976	7.9%	\$346,519	5.3%	

- Collections through March 31<sup>st</sup> are currently 2.0% above the corresponding FY 2018 timeframe.

Trademarks Year-to-date comparison (dollars in thousands)

FY 2017		FY 2018		FY 2019	
Actual	Actual	Increase	Actual	Increase	
\$145,728	\$162,499	11.5%	\$165,665	2.0%	



# FY 2019 status – Fees *(continued)*

- Fee collections through March 31, 2019 are \$4.2M, or 2.5%, below YTD plan

**Year-To-Date Collections** *(Dollars in Thousands)*

	YTD Plan	Actual	Percentage Variance	Dollar Variance
<b>Application Filings</b>	\$92,033	\$88,488	-3.9%	(\$3,545)
<b>Maintaining Exclusive Rights</b>	42,107	39,268	-6.7%	(2,839)
<b>Intent to Use/Use Fees</b>	22,635	24,715	9.2%	2,079
<b>Trademark Trial and Appeal Board</b>	4,112	3,985	-3.1%	(128)
<b>Other</b>	8,945	9,209	3.0%	265
<b>Total Trademark Fees</b>	<b>\$169,832</b>	<b>\$165,665</b>	<b>-2.5%</b>	<b>(\$4,167)</b>



# FY 2019 status: End of Year Funding

Projected end-of-year funding as of March 31, 2019:

Trademarks	
(\$ in thousands)	
Projected income summary	Actual
Fee collections – end-of-year	\$346,518.8
Actual prior year carryover	135,295.8
Other income – current apportionment	6,235.5
<i>Total projected income</i>	<i>488,050.1</i>
Projected spending	
Actual commitments and obligations	201,560.6
Projected spending for remainder of year	162,100.3
<i>Total projected spending</i>	<i>363,660.9</i>
<b>Total projected operating reserve</b>	<b>\$124,389.3</b>

# FY 2020 budget

- The USPTO's FY 2020 President's Budget was released on March 26, 2019.
- DOC's appropriation hearing before the Senate CJS subcommittees occurred on April 2, 2019.
- DOC's appropriation hearing before the House occurred on April 3, 2019.

# FY 2020 budget *(continued)*

- **Trademark's FY 2020 President's Budget fee estimate is \$356.1M**
  - The Agency's total fee estimate is \$3,450.7M
- **Trademark's FY 2020 President's Budget business line requirement is \$367.5M\***
  - The Agency's total requirement is \$3,539.2M
- **The budget places a high priority on:**
  - Issuing reliable and predictable intellectual property (IP) rights
  - Fine tuning trademark operations
  - Investing in our information technology (IT) stabilization and modernization

\*The FY 2020 President's Budget does not reflect the 2019 1.9 percent pay raise as authorized in the Consolidated Appropriation Act, 2019, which will impact the trademark budgetary requirements by approximately \$5M

# **FY 2021 budget**

- **The USPTO is in the planning stages for the FY 2021 OMB budget submission.**
- **The PACs and DOC will receive a draft to review in late August 2019.**
- **The final document is scheduled to be submitted September 9, 2019.**

# Biennial fee review

- **We are continuing our biennial fee review which began in January 2019**
  - The objective is to conduct a comprehensive review of the existing fee schedule as well as research, analyze, and recommend potential revisions and additions to the fee schedule.

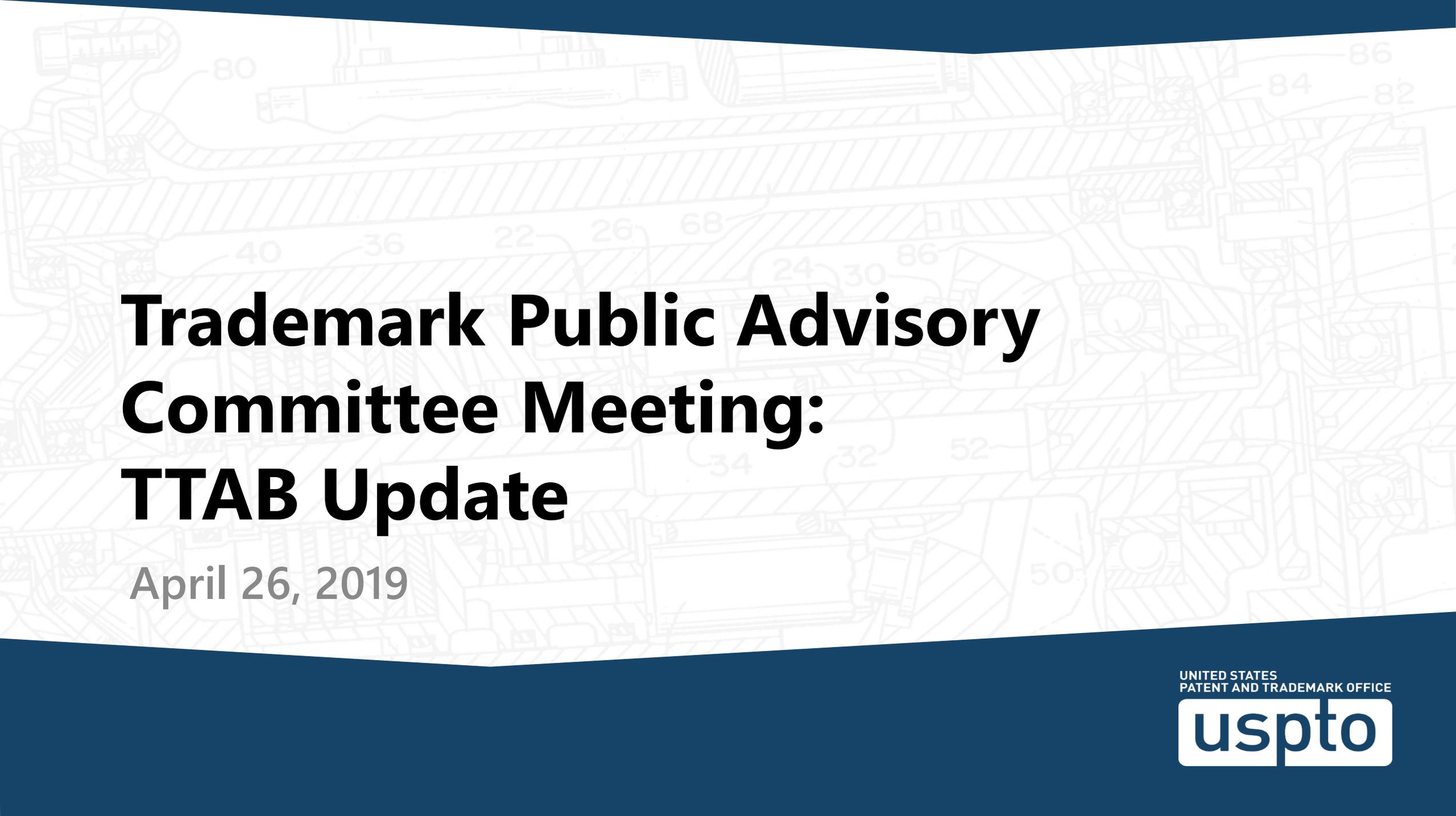
# Questions and comments

Chief Financial Officer

Tony Scardino

(571) 272-9200

[Tony.Scardino@USPTO.GOV](mailto:Tony.Scardino@USPTO.GOV)

The background of the slide is a light gray technical drawing of a mechanical assembly, possibly a motor or engine component. It features numerous callout numbers such as 80, 86, 84, 82, 40, 36, 22, 26, 68, 24, 30, 86, 34, 32, 52, 50, and 93, which point to various parts of the assembly. The drawing is rendered in a clean, line-art style.

# **Trademark Public Advisory Committee Meeting: TTAB Update**

April 26, 2019

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FY 2019 TTAB performance measures	FY 2018 EOY results	FY 2019 actual, target or projected	As of April 1 2019	Variance
<b>JUDGES and ATTORNEYS</b>				
Administrative Trademark Judges	22	(actuals) 24	24	On target
Interlocutory Attorneys	17/1	14/2	14/2	
<b>FILINGS</b>				
Notices of Appeal	3,223		1,613	N.A.
Extensions of Time to Oppose	19,208		9,345	-2.7%
Notices of Opposition	6,496		3,231	N.A.
Petitions to Cancel	2,253		1,164	+3.3%



# Trends in new filings

Type of filing	FY16 (% +/- FY15)	FY17 (% +/- FY16)	FY18 (% +/- FY17)	1st Qtr and 2nd Qtr FY19	Year to date as of April 1, 2019 (% +/- FY18)
<b>Appeals</b>	3,121 (+4.3%)	3,158 (+1.2%)	3,223 (+2%)	866; 747	1,613 (no change)
<b>Extensions of time to oppose</b>	19,055 (+11.2%)	18,490 (-3%)	19,208 (+3.9%)	4,672; 4,673	9,345 (-2.7%)
<b>Oppositions</b>	5,881 (+11.2%)	6,156 (+4.7%)	6,496 (+5.5%)	1,599; 1,632	3,231 (no change)
<b>Cancellations</b>	1,848 (+4.8%)	2,101 (+13.7%)	2,253 (+7.2%)	565; 599	1,164 (+3.3%)

FY 2019 TTAB performance measures	FY 2018 EOY results	FY 2019 actual, target or projected	As of April 1 2019	Variance
<b>PRODUCTION – DECISIONS</b>				
Cases decided on merits	585		282	-3.6%
Precedential decisions issued	39	35-40	17	on target
Contested motions decided	1,318	(target)	619	-6.1%
Uncontested motions processed	32,807		18,169	+10.8%
<b>CUSTOMER SERVICE DESK</b>				
Number of calls answered	9,729		4,268	-12.3%
Number of service requests	8,942		4,030	-9.9%
Quality of call responses	96.09%		98.03%	+1.94%



FY 2019 TTAB performance measures	FY 2018 EOY Results	FY 2019 Actual, Target or Projected	As of April 1 2019	Variance
<p><b>PENDENCY – Contested motions</b></p> <p>(1) Measured from ready-for decision until mailing; average of orders on contested motions, excluding precedents, issued during reporting period</p> <p>(2) Age of <b>single</b> oldest contested motion ready for decision at end of reporting period</p>	<p>9.4 weeks</p> <p>11.9 weeks</p>	<p>(targets)</p> <p>8-9 weeks (avg.)</p> <p>12 weeks or less</p>	<p>11 weeks</p> <p>12 weeks</p>	<p>above target</p> <p>met goal</p>
<p><b>INVENTORY – Contested motions ready for decision</b></p> <p>The number of cases with contested motions in which briefing was completed, becoming ready for decision, as of the end of the reporting period</p>	<p>165</p>	<p>Cases with motions 150-190 (target)</p>	<p>194</p>	<p>slightly above target range</p>



FY 2019 TTAB performance measures	FY 2018 EOY results	FY 2019 actual, target or projected	As of April 1 2019	Variance
<p><b>PENDENCY – Final decisions (cancellations, oppositions, ex parte appeals)</b> Measured from ready for decision date until mailing for final decisions, excluding precedents, in appeals and trial cases during reporting period</p>	8.6 weeks	10-12 weeks (target)	12.3 weeks	slightly above target range
<p><b>INVENTORY – Cases ready for final decision</b> The number of pending appeals and trial cases in which briefing was completed, or in which briefing and arguments were completed, thus becoming ready for decision on the merits, as of the end of the reporting period</p>	Ex parte appeals 65 Oppositions 18 Cancellations 10 Total 93	Total case inventory 130-170 (target)	Ex parte appeals 129 Oppositions 60 Cancellations 24 Total 213	above target range



# Trends – cases ready for decision

Final decisions on merits appeals and trial cases	FY16 (% +/- FY15)	FY17 (% +/- FY16)	FY18 (% +/- FY17)	1st Qtr and 2nd Qtr FY19	Year to date as of April 1, 2019 (% +/- FY18)
Maturing to RFD (ready for decision) (appeals/trials)	687 (+11.3%) (529/158)	679 (-1.2 %) (517/162)	650 (-4.3%) (473/177)	191; 185 (128/63); (126/59)	376 (+15.7%) (254/122)
Awaiting decision at end of period (appeals/trials)	83 (-25.9%) (56/27)	93 (+12%) (65/28)	130 (+39.8%) (74/56)	197; 213 (131/66); (129/84)	213 (+63.8%) (129/84)

5/16/2019

FY 2019 TTAB performance measures	FY 2018 EOY results	FY 2019 actual, target or projected	As of April 1 2019	Variance
<b>TOTAL PENDENCY</b> Average total pendency, commencement to completion, excluding precedents  <b>Appeals</b> (441 decided FY18; 254 to date in FY19)  <b>Trial cases</b> (144 decided FY18; 122 in FY19)  <b>ACR trial cases</b> (19 decided FY18; 14 decided in FY19 and 6 pending at end of March)	   35.8 weeks   140.3 weeks   106.3 weeks	         	   39.8 weeks   142.8 weeks   131.4 weeks	   +11.2%   +1.8%   +23.6%



# Continuing interest in ACR

- Speed can be realized (though it is not a given)
- Imagine efficiencies ... and agree to them!
- Mutual informal exchanges of documents
- Limitations on discovery
- Broader use of Notices of Reliance
- Summary judgment-style trial
- Stipulations re: facts and authenticity of evidence
- Remember your burden(s) of proof

# IT updates and reminders

- Simplified consent motion form deployed August 2018, displays current proceeding schedule
- Extend for 30/60/90 days; suspend for 30/60/90/180
- Technical issue when using form the next business day after a deadline that fell on weekend or holiday
- Solutions: file prior to expiration date on a weekend or holiday; or use General Filings option and attach schedule in form of a trial order

# IT updates for April 2019

- Resolve the consent motion form issue
- Place 800 character limit for “free text” input when ground for consent motion is “other”
- Resolve defect in Notice of Opposition “save session” feature that prevents resuming session for opposition against multiple serial numbers
- Notice of Opposition form will display email address from extension to oppose, for returning party, in Opposer’s Correspondence Information screen

# Expanded call for input on SPO

- Direct address:
  - [uspto-tbmp.ideascale.com/a/index](https://uspto-tbmp.ideascale.com/a/index)
- Select “Active Campaign” in sidebar on right
- Direct links to campaign on TTAB web page
- Comment period extended to June 30, 2019
- Direct distribution to stakeholder IP groups

# Expanded call for input on SPO

- Background on prior call for input
- Summary of previous comments
- Six questions/subjects for comment
- Access to Attorneys' Eyes Only (trade secret or commercially sensitive) information/material?
- Three tiers or two, of confidentiality?

# New cancellation proceeding?

- Request for Comments on “streamlined” process published 5/16/17 at 82 FR 22517
- Comments received from 13 individuals, firms, and stakeholder organizations
- Public meeting held September 25, 2017 to review comments and take further comments
- Links to request and comments in TTAB webpage Stakeholder Outreach section

# Significant customer concerns

- Safeguarding due process, presumptions, and attaching to registrations
- Creating a fast, efficient proceeding, but still allowing for possible settlement talks
- Identifying “in-between” types of cases (e.g., no need if default judgment likely; unsuitable for cases in need of detailed fact-finding) – where’s the middle ground?

# Pilot program – new name

- Expedited Cancellation program
- Instead of drafting NPRM on separate “streamlined” proceeding, TTAB has commenced a pilot program focusing on use of existing ACR tools in an “expedited” cancellation proceeding.
- See News and Notices section on TTAB webpage, with link to background, how it works, how to participate, program goals, and expected duration.

# Pilot program – objectives

- Identify abandonment and non-use cancellation cases most suitable for some sort of “expedited” proceeding
- Discuss with parties application of ACR procedures that could be used most effectively in such proceedings
- Involve board attorney and judge participating in discovery conferences in cases that board identifies as suitable candidates

# Pilot program – early results

- More than 80 cases found eligible to date
- Nearly 50 conferences held to date, and orders for conferences have been issued in multiple cases
- Parties in 12 cases agreed to use of some form of ACR; a number of others agreed to consider ACR as the case progressed, or to discuss the possible use of ACR with the assigned interlocutory attorney at a later conference.
- *TV Azteca, S.A.B. de C.V. v. Martin*, 128 USPQ2d 1786 (TTAB 2018)

# Pilot program – early findings

- Many uncontroversial cases result in default or early settlement.
- In many cases involving pleaded or asserted claims of ongoing use, petitioner wants to investigate or question the claimed use via discovery.
- Discovery is almost always desired in cases where the primary issue is excusable nonuse/intent to resume use.

# Pilot program – early findings

- Cases involving no or limited discovery are better candidates for inclusion in pilot.
- Some parties are comfortable agreeing to cross-motions for summary judgment type of ACR, but are retaining the right to take some discovery.

# Pilot program – future uses?

- Identify (1) possible changes to Trademark Rules to support a separate new expedited cancellation proceeding, (2) possible expansion of early intervention pilot into cases involving other issues, and (3) possible adaptation of current ACR procedures.

**Thank you.**  
**Questions? Comments?**

# Trademark IT update to TPAC

Rob Harris

Trademark portfolio manager

April 26, 2019

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# Activity since last TPAC

- Continued requirements grooming, development, and testing of legacy trademark products in preparation for U.S. counsel and mandatory electronic filing
- Began testing the Trademark Electronic Application System (TEAS) Plus Short Form with Trademark Public Advisory Committee members
- Began moving the Trademark Status and Document Retrieval (TSDR) mobile application from a proof of concept to production
- Continued stabilization efforts by upgrading key legacy infrastructure
- Continued research and development efforts on artificial intelligence in areas such as classification of goods and services identification, design code recommender for images, and trademark image search capability
- Began modifying trademark products in preparation for a cutover to Win10 laptops
- Continued beta testing for Exam (see next slide for details)

# Beta testing for Exam

- **Original plan for phase one:**
  - Time period: November 26, 2018 to January 16
  - 10-20 unique testers
  - Functionality required: Letters of Protest, TMNG 66(a) applications, and formatted office actions
- **Status of phase one plan:**
  - Time period: November 26, 2018 to present
    - Extended due to TMNG 66(a) application testing which began January 20
  - 60+ users during the beta period
  - Both defects and enhancements received as part of valuable feedback from the TMNG users
    - 196 incidents have been resolved
    - 36 remaining incidents are in development
    - 16 incidents will be included in the next deployment

# Critical success factors for Exam

- ✔ All office actions and briefs must be sent either electronically (508 compliant) or on paper via a print queue to the correct customer address and/or appropriate business unit, e.g., Trademark Trial and Appeal Board (TTAB) or Madrid.
- ⚠ All office actions must be displayed identically in TSDR, i.e., what the external user sees, and TMNG, i.e., what USPTO personnel sees.
- ✔ Dockets are complete and correct. Dockets include: amended, new case, Statement of Use, potential abandonment, TTAB/jurisdiction, suspension check, corrections, and print.
- ✔ TMNG must possess quality data.
- ✔ System performance must be equal to or greater than the current FAST 1 and X-Search systems.
- ⚠ Examination capability must exist to research and prepare a properly formatted office action with supporting evidence, i.e., fix the TMNG editor.

# Questions & Comments

General Public

