

International Trademark Association (INTA) Comments in Response to:
**Request for Comments Regarding Miscellaneous Changes to Trademark Rules of Practice
and the Rules of Practice in Filings Pursuant to the Protocol Relating to the Madrid
Agreement Concerning the International Registration of Marks**

PTO-T-2013-0026 – Federal Register Vol. 79, No. 15 on January 23, 2014

The International Trademark Association (INTA) appreciates the opportunity to provide comments in response to the USPTO's request for comments regarding miscellaneous changes to the rules of practice regarding trademarks and filings pursuant to the Madrid Protocol. The USPTO Subcommittee of INTA's Trademark Office Practices Committee prepared the general comments below, in consultation with other relevant INTA subcommittees. The Madrid Practices Subcommittee of INTA's Trademark Office Practices Committee prepared the comments specifically related to changes affecting extensions of protection under the Madrid Protocol.

General Comments

INTA notes that the proposed rules would change current practice in two respects:

- (1) The Office proposes to amend Section 2.38(b) to remove the requirement that an application indicate that, if the applied for mark is not being used by the applicant but is being used by one or more related companies whose use inures to the benefit of the applicant under Section 5 of the Act, such fact must be indicated in the application.
- (2) The Office proposed to revise Section 2.81(b) to remove the list of items that will be included on the Notice of Allowance. As noted in the notice of proposed rulemaking, this change is intended to facilitate changes in practice made in connection with the implementation of the Office's Trademarks Next Generation initiative, although no changes in the current format of the Notice of Allowance are currently contemplated.

INTA supports both of the foregoing proposed changes in current practice, although it encourages the Office to seek stakeholder input before making substantial changes to the current format of the Notice of Allowance.

It appears that the rest of the proposed revisions are intended to make the rules consistent with current practice, rather than to change current practice. INTA supports this effort to enhance consistency between the rules and practice, and notes that such efforts are especially helpful to less experienced practitioners and pro se applicants who may not have the benefit of experience to guide them.

INTA notes the following issues regarding certain current practices addressed in the proposed rule changes:

(1) Section 2.38(b)

INTA is in complete agreement with the USPTO's proposal to eliminate existing Rule 2.38(b), which requires an applicant to indicate if the applied-for mark is being used by one or more related companies, rather than the applicant. A question arises as to any possible effect that this rule may have had on existing registrations issued pursuant to Section 66(a) to request an extension of protection under the Madrid Protocol or under Section 44. While the TEAS and TEAS PLUS forms for national applications under sections 1(a) and 1(b) automatically include language referring to use (or intent to use) by the applicant or by a related company or by a predecessor. INTA believes that the forms for applications under the Madrid Protocol (forms MM1, MM2 and MM3) or for applications under Sections 44(e) do not contain similar language. With respect to filings under the Madrid Protocol, the Declaration of Intention to Use the Mark (form MM18(E)) which must accompany the extension request similarly makes no reference to use by a related company.

INTA's view is that since use of a mark in commerce is not a precursor to registration for extensions of protection under the Madrid Protocol pursuant to Section 66(a) or for Section 44(e) applications, the omission of a specific statement concerning use by a related party is not material to the issuance of the registration, and therefore does not create basis to challenge a registration. To avoid any doubt, INTA encourages the USPTO to include a statement that registrations that issued under previous versions of Section 2.38(b) shall not be vulnerable to challenge due to the omission of information concerning use of the mark solely by related companies whose use inures to the benefit of applicant under Section 5 of the Act.

(2) Section 2.62

The USPTO has proposed a revision to Section 2.62 to codify current practice prohibiting responses to Office actions sent via email. INTA assumes that the proposed revision will not affect the Office's current practice of encouraging informal communication between applicants (or their representatives) and examiners regarding issues that are capable of resolution by Examiner's Amendment. Owing to the efficiency and ubiquity of email, many stakeholders support the use of email to respond to Office actions. However, INTA recognizes that there are significant reasons for the current practice, including the unmonitored nature of Examiners' individual email boxes.

INTA encourages the USPTO to investigate potential solutions to address the Office's concerns generated by email responses to Office actions. For example, could the USPTO establish an email address for each Law Office to accept responses to Office actions by email that would be monitored? Concurrently, INTA recommends that the USPTO consider and seek to address the concerns of applicants regarding the use of TEAS to respond to Office Actions versus the possible benefits of filing responses by email.

(3) Section 2.77 (b)

The USPTO has proposed a revision to Section 2.77 (b) to codify current practice that an applicant who wishes to enter an amendment not specifically listed in Section 2.77(a) during the period between the issuance of the Notice of Allowance (NOA) and the submission of a Statement of Use (SOU) must petition the Director under Section 2.146. Under the terms of the proposed revision, if the Director determines that the amendment requires review by the examining attorney, the petition will be denied. The applicant would be able to resubmit the amendment request with the SOU.

INTA agrees that a process to allow an applicant to request an amendment not specifically listed in Section 2.77(a) between the issuance of the NOA and the filing of the SOU should be available. However, the denial of a petition simply because the issues require review introduces uncertainty and delay into the process. The time between the issuance of the NOA and the filing of the SOU can be as long as three years. INTA encourages the USPTO to consider whether the amendment process can be streamlined to provide ease of filing and certainty and reduce potential delay by as long as three years and the need to resubmit a proposed amendment.

For amendments between issuance of the NOA and submission of the SOU, INTA suggests that the USPTO consider adopting a process similar to the on-line process currently available to request an amendment between publication of the application for opposition and issuance of the NOA. Such a process would restore jurisdiction directly to the legal specialist or examining attorney and expedite the amendment process.

Issues Relating Specifically to Extensions of Protection under the Madrid Protocol

Reference to the “CR” means the Common Regulations under the Madrid Agreement Concerning the International Registration of Marks and the Protocol Relating to that Agreement (as in force on January 1, 2013)

(1) Section 7.11(a)(3)(ii)

The proposed amendment, although codifying an existing practice in the United States, is not consistent with the CR. The requirement to submit both black-and-white and color reproductions of the mark results from Rule 9(4)(a)(v) and (vii) of the CR which apply to all applications (paper or electronic).

(2) Section 7.23(a)(5)

As a general remark, the whole structure of Section 7.23 should be revisited. The purpose of this section should be to give effect to the relevant provisions of Article 9 of the Madrid Protocol and Rule 25 of the CR, *i.e.* to allow a transferee to request the recordation of a change of ownership of an IR where the previous owner cannot, is not willing or has no reason to do it. However, these provisions contemplate all possible changes of ownership, including following the death of

the holder or as a result of a judicial decision, mergers, etc., whereas Section 7.23 relates only to assignments. Any successor in title, not just assignees, should be covered by Section 7.23. This is the meaning to be given to the terms "new holder" in Article 9 and "transferee" in Rule 25.

In that context, the requirement of good-faith effort to obtain the signature of the former owner would have to be revisited as to cases of inheritance, or transfer as result of a judicial decision which can be produced, or of a merger which can be properly documented.

As regards the proposed amendment to Section 7.23(a)(6), the text of the relevant provisions in the Certificate of Registration state:

Rule 25(1)(b):

Subject to subparagraph (c), the request shall be presented by the holder or by the Office of the Contracting Party of the holder; however, the request for the recording of a change in ownership may be presented through the Office of the Contracting Party, or of one of the Contracting Parties, indicated in the said request in accordance with paragraph (2)(a)(iv).

Rule 25(2)(a)(iv)

in the case of a change in the ownership of the international registration, the Contracting Party or Parties in respect of which the transferee fulfills the conditions, under Articles 1(2) and 2 of the Agreement or under Article 2 of the Protocol, to be the holder of an international registration

“An indication that the assignment applies to the designation to the United States or an international registration that is based on a U.S. application or registration”, does not cover all possible scenarios under which, according to Rule 25, an interested subject would be entitled to request a change in ownership through the USPTO. We can imagine *e.g.* a U.S. entity (covered therefore by rule 25(2)(a)(iv) CR) wishing to record the assignment of an IR originally filed on the basis of a CTM application, and whereby the U.S. was not designated.

As a matter of fact, before accession of the United States to the Protocol, many U.S. companies acquired international registrations in their own name by virtue of an establishment in a Madrid Union member. In case of transfer of those IRs (not based on a U.S. application or registration and not designating the U.S.) to other U.S. companies, the transferees do not qualify under Section 7.23 as it stands and would not qualify under that section as amended to request the recording of the change of ownership through the USPTO.

Considering that Section 7.23.4 already mentions as a requirement “A *statement that the assignee: is a national of the United States; has a domicile in the United States; or has a real and effective industrial or commercial establishment in the United States. Where an assignee’s*

address is not in the United States, the assignee must provide the address of its U.S. domicile or establishment”, in our view Section 7.23.6 is redundant and should be expunged, instead of expanded as proposed. According to Rule 25(1)(b) and Rule 25(2)(a)(iv) of the CR (see above) a U.S. subject assignee of an IR should be entitled to record an assignment of an IR through the USPTO without the limitations set forth in Section 7.23.6 (present or proposed version).

(3) Section 7.24(b)(5)(ii) and 7.24(b)(7)

As a general remark, we assume that the reference above to “assignor” and “assignee” must be interpreted as a reference to “the holder of the international registration” and “the party restricting the holder’s right of disposal” respectively.

Here again, the modification proposed in Section 7.24(b)(5)(ii) appears to be acceptable in as far as the whole section purports to implement Rule 20(1)(b) Certificate of Registration. The current provisions, however, are not in compliance with the CR, as per applicable Rules noted below:

Rule 20(1)

(a) The holder of an international registration or the Office of the Contracting Party of the holder may inform the International Bureau that the holder’s right to dispose of the international registration has been restricted and, if appropriate, indicate the Contracting Parties concerned.

(b) The Office of any designated Contracting Party may inform the International Bureau that the holder’s right of disposal has been restricted in respect of the international registration in the territory of that Contracting Party.

Section 7.24(a) currently offers the opportunity to record a restriction through the USPTO only if “(2) *the party who obtained the restriction is a national of, is domiciled in, or has a real and effective industrial or commercial establishment in the United States*”, whereas what commands should be the fact that the holder is a US subject - see reference to “*the Office of the Contracting Party of the holder*” in Rule 20(1)(a) CR. This might also be seen as a violation of the general principle of national treatment.

The rationale of the proposed modification in Section 7.24(b)(7) is unclear. For example, is there a need for equality of treatment in two very distinct situations, such as restriction on the right to dispose of an IR having effect in the U.S. on the one hand, and an IR having no such effect on the other, which would not be a remedy?

Rather:

- Section 7.24.(a)(2) should be amended to read “the **holder of the international registration** is a national of, is domiciled in, or has a real and effective industrial or commercial establishment in the United States; **or**”
- Section 7.24.(b)(4) should be deleted, or amended in accordance with the above

Otherwise, the resulting regime would become unnecessarily burdensome under the following scenarios:

- A non-US national/entity who obtained in Court a restriction of the right to dispose of an international registration in the name of an US subject could only record the restriction with the cooperation of the holder (before the IB), or through each and every concerned Contracting Party (imagine an international registration covering 80-something designations...);
- Any national/entity (U.S. or non-U.S.) who obtained in Court a restriction of the rights to dispose of an international registration in the name of a U.S. subject not covering the United States and not based on a U.S. application or registration (not common but possible), could only record the restriction with the cooperation of the holder (before the IB), or through each and every concerned Contracting Party.

(4) Section 7.31

We support this proposal that clarifies that a partial transformation would be possible, thus offering an additional option to the holder of the ceased international registration.

Conclusion

In conclusion, INTA commends the USPTO for proposing revisions to the rules of practice that enhance clarity and looks forward to further discussions with the USPTO regarding the additional issues raised in its comments.