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Commissioner for Trademarks,
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**Comments of Erik M. Pelton & Associates, PLLC[®] Regarding Proposed Rulemaking:
“Changes in Requirements for Specimens and for Affidavits or
Declarations of Continued Use or Excusable Nonuse in Trademark Cases”**

The following are the comments of the law firm of Erik M. Pelton & Associates, PLLC[®] of Falls Church, Virginia (“EMP&A”), in response to the Proposed Rule on July 12, 2011 in Volume 76, No. 133 of the Federal Register (“Proposed Rules”). Over the last decade, EMP&A has represented hundreds of clients, including many small businesses, in U.S. trademark prosecution, maintenance, and disputes. EMP&A clients have been issued more than 1,500 U.S. trademark registrations. Erik M. Pelton, the firm’s founder, worked as a USPTO Examiner from 1997 to 1999.

Summary

Requiring applicants and registrants to submit additional specimens of trademark use in applications, allegations of use, declarations of continued use, and other filings with the USPTO is not burdensome, particularly in comparison to the exclusive rights and evidentiary presumptions granted by a new or continued trademark registration. In an age in which electronic transmission of documents and images is so readily available, the costs of obtaining and submitting additional specimens are negligible. Because of the significant benefits to be obtained from a more accurate and reliable register and the relatively small burdens imposed on applicants and registrants, we strongly support the measures included in the Proposed Rules. In addition, we believe further study regarding the amount of “deadwood” on the U.S. trademark register would be valuable to the USPTO, brand owners, the public, and other stakeholders in the trademark system.

Economic Value of an Accurate Trademark Register

Intellectual property is a significant – and growing – part of the U.S. economy. It accounts for an increasing percentage of jobs created in the U.S. as well as exports to other countries. According to President Obama: “Our single greatest asset is the innovation and the ingenuity and creativity of the American people. It is essential to our prosperity and it will only become more so in this century.” (March 11, 2010.)

Trademark rights are no exception. And the benefits of the trademark system reach far beyond the right-holders themselves.

Registration of a trademark, in addition to serving the interests of the registrant by providing constructive notice, serves the interests of other participants in the market place. Entrepreneurs, for example, who plan to promote and to sell a new product under a fanciful mark, *should be able to rely on a search of the trademark registry* and their own knowledge of whether the mark has been used so that what may be substantial expenditures of money promoting the mark will not be wasted. Consumers are also benefitted by the registration of national trademarks, because such registration helps to prevent confusion about the source of products sold under a trademark and to instill in consumers the confidence that inferior goods are not being passed off by use of a familiar trademark.

Natural Footwear Ltd. v. Hart, Schaffner & Marx, 760 F.2d 1383, 1395, 225 USPQ 1104, 1111-12 (3d Cir.1985) (emphasis added) (citing *Weiner King, Inc. v. The Wiener King Corp.*, 615 F.2d 512, 523-24, 204 USPQ 820, 830-31 (CCPA 1980)). However, these benefits to registrant's, entrepreneurs, and the public are predicated on the accuracy of the trademark register. *In re International Flavors & Fragrances, Inc.*, 183 F. 3d 1361, 1368 (Fed. Cir. 1999) (“In order to make this constructive notice meaningful, the mark, as registered, must accurately reflect the way it is used in commerce so that someone who searches the registry for the mark, or a similar mark, will locate the registered mark.”).

As a result of the immense economic value of an efficient trademark system, an accurate register of trademarks is one of the pillars of our intellectual property system. A register burdened with inaccuracies affects the selection and clearance new marks, the prosecution trademark applications, decisions about whether to initiate disputes, and other strategic decisions that extend far beyond the legal rights of any individual trademark Registrant. As a result, an accurate register is absolutely essential, and failure to enact changes which would make the register more accurate would be a disservice to the public, trademark owners, and trademark applicants.

Removing Deadwood

An essential step toward ensuring the accuracy of the trademark register is the implementation of policies to efficiently rid the register of abandoned, improperly issued, or excessively broad registrations. The Proposed Rules would implement common sense policies that are likely to advance these goals fairly and efficiently.

Two main types of “deadwood” clutter the trademark register: (1) registrations that contain overbroad descriptions of goods and/or services, and (2) registrations that continue to be registered even though they are no longer legitimately being used in commerce in the United States. Each deadwood registration could affect the rights and decisions of multiple brand owners, applicants, and potential applicants. If just 1 in 200 active trademark registrations are deadwood, more than 8,000 registrations stand in the way of legitimate users, tying up the TTAB and the courts with needless and costly cancellations and other disputes.¹ For example, when an Applicant's mark is blocked by a “deadwood” registration, the Applicant may have to resort to costly and time consuming proceedings or negotiations. In a cancellation proceeding the registrant is likely not required to demonstrate proper use of its mark until after pleadings are filed, a discovery conference is held, and discovery requests are served. If the USPTO were to require specimens that better demonstrate the use asserted in the application, it could save time and money later on for both the applicant and those potentially affected by the applicant's mark.

¹ Based on total number of registrations at the end of Q3 FY2011(<http://ow.ly/6hwwR>).

There are several scenarios in which it is clear that the benefit of additional specimens outweighs the potential costs or burdens.

- When applications contain extremely broad descriptions of goods and services within a single International Class, additional specimens may be warranted. For example, eyeglasses, computer hardware, and computer software are all within Class 9, yet all three are very different products.
- Registrations issued to applicants relying on foreign filings often have very broad lists of goods or services, due in part to the lack of use requirements in foreign jurisdictions. Requests for additional specimens in such situations are also warranted.
- The nature of the specimens supplied by applicants may also raise questions as to their genuine use in commerce. For example, a photograph of a hang tag or label by itself, not attached to any goods, may fail to indicate actual commerce using the mark. A digital version of a hang tag or label, rather than a photograph of a physical version of the same, may also raise doubts as to whether the mark is truly used in commerce. A screenshot of a webpage which, upon a visit to the site does not exist or shows “coming soon” could also raise suspicion.

In each of these situations, requests for additional specimens are warranted – especially since the modest burden of providing better specimens of use in commerce are minimal if the mark is, in fact, actually used in commerce as required.

Objections Based on Allocation of Burdens and Examiner Discretion

Based on previous discussions of deadwood and specimen issues among the trademark bar², it is likely that others will object to the Proposed Rules because the additional specimen requirements create additional burdens on applicants and registrants, and because they afford additional discretion to Examining Attorneys during the application and renewal process. Neither argument has merit, in our opinion, or outweighs the significant benefits of a clean register.

Any additional burdens imposed by the Proposed Rules will be borne by those who benefit most directly from the valuable rights available through registration, namely trademark applicants and registrants. Though the trademark system ultimately benefits many participants in the marketplace, registrants themselves receive the most immediate and direct benefits from the issuance of a registration.

[T]hose trademark owners who register their marks with the PTO are afforded additional protection not provided by the common law. *See id.* For example, the Lanham Act provides a federally registered trademark owner a forum in federal court in which to adjudicate infringement claims, *see* 15 U.S.C. § 1121 (1994), and it allows, in certain cases, a registrant whose mark has been infringed to seek costs, treble damages, attorneys fees, *see id.* § 1117; the destruction of infringing articles, *see id.* § 1118; and the ability to prevent the importation of infringing goods, *see id.* § 1124.

In re International Flavors & Fragrances, Inc., 183 F. 3d 1361, 1367-68 (Fed. Cir. 1999). When deadwood is not removed from the register during the application and renewal processes, the burden of maintaining the accuracy of the register shifts to other businesses entering the marketplace or seeking registration and results in greater costs to both the USPTO (in the form of

² Including the USPTO’s “The Future of the Use-Based Register” roundtable on April 26, 2010, attended by members of our firm.

delays and ex parte proceedings) and to brand owners. It is both efficient and fair to expect those who believe themselves entitled to the benefits of Federal registration to be willing to take the modest steps necessary to create a clear record supporting their continued use of the marks in question on at least a few of the goods and services they have identified. Moreover, in the digital age, the production of a proper specimen is rarely difficult, that is, when the goods or services are actually being used in commerce as required. Despite some increased burden on applicants and registrants to produce additional specimens, the benefits of a clean register clearly outweigh such concerns, and the eventual registrant is the party best positioned to efficiently provide evidence supporting the accuracy of each registration it seeks or renews.

We also disagree that the Proposed Rules would grant Examining Attorneys too much discretion to determine when to require additional specimens. Thorough training and documentation from the USPTO for both applicants and Examining Attorneys should mitigate this concern and describe with particularity and examples the types of situations where additional specimens may be required. Moreover, Examining Attorneys already have the discretion to require additional specimens at other stages in the application process.

Therefore, objections to the Proposed Rules based on burdens or uncertainties created during the application and renewal processes are outweighed by the numerous and substantial benefits of a clean register.

Responses to Particular Inquiries

(1) Whether the collection of information is necessary for proper performance of the functions of the agency.

Yes. Collection of additional specimens under the Proposed Rules would ensure a more accurate register and would thus benefit the public and brand owners. An accurate and clean register, devoid of deadwood, is tremendously valuable to consumers and brand owners.

(2) The accuracy of the agency's estimate of the burden.

The burden on applicants to produce some additional specimens is not terribly significant in the age of electronic specimens (photographs, screenshots, and more) and electronic filings. The burden of producing additional specimens is far less than the burdens imposed on brand owners, applicants, registrants, and the public from an inaccurate register. Any evidence of use required under the Proposed Rules relates to something that an applicant or registration should already possess or could easily document in the course of carrying out their existing duty to confirm that each of the goods and services identified in an application or maintenance document are currently in use.

(3) Ways to enhance the quality, utility, and clarity of the information to be collected.

The USPTO could publish – in the TMEP, on its website, and as part of the application process – more guidance as to when specimens are required and what type of specimens of use are generally acceptable. As noted above, the USPTO should provide guidance to both applicants and Examining Attorneys that specimens for goods that appear to be merely digital mockups of labels or packaging may be insufficient.

(4) Ways to minimize the burden of the collection of information to respondents.

We propose additional emphasis by the USPTO to educate applicants in advance, particularly *pro se* applicants, regarding proper specimens and the differences between applications based on use in commerce and intent-to-use. The USPTO may place additional warnings or information

on its website and during the electronic application process in TEAS to make it clear that certain types of specimens may not be acceptable. The USPTO may also suggest that applicant's may be able to reduce the duration of the application process by voluntarily submitting additional specimens with their applications.

Conclusion

Applicants, potential applicants, and brand owners choosing new names and performing clearance searches benefit from the accuracy of the data available from the USPTO. Uncertainty is created whenever rights granted by the USPTO are overbroad, unclear, out of date, or inaccurate. Policies to minimize the extent of the deadwood and to remove the offending marks from the register will benefit the public and brand owners by (a) allowing for better determination of what potential new marks are available to use and/or register, and (b) reducing unnecessary costs and delays associated with disputes between. As a result, it is extremely important and valuable to the U.S. economy to maximize the accuracy of the register.

The additional specimen requirements in the Proposed Rules do not create excessive or undue burden on applicants or registrants. Rather, applicants and registrants actually stand to benefit from adoption of the Proposed Rules because the register will be more accurate, the registration process will become more predictable, and unnecessary disputes will be avoided. All legitimate stakeholders in the trademark system benefit from a more accurate register, and these benefits far outweigh the modest and infrequent additional steps asked of the rights holders themselves under the Proposed Rules. Therefore, we strongly support adoption of the Proposed Rules.

Thank you for the opportunity to comment. If you have any questions, please contact the undersigned at 703-525-8009.

Respectfully submitted,



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