

**TRADEMARK PUBLIC ADVISORY COMMITTEE
ANNUAL REPORT 2018**



**UNITED STATES PATENT AND
TRADEMARK OFFICE**

TABLE OF CONTENTS

I.	Introduction.....	1
II.	Report Highlights.....	3
A.	Trademark Operations.....	3
B.	IT and E Government Issues.....	3
C.	Budget and Funding Issues.....	3
D.	Trademark Trial and Appeal Board.....	4
E.	Policy and International Affairs.....	4
III.	Discussion of Specific Issues.....	4
A.	Trademark Operations Performance.....	4
1.	Performance Statistics.....	4
2.	Quality and Training.....	7
3.	Initiatives Completed in FY 2018.....	9
4.	Ongoing Initiatives.....	14
B.	IT and E-Government Issues.....	17
1.	The Office of the Chief Information Officer (“OCIO”).....	17
2.	IT Accomplishments.....	17
3.	Modernization.....	18
4.	Phases of TMNG.....	18
5.	TMNG Successes and Issues.....	20
6.	Cost of TMNG.....	22
7.	Stabilization: Trademark Legacy Systems.....	23
8.	Accomplishments in FY18 for Trademark Legacy Systems.....	23
9.	Overall Concerns.....	24
C.	Budget and Funding Issues.....	24
1.	Fees Collected.....	24
2.	Impact of 2017 Fee Adjustment.....	25
3.	Financial Advisory Board.....	25
4.	Direct v. Indirect Spending.....	25
5.	Spending in Trademarks for Trademark Information Technology.....	26
6.	Trademark funding of Regional Offices.....	26
D.	Trademark Trial and Appeal Board.....	26
1.	Efforts to Declutter the Trademark Register.....	27
2.	Revisions to Trademark Trial and Appeal Board Manual of Procedure.....	28
3.	Information Technology Changes.....	29
4.	Standard Protective Order.....	29
5.	Personnel.....	30
6.	Performance Statistics.....	30
7.	Trends in Metrics.....	32
8.	Precedential Decisions.....	33
E.	Policy and International Affairs.....	33
1.	IP Attaché Program.....	33
2.	Technical Assistance.....	34
3.	WIPO.....	35
4.	World Trade Organization (“WTO”).....	36

5.	ICANN.....	37
6.	Hague Conference on Private International Law.....	37
7.	The Five Trademark Offices.....	37
8.	Domestic Federal Agency Counsel Trademark Bootcamp & Outreach.....	38
9.	Domestic Legislative Proposal regarding Section 2(b).	38
10.	Domestic Local Counsel Requirement.	39
11.	Domestic Dairy Industry Concerns with Examination of Geographic Matter.	39

Trademark Public Advisory Committee

Fiscal Year 2018 Annual Report

I. Introduction.

This is the nineteenth annual report of the Trademark Public Advisory Committee (“TPAC”). This report reviews the trademark operations of the United States Patent and Trademark Office (“USPTO” or “Office”) for the Fiscal Year (“FY”) ending September 30, 2018. Pursuant to 35 U.S.C. § 5(d)(2), this report is submitted within 60 days following the end of the federal fiscal year 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 Official Gazette of the USPTO. The report will be available to the public on the USPTO website, www.uspto.gov.

TPAC acknowledges the contributions the USPTO has made by providing facts, figures and performance statistics relied upon in this report. TPAC appreciates that throughout the fiscal year the Office not only responded to TPAC’s questions, but often the Office requested input from TPAC and thoughtfully considered TPAC’s feedback on relevant issues. It is an honor to work with professionals so dedicated to improving the USPTO, the quality of services provided, and the customer experience.

TPAC’s mission and duties, which are specified in enabling legislation, 35 U.S.C. § 5(b)(1) and (d)(1), are “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, and to advise the Director on these matters.

As of the end of FY 2018, the following individuals were voting members of TPAC:

- Dee Ann Weldon-Wilson (Chair), Nashville, Tennessee (term ends December 1, 2018)
- William G. Barber (Vice Chair), Member, Pirkey Barber PLLC, Austin, Texas (term ends December 1, 2019)
- Lisa A. Dunner, Managing Partner, Dunner Law PLLC, Washington, D.C. (term ends December 1, 2018)
- Elisabeth Escobar, Vice President and Senior Counsel, Marriott International, Inc., Bethesda, Maryland (term ends December 1, 2020)
- Anne Gilson LaLonde, Author, Gilson on Trademarks, South Burlington, Vermont (term ends December 1, 2020)
- Mei-lan Stark, Senior Vice President and Chief Counsel Intellectual Property, NBCUniversal Media, LLC, Universal City, California (term ends December 1, 2018)

- Ilene B. Tannen, Of Counsel, Jones Day, New York, New York (term ends December 1, 2019)
- Donna A. Tobin, Partner and Co-Chair of the Trademark & Brand Management Group and Member of the Litigation Group, Frankfurt, Kurnit, Klein & Selz, PC, New York, New York (term ends December 1, 2020)
- Brian Winterfeldt, Principal, Winterfeldt IP Group, Washington, D.C. and New York, New York (term ends December 1, 2019)

In addition to the above voting members, the following people are non-voting TPAC members representing the membership of USPTO unions:

- 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

During FY 2018, there were five TPAC subcommittees: Operations, Budget, Policy and International Affairs, IT, and TTAB. The subcommittees meet through conference calls and in-person meetings with USPTO officials responsible for the various functions to assist TPAC in meeting its mission and the USPTO in its proposals and initiatives. TPAC members assigned to each subcommittee are:

- Budget - Mei-lan Stark (lead) and Brian Winterfeldt
- Policy and International - Elisabeth Escobar (lead) and Donna Tobin
- IT - William G. Barber (lead), Lisa A. Dunner and Howard Friedman
- Operations - Dee Ann Weldon-Wilson (lead) and William G. Barber
- TTAB - Ilene B. Tannen (lead) and Anne Gilson LaLonde

Since TPAC submitted its eighteenth annual report, it has held four public meetings. TPAC was honored that Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office Andrei Iancu’s first official meeting in office was the February 9, 2018 TPAC public meeting, and he has also attended every other TPAC meeting since then. The Director was confirmed by the Senate and has been sworn in as Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office. TPAC’s other 2018 public meetings were held on May 4, July 26 and October 26.

II. Report Highlights.

A. Trademark Operations.

Trademark Operations met or exceeded all of its performance goals for FY 2018 in a year of record filings. TPAC commends Commissioner Denison and her management team for their leadership, as well as the hundreds of employees in Trademark Operations for their hard work that made these results possible. TPAC also applauds Trademark Operations for introducing and continuing initiatives to improve the customer experience through efforts within and outside the Office to address the many challenges caused by continuing filing increases from the United States and abroad.

B. IT and E Government Issues.

This fiscal year has been a challenging one for the USPTO's IT systems. There have been continued delays with developing Trademarks Next Generation ("TMNG"), including mounting expenses with that effort. Also, as the USPTO continues to modernize, it must continue to stabilize its legacy systems as those occasionally falter as seen through the TSDR outage this past September. Nevertheless, the USPTO is committed to improving its IT infrastructure in the best possible ways for its users. Already, TPAC has seen improvements in the Office's IT capabilities for Trademarks, such as a new Trademark Quality Review, enhancements to existing products, and a number of other advancements which are explained in this report. TPAC is very appreciative of its collaborative relationship with the USPTO as it undertakes to modernize its IT systems.

C. Budget and Funding Issues.

Total trademark fees collected in FY 2018 increased by 7.8%, which was within 1.1% of planned collections. TPAC commends the Office for its excellent forecast in planning fee revenues. TPAC notes that the Trademark Operations budgeting success is dependent upon their continued ability to adjust fees to take into account filing trends and practices. The fee setting flexibility granted to the USPTO under the America Invents Act ("AIA") expired on September 16, 2018. TPAC is pleased that Congress passed the SUCCESS Act, extending the office's AIA fee setting authority for 8 years, and the President signed the bill into law on October 31, 2018..

Trademark revenues make up 13.2% or \$1.9 million in funding for the Office of the Under Secretary. This includes providing \$877,800 for regional office outreach support. The regional offices do not have any trademark personnel on site, nor do they administer any trademark services that are conducted by Trademark Operations. Trademark staff in Alexandria regularly support customer sessions at the regional offices via webcast, occasionally meeting with trademark owners and representatives at events hosted at the regional offices, and providing examining attorneys for special regional office work projects for trademark-centric and other events. TPAC believes that the Trademark Operations sufficiently manages

customer requests and outreach in regions through the Trademark executives and staff from the Alexandria office. TPAC will continue to monitor these issues, with the goal of ensuring that trademark user fees that are allocated to help fund the regional offices are appropriate to the level of trademark-related activities in those offices.

D. Trademark Trial and Appeal Board.

TPAC congratulates the Trademark Trial and Appeal Board (“TTAB”) for its outstanding performance in FY 2018. Despite the absence of a Deputy Chief Judge and a reduced number of Administrative Trademark Judges (“ATJs”) and Interlocutory Attorneys (“IAs”) for most of the year, it has once again met or exceeded virtually all its performance goals and metrics. In FY 2018, Chief Judge Rogers and the TTAB continued their efforts to (1) declutter the Trademark Register through new initiatives with the goal of developing an expedited cancellation proceeding for abandonment and non-use claims, (2) improve case pendency, (3) enhance users’ online experiences through several IT changes, and (4) seek stakeholder feedback on the Standard Protective Order. TPAC eagerly anticipates seeing further action and progress on these matters during FY 2019.

E. Policy and International Affairs.

The Office participates in discussions and initiatives with trademark offices and governments in other countries, and with the World Intellectual Property Organization (“WIPO”) to help improve trademark office examination practice, harmonize certain trademark tools and practices, and coordinate on compliance with treaties that relate to trademarks. Among other things, these efforts are designed to improve the experience of U.S. citizens in registering and enforcing their marks in other countries. TPAC appreciates the work of the knowledgeable professionals who contribute to providing a better experience for U.S. citizens who utilize these services.

III. Discussion of Specific Issues.

A. Trademark Operations Performance.

1. Performance Statistics.

FY 2018 was another successful year for the USPTO’s Trademark Operations. Once again, it met or exceeded all performance targets.

- a. Increase in Applications. Trademark application filings increased by 7.5% for FY 2018 as compared to FY 2017, which was 1.1% less than Trademark Operations originally projected. Trademark Operations initially estimated it would receive 646,000 classes for registration in FY 2018. Midyear, the expected projection for filings was revised to 644,000 classes. The actual number of classes filed in FY 2018 was 638,847. Trademark Operations continued to

receive notable increases in filings originating from Mainland China. More than 9% of total classes filed came from China, the largest share of filings from any foreign country. This represents an increase of more than 1100% over the past six years, far outpacing growth from any other country. Although still strong, the rate of increase in filings from China appears to have eased in FY 2018, increasing by 14% from the prior year. Trademark Operations is consulting with TPAC and other IP organizations and is monitoring filings to assist it in future planning.

- b. Applications Submitted and Processed Electronically on the Rise. Trademark Operations continues its longstanding goal to have all trademark applications and other filings submitted electronically. Great progress has been made; more than 99.9% of all new applications are now submitted electronically, due in part to the changes in fees implemented in January 2015 and January 2017.

In January 2015, the USPTO introduced the Trademark Electronic Application System (“TEAS”) Reduced Fee—TEAS RF—application. TEAS RF was used for 51% of the classes filed in FY 2018. At the same time, the Office introduced a reduction in the fee for filing TEAS Plus, which accounted for 37% of classes filed in FY 2018. Both of these fee options require the applicant to communicate with the Office electronically throughout the application process. Although the Office now receives very few paper applications, some applicants continue to file other paper submissions (although that number is thankfully decreasing). In FY 2018, Trademark Operations exceeded its goal of 86% of all applications being handled electronically from beginning to end, with 87.9% of applications being handled electronically end-to-end.

To push these numbers even higher (hopefully close to 100%) going forward, the USPTO published a notice of proposed rulemaking (“NPRM”) on May 30, 2018 to change the rules of practice to mandate electronic filing of trademark applications and submissions associated with applications and registrations, and to require designation of an email address for receiving the USPTO correspondence. The Office plans to implement this proposed rule in Q3 of FY 2019.

- c. Balanced Disposals Higher. The Office completed 1,215,956 Balanced Disposals in FY 2018, an increase of 52,824 over the previous year. 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 prior to publication.

- d. Total Office Disposals Higher. Total Office Disposals, which refers to the number of applications that resulted in either registration or abandonment, significantly increased to 563,138 in FY 2018 (48,131 more than in FY 2017). Trademark Operations conducted a review of last year's results and subsequently revised the target plan for 2018. The trend for Office Disposals has declined relative to new application filings as the percentage of first action approvals for publication increase and fewer applications are abandoned. This is a positive outcome for applicants, although it lengthens the time between filing and when Office Disposals based on registration occur.
- e. Average First-Action Pendency in Target Range. The Average First Action Pendency increased from last year as filings continued to increase. Average pendency continued to remain within the target range of 2.5 to 3.5 months throughout the fiscal year, coming in at 3.4 months at the end of FY 2018, an increase of .7 months from the end of FY 2017. First Action Pendency is reported monthly for applications that received a first action as the average 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. TPAC has supported this target range for several years as an appropriate balance between meeting customer needs and managing incoming filings, and we commend the Office for continuing to meet this range as it has done for many years. We understand that the demands placed on Operations by continued growth in filings and hiring have led to higher than planned inventory of new and pending applications.
- f. Average Total Pendency Better than Target. Trademark Operations exceeded its target goals on Average Total Pendency for FY 2018. 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 Average Total Pendency was 9.6 months if suspended or inter partes cases are excluded, and 10.9 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. Both of these numbers are nearly the same as FY 2017 (9.5 months and 10.9 months, respectively).

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 rights owned by trademark owners. Once again, the USPTO met or exceeded its aggressive targets in FY 2018. TPAC commends the Office for maintaining and exceeding high quality goals while onboarding so many new hires.

- 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 Office’s goal at both points is to determine whether the Examining Attorneys’ decisions and Office Actions comport with the bases of refusals under the Lanham Act. The Office’s goal for FY 2018 was a compliance rate of 95.5% for the First Office Action, and 97% for final compliance. For each of those targets, the Office exceeded both the FY 2017’s results as well as the targets established for FY 2018. For First Office Action, the compliance rate was 96.9%, which is 1.4% above target, and for final compliance, the rate was 97.9%, exceeding the target by .9%.
- b. Exceptional Office Action Standard. 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 2018, Trademark Operations exceeded its goal of 45% (as compared to the goal of 40% in FY 2017), with 45.7% of Office Actions meeting the criteria established.
- c. Training Law Offices. For the last several years, some classes of new Examining Attorneys have been placed together in a single Law Office, while others have been dispersed among existing Law Offices as attrition has occurred. FY 2018 brought the formation of two new training offices, Law Offices 125 and 126. A total of 61 new Examining Attorneys were hired in FY 2018.

To solve the challenge of different and/or inconsistent training between new hires placed in training law offices and new hires who

backfill vacancies in traditional and virtual law offices, Trademark Operations implemented a Training Unit pilot which promoted much-needed consistency in on-boarding, classroom training, mentoring, and hands-on learning. The pilot not only strived to meet the needs of all new hires, but also to add leadership development opportunities, not just for those managing the unit, but also for Examining Attorney mentors whether they work at the office or telework full time. The pilot Training Unit provided three cohorts of Examining Attorneys with innovative educational experiences.

TPAC commends the Office's efforts to improve training of new Examining Attorneys. Trademark Operations reports that they are planning to create two new Law Offices in FY 2019 – Law Offices 127 and 128.

- d. Trademark Manual of Examining Procedure (“TMEP”) Training. This training for Examining Attorneys provided an overview of the changes to trademark examination legal policy in the October 2017 update of the TMEP. The presentation also included training regarding a recent series of precedential decisions issued by the TTAB and the U.S. Court of Appeals for the Federal Circuit (“CAFC”) regarding surname refusals.
- e. Nice Classification 11th Edition Training. This training for Examining Attorneys highlighted changes in the International Classification system brought about by the implementation of the Eleventh Edition of the Nice Classification, version 2018.
- f. Examiner Training. Training sessions held in FY 2018 focused on the chocolate industry, the coffee industry, professional sports, right of publicity and artificial intelligence. During the training sessions, legal experts provided an overview of the new and evolving trademark issues facing the industries. The industry events were sponsored primarily by the International Trademark Association (“INTA”) and featured panels of legal experts who discussed trademark issues faced by providers in these fields when applying for and maintaining federal trademark protection in the United States.
- g. Supreme Court, CAFC, and TTAB Case Updates and Guidance. Staff was provided examination guidance regarding Section 2(a)'s scandalousness provision while constitutionality remains in question (pending possible Supreme Court review in the *Brunetti* case). Summaries of precedential cases from the CAFC and the TTAB were provided quarterly to employees.

3. Initiatives Completed in FY 2018.

- a. TMEP Updates. The USPTO issued an update to the TMEP in October 2017. The TMEP continues to represent a valuable resource, both for applicants and for Examining Attorneys, and TPAC commends Trademark Operations for providing ongoing and regular updates to the TMEP.
- b. Examination Guides. Between updates to the TMEP, the Office occasionally provides guidance on specific issues through the issuance of Examination Guides. Typically, Examination Guides supersede 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 February 2018, the Office issued an Examination Guide regarding the class headings and explanatory notes of international trademark classes pursuant to the Nice Classification, Eleventh Edition, version 2018.

In May 2018, the Office issued an Examination Guide regarding examination of applications for compliance with Section 2(a)'s scandalousness and disparagement provisions pending the government's submission of a petition for a writ of certiorari to the Supreme Court in *In re Brunetti*, 877 F.3d 1330, 125 USPQ2d 1072 (Fed. Cir. 2017). (The cert petition was filed on September 7, 2018.) Because the scandalousness provision remains the subject of active court litigation involving its constitutionality, the USPTO is continuing to examine applications for compliance with that provision according to the existing guidance in the TMEP and Examination Guides 01-16 and 01-17.

In September 2018, the Office issued an Examination Guide that revised the procedures regarding (1) issuance by the USPTO of courtesy paper copies of email correspondence returned to the USPTO as undeliverable; (2) requests for duplicate certificates of registration where the registrant claims non-receipt of the certificate; and (3) submission of letters of protest. The procedural changes reflected the USPTO's continuing efforts to minimize the issuance of paper documents and notices to applicants and registrants, and to encourage the use of electronic communications. In addition, to better ensure that requests for a replacement registration certificate are made by an appropriate party, the procedure for requesting a replacement certificate within one year of the registration date must now be made by petition to the Director.

- c. ID Manual. The ID Manual lists identifications of goods or 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.

On January 1, 2018, the Eleventh Edition of the Nice Classification, version 2018, came into force. These changes had an impact on the USPTO’s examination policy and examination practice. A complete list of those changes can be found by setting the “Effective Date” field in the Trademark Next Generation ID Manual (“TMNG-IDM”) to the Operator “=” then typing the date “01/01/2018” and pressing the “Search” button.

The USPTO continues to receive feedback from internal and external customers regarding the TMNG-IDM and has implemented several of the suggested changes. Some of the enhancements added in FY 2018 include: the ability for users to see all of their results on a single page; the addition of navigation buttons to see results from previously executed searches; targeted searching for the description field; and automatic searching of alternate spellings for some terms.

- d. TEAS Enhancements. A number of enhancements to TEAS were completed in FY 2018. Improvements include a new landing web page to help users compare the three initial application filing options, and an in-depth page about each form option to help users understand the benefits and drawbacks of each choice. The purpose of this improved content was to help users make more informed decisions before filing. Text in the owner information section of the Post-Registration forms was also reformatted and clarified with the goal of providing better instructions on how to change owner or entity information. The revised information seeks to prevent accidental misuse of the fields, thereby reducing the number of Office Actions being issued.

During FY 2018, the Office became aware that unauthorized parties have been changing the email correspondence address of various applications without the applicants’ knowledge or consent. To address this disturbing problem, the Trademark Office began issuing email alerts with the subject line “Alert USPTO Change of Email Address” any time email correspondence in the record is changed. The alert is sent to the primary email correspondence address in the record when the change is submitted and indicates the new email that will be added or substituted once the system updates. This new feature has facilitated customers’ ability to promptly notify the

USPTO in instances of inappropriate changes. TPAC commends the Office for implementing this feature and encourages the Office to continue to consider other ways to help address such wrongful behavior.

- e. Customer Experience. Customer experience remained a top priority for the Trademarks business unit. The customer experience team continues to address immediate improvements while investing in foundational change.

Trademarks made several strategic website improvements with the goal of better serving customers. Instructions for using the Trademark Electronic Search System (“TESS”) were greatly improved. Several step-by-step instruction pages were created to help guide users through each of TESS’s main search interfaces. The instructions clarify the purpose of each menu, field, and button to help users make the most of the system’s capabilities. Another page has been created called “Getting ready to search – classification and design search codes.” This page is intended to help users gather key details of their intended mark before their TESS search, facilitating a more effective search of the database.

Trademarks continued to increase the volume of customer information in plain language. A “Plain Language Working Group” was formed to create a long-term plan and strategy for revising public-facing communications for plain language. The goal of this plain language implementation plan is to drive Trademarks toward their vision of maximizing the accessibility and usability of all public-facing content.

The customer experience team implemented a customer survey program to capture feedback and satisfaction levels from customers throughout the customer journey. There are now customer feedback tabs across trademark-specific content areas of www.uspto.gov, including on newly revised pages. Additionally, the team developed a survey to measure customer satisfaction for the Trademark Assistance Center to be implemented in early FY 2019. The survey program will continue to grow over the next fiscal year.

- f. MyUSPTO Enhancements. MyUSPTO, a personalized homepage for managing IP portfolios, was enhanced to add widgets to provide specific capabilities, and the Office plans to develop more capabilities in FY 2019. One of the new widgets is the Trademark “Form Finder,” which allows users to quickly search for a trademark form by name, or locate it by action or response needed.

The “Trademark Docket” widget, which allows trademark owners or practitioners to create an unlimited number of trademark portfolios (or “collections”) of up to 1,000 trademarks per collection, was enhanced to notify customers when changes of owner address, correspondence address, attorney address, domestic representative address, voluntary amendments or express abandonments and surrenders are filed. A new filter was added to eliminate “dead records” in search results in the docket. Users now have the ability to see proceeding numbers in their docket and email notifications. Additionally, a docket sharing feature was added to allow users to share dockets and collections with others.

The number of Trademark Docket users now stands at over 6,000, a total growing by some 70 new users each week. The widget “Trademark Official Gazette Watch” is also proving popular. Additional MyUSPTO developments for FY 2019 are expected to include an application-filing widget called “TEAS Plus Short Form.” A mobile trademark application was added to Github to provide push notifications anytime the status of one or more particular applications has changed.

- g. Data Analytics. Developed as a business intelligence solution, Trademark Analytics generates near real time interactive dashboards and graphs for reporting filings and pendency with attributes such as filing basis, method of filing, state and countries of interest, pro se vs. attorney representation. This is a new capability for Trademark Operations, providing insight into applicant and registrant data that was not previously accessible. The Office hopes that access to data combined with business knowledge will enhance planning, reporting and analytical capabilities by providing intuitive and self-service tools to access, prepare, analyze and maintain data from multiple-sources for managing operations and support future decision-making.
- h. Trademark Expo. The National Trademark Exposition (“TM Expo”) was held on July 27 – 28, 2018 at the Smithsonian National Museum for American History in Washington, D.C. Over the course of the two-day event a record 43,000+ visitors had the opportunity to learn more about trademarks. The event was designed to educate the public about the instrumental role that trademarks play in business development and the value of trademarks for growth in the global marketplace. The TM Expo supports the USPTO’s mission of educating the public about the vital role intellectual property protections – in this case trademarks – play in our increasingly competitive global marketplace. This year’s event included a panel discussion on how celebrities build and maintain their brands and included a continuing legal education

seminar for legal professionals on exploring artists' posthumous intellectual property rights. More than twenty exhibitors, including government entities, non-profits, small businesses, and corporations from all over the country provided thought-provoking interactive displays and educational workshops.

- i. Rulemaking. In FY 2018, Trademark Operations issued two final rules to change the rules of practice and one NPRM, with a second NPRM currently in the clearance process.
 - (1) International Trademark Classification. On December 1, 2017, the USPTO issued a final rule to incorporate classification changes adopted by the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks ("Nice Agreement"). The annual revisions contained in the final rule consist of modifications to the class headings incorporated into the Nice Agreement by the Committee of Experts. The changes to the class headings further define the types of goods and/or services appropriate to the class.
 - (2) Trademark Interferences. The USPTO amended the Rules of Practice in Trademark Cases in a final rule issued July 17, 2018, which removed the rules governing trademark interferences. The rule arose out of the USPTO's efforts to identify and propose regulations for removal, modification, or streamlining of rules that are outdated, unnecessary, ineffective, costly, or unduly burdensome on the agency or the private sector.
 - (3) Mandatory Electronic Filing. On May 30, 2018, the USPTO issued a notice proposing to amend the Rules of Practice to mandate electronic filing of trademark applications and submissions associated with trademark applications and registrations, and to require the designation of an email address for receiving USPTO correspondence. The change in filing requirements would further advance the USPTO's IT strategy to achieve complete end-to-end electronic processing of trademark submissions, thereby improving administrative efficiency by facilitating electronic file management, optimizing workflow processes, and reducing processing errors. The USPTO received comments from four groups and ten individual commenters and is preparing a notice of final rulemaking for implementation in FY 2019.
 - (4) U.S. Counsel. The USPTO drafted a notice proposing to amend the Rules of Practice to require applicants,

registrants, or parties to a proceeding whose domicile or principal place of business is not located within the United States to be represented by an attorney who is an active member in good standing of the bar of the highest court of a state in the United States. The proposed requirement mirrors the requirement for local counsel that currently exists in many other countries. The proposed rule would address increasingly frequent complaints of unauthorized representation. In the past few years, the USPTO has seen many instances of unauthorized practice of law where foreign individuals who are not authorized by USPTO rules to represent trademark applicants are improperly representing foreign applicants before the USPTO. The Office is concerned that, as a result, increasing numbers of foreign applicants are likely receiving inaccurate or no information about the legal requirements for trademark registration in the United States, such as the standards for use of a mark in commerce, who can properly aver to matters and sign for the mark owner, or even who the true owner of a mark is under U.S. law. The Office is also concerned that affected applications and any resulting registrations may be potentially invalid, which negatively impacts the integrity of the trademark register.

The Office believes that a requirement that such foreign applicants, registrants, or parties be represented by a qualified U.S. attorney will instill greater confidence in the public that U.S. registrations issued to foreign applicants are not subject to invalidation for reasons such as improper signatures and use claims. The rule will enable the USPTO more effectively to use available mechanisms to enforce foreign-applicant compliance with statutory and regulatory requirements in trademark matters.

4. Ongoing Initiatives.

- a. Regulatory Reform. The USPTO assembled a Working Group on Regulatory Reform to consider, review, and recommend ways that USPTO regulations can be improved, revised, and streamlined. The Working Group was formed to implement Executive Order 13771, titled “Presidential Executive Order on Reducing Regulation and Controlling Regulatory Costs.” Members of the public may submit their ideas to improve, revise, and streamline USPTO regulations to the following email address: RegulatoryReformGroup@uspto.gov. As part of this initiative, the TTAB identified the rules governing trademark interferences as candidates for removal. As discussed above, a final rule removing these regulations published on July 17,

2018. The Working Group will continue to review the Trademark rules for additional candidates for removal or revision.

- b. Efforts to Improve the Accuracy of Identifications of Goods or Services in Registrations. In FY 2015, Trademark Operations concluded a pilot program in which 500 randomly-selected registrations were reviewed, to test whether registrants could support claims of use on multiple goods or services. The Office determined that the statistics from the pilot supported implementing additional measures to improve the accuracy and integrity of the trademark register as to the actual use of marks with the goods or services included in registrations. In response, the USPTO implemented proposals to increase the solemnity of the declaration filed with Sections 8 and 71 Declarations of Use, and to institutionalize random audits for “proof of use.” Per 37 C.F.R. Sections 2.161(h) and 7.37(h), a permanent audit program was implemented during FY 2018. The goal of the program is to improve the integrity of the trademark register by allowing cancellation of audited registrations with unsubstantiated use claims or remove unsupported goods and services from audited registrations.

Examining Attorneys on a special work project conducted an audit of approximately 2500 cases in which Post Registration maintenance affidavits were filed. In each audited file, a request for additional evidence to substantiate proof of use was made. As of mid-September, 2018, in 48% of the files audited, some of the goods or services in the registration were deleted. In those files, 79% of the registrants were represented by an attorney and 21% percent were pro se.

- c. Pilot on Amending Goods or Services to Reflect Evolving Technology. During FY 2018, the USPTO continued its pilot program (commenced September 1, 2015) to allow, under limited circumstances, amendments to identifications of goods or 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 goods or services are offered for sale or provided to consumers. 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 or services in question would not generate a public-notice problem.

The USPTO posted on its website the requirements for seeking such amendments as well as a non-exhaustive list of acceptable

amendments under the new practice, along with a sample declaration: <https://www.uspto.gov/trademark/trademark-updates-and-announcements/recent-postings>. Additionally, a technology evolution webpage (located at <https://www.uspto.gov/trademarks-maintaining-trademark-registration/amending-your-registration-s-goods-services-when>) launched in 2017 to consolidate all information and answer frequently asked questions regarding the pilot program, and in 2018, a link to program information was added to the Trademark Official Gazette. In FY 2018, 127 petitions were acted on under the pilot program. Of the 127 petitions acted on, 81 (64%) were granted, 12 (9%) were denied for failure to respond, and 34 (27%) were dismissed for not meeting pilot requirements. Eighty petitions published in FY 2018 for public comment at <https://www.uspto.gov/trademark/trademark-updates-and-announcements/proposed-amendments-identifications-goods-and-services>.

- d. Fraudulent Solicitations. In August 2017, the USPTO co-hosted with TPAC its first ever public roundtable on the growing problem of fraudulent solicitations of trademark owners. The objectives of the event were to educate the public about the problem of misleading or fraudulent advertisements for trademark services, to learn more about what other government agencies were doing, and to brainstorm new ideas for tackling this complex issue. The topic has gained increased attention as applicants and registrants have been duped into paying fees to private companies while mistakenly thinking they were paying fees required by the USPTO.

The USPTO has continued to increase awareness of the issue through notices and warnings to users. The USPTO has also sent two lawyers on a year-long detail to the Department of Justice to work exclusively on prosecuting perpetrators of these notices. The USPTO proposed and is co-leading a project on fraudulent and misleading solicitations at the TM5. A web page dedicated to explaining how to recognize fraudulent solicitations as well as a new video “Solicitation Alert” has been added to the web site. TPAC commends the Office for these efforts.

- e. Photographic Specimen Analysis Pilot Project. The USPTO recognizes the “fraudulent specimen” problem to be significant enough to warrant a proactive response. After diligent market research, Trademarks leadership selected one vendor for a six-month pilot study and test. The Deputies are constructing a test team that will incorporate use of the tool to determine alteration of digital specimens as part of the examination process.

- f. IP Security Enhancements. The USPTO has seen a striking increase in malicious and damaging inputs to its systems. For example, the increase in changes to email addresses (primarily the correspondent's address) has led to an extraordinary number of requests to the Office for correction of the records. The Office is exploring ways to enhance the security of the systems and make it more difficult to change critical parts of the record. In the meantime, it is sending emails to trademark owners and applicants when a change of correspondence address is received on a file.

B. IT and E-Government Issues

1. The Office of the Chief Information Officer ("OCIO").

The OCIO provides, among many other things, the personnel and technology for the USPTO administration, Trademark Examining Corps, and end users to effectively research, file, and prosecute trademark applications. The USPTO database of pending and registered trademarks is utilized 24 hours per day by trademark users around the world. The system stores approximately 750 million records for its users, as well as for the 581 Examining Attorneys (as of the end of FY 2018) that at any one time may be online. Under the direction of the OCIO, the IT staff works to provide tools to improve trademark examination quality, reduce pendency and backlog, and build and maintain a 21st century workplace.

On November 3, 2017, John Owens, after many years of service, resigned as CIO. David Chiles has been serving as Acting CIO since Mr. Owen's departure, and TPAC greatly appreciates Mr. Chiles's expertise and the manner in which he has served the USPTO and worked with TPAC in that capacity. The USPTO is still in the process of hiring a permanent CIO.

2. IT Accomplishments.

TPAC commends the OCIO for a number of accomplishments during this fiscal year. Despite challenges in maintaining the stability of USPTO legacy systems and its strong efforts to modernize systems, the OCIO implemented many helpful and practical IT changes for trademark users, the most notable of which are as follows:

- Change in correspondence with USPTO records: From time to time, USPTO records have been changed without authorization of the record owner, so the USPTO now sends an email to the correspondent of record whenever a change in correspondence request has been made; the new system acts as an alert, and it has proven quite useful.
- Change in Owner Section on Forms: Pro se applicants especially were incorrectly completing the owner section on forms,

inputting the applicant's personal name instead of the business name; the USPTO clarified this section to minimize the issue.

- Changes to ID Manual: Search results now appear on a single page, and common duplicate spellings have been added to the search capabilities.
- MyUSPTO.gov:
 - This USPTO portal originally launched for pro se applicants and registrants who did not have access to docketing software; application and registration information can be entered in groups of 1000, and due dates and email notifications will be sent to the user.
 - MyUSPTO.gov will store search queries and email notifications when new applications of interest are filed, which is especially helpful for users that monitor the Official Gazette.
 - Form Finder: There is a new form finder widget that is particularly helpful to pro se applicants.

3. Modernization.

As reported in prior TPAC Annual Reports, in 2009, the Director of the USPTO proposed a project called TMNG. TMNG is meant to operate as a cloud-based system, internally and externally, allowing end-to-end electronic processing of trademark applications, including trademark maintenance and appeals to the TTAB. The USPTO has always intended that TMNG, and its successor tools, will eventually replace the patchwork of legacy trademark systems. The legacy tools are, in some cases, intertwined with non-trademark IT resources, operate on old and outdated software environments, and pose considerable challenges in terms of efficiency, maintenance, support and reliability.

Since 2011, the USPTO has been working on, among other information-technology projects, the planning, development, testing, and implementation of TMNG. Although originally envisioned as a four-year project, a number of hurdles and issues have arisen that have led to eight years of effort, so far. At this point, the project is still far from completion and its future is now uncertain.

4. Phases of TMNG.

The USPTO created three phases of focus for development for TMNG:

- (1) TMNG: FY 2011-FY 2015 (Complete); Designed and established the TMNG infrastructure and framework and began development of

trademark examination capabilities; separated and virtualized the trademark IT infrastructure from the rest of the USPTO IT infrastructure;

(2) TMNG-2: FY 2015-FY 2019 (Active); Continuing with development of trademark Examiner tools (review, research and issuing Office Actions) and non-examination capabilities such as Madrid applications and Petitions to the Director; when deployed throughout Trademark Operations, the Exam Tool will allow retirement of the legacy system FAST-1 (First Action System for Trademarks-1); and

(3) MNG-External: FY 2013-FY 2018 (Active); Developing and delivering TMNG capabilities to support external trademark customers. Examples of products include the Electronic Official Gazette, ID Manual, and eFile.

The following chart depicts the specific TMNG tools, a brief description and status of each:

Products	Description	Status
Trademark Status and Document Retrieval (TSDR)	Allows public USPTO users to search trademark information and documents and view and download documents in PDF, HTML, and JPEG formats.	<ul style="list-style-type: none"> Fully operational in 2012 Deployed enhancements and defect fixes through 2018
TMNG eOG (Electronic Official Gazette)	Offers public users an electronic version of the Official Gazette to create and save custom queries, as well as the ability to export/download data.	<ul style="list-style-type: none"> Fully operational in 2013 Deployed enhancements and defect fixes through 2018
TMNG Examination	Offers trademark examining attorneys the ability to electronically examine and register trademark applications.	<ul style="list-style-type: none"> Deployed in 2016 to the first Law Office; pulled back due to the product being incomplete Deployed CKEditor® in 2018; feedback and concerns are being addressed Deployed enhancements and defect fixes through 2018 to prepare for beta testing
TMNG IDM (ID Manual)	Offers public and internal USPTO users an electronic, searchable, and editable version of the ID Manual.	<ul style="list-style-type: none"> Beta deployment in 2014 Fully operational in 2017 Deployed enhancements and defect fixes through 2018
TMNG Trademark	Automates the internal business process related to Congressionally-required	<ul style="list-style-type: none"> Fully operational in 2018

Quality Review (TQR)	trademark quality reviews. Leverages advanced analytics as needed.	
TMNG eFile	Will offer an end-to-end electronic filing capability for external USPTO users to submit domestic and international legal documents to both the Trademark Business and TTAB.	<ul style="list-style-type: none"> Continued definition of business requirements
TMNG Madrid	Will offer internal electronic processing capability for inbound/outbound international applications.	<ul style="list-style-type: none"> Continued definition of business requirements
TMNG Non-Exam	Will offer internal business capability to Petitions, Intent-to-Use, Post-Registration, Pre-Exam, and TTAB business units.	<ul style="list-style-type: none"> Definition of Petitions business requirements has started
TMNG TTAB	Will integrate TTAB trial capability into TMNG by maximizing re-use of existing TMNG and PTAB capability.	<ul style="list-style-type: none"> No progress to date

5. TMNG Successes and Issues.

While there have been a number of successes with TMNG, there have been many problems, many delays, and the original budget has been greatly exceeded. As a result, the USPTO undertook a review of Program Governance and Project Management as well as TMNG Technical Architecture and Design Review beginning in late 2016.

The purpose of the review was to assess what risks, methods or operating approaches may prevent the USPTO from successfully completing TMNG. Many TMNG successes were identified, the most notable of which for fiscal year 2018 are as follows:

- Completed CKEditor® development, integration with TMNG Exam, and in-sprint testing; currently incorporating production testing feedback;
- Completed an independent assessment of the TMNG’s technical architecture and design; recommendations have either been implemented, are in-progress, or under consideration and/or further review;
- Deployed TMNG Trademark Quality Review (“TQR”); positive feedback was provided by end users;
- Continued TTAB document migration (1.7+ million documents) and Mark Images migration (6.5+ million images) to TMNG;
- Enhanced TMNG ID Manual, including search and sorting capabilities, and save display preferences;

- Enhanced TMNG eOG, including an upgraded version of CKEditor®; and
- Continued defining business requirements for future TMNG capability.

Despite these successes, however, there remain challenges:

- Trademark Status Document Retrieval (“TSDR”): From September 26th to October 5th, 2018, TSDR experienced an extended outage, which prevented customers from viewing case documents reliably. At the start of the outage, access to documents was limited. While the OCIO focused all resources on troubleshooting and repairing the issue, access was unfortunately blocked completely. Throughout this outage, the OCIO worked diligently to pinpoint and assess the issue as quickly as possible. At the same time, Trademarks customer service staff responded to customer emails and provided copies of documents on demand when requested. The root cause of the issue can best be described as significant usage spikes. To remedy this problem in the short term, the OCIO added more memory to the servers that support TSDR, and it continues to explore options for long-term reliability, including additional server capacity and other potential and promising solutions;
- Lack of consistent Business and IT visions for TMNG, coupled with complex Business and IT architecture;
- Continued delays with TMNG Examination; and
- Legacy trademark IT systems are beyond their planned retirement dates and are using aging environments to include unsupported hardware, specialized software, and incompatibility with newer software.

In efforts to address these and other problems, the USPTO is working on defining and refining an overall TMNG vision. This will necessarily include a decision on which business capabilities fit into that vision and how the refined vision can be delivered most cost-effectively. Moreover, the USPTO hopes to confirm that the following TMNG Exam Critical Success Factors have been met and consideration as to whether to rollout TMNG Exam to all Trademark Examining Attorneys should be forthcoming:

TMNG Exam Critical Success Factors (“CSF”):

- All Office Actions and briefs are sent either electronically (508 compliant) or on paper via a print queue to the correct customer address and/or appropriate business unit (e.g., 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 see);
- 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 exists to research and prepare a properly formatted Office Action with supporting evidence (i.e., fix the TMNG Editor); and
- Note: Three additional capabilities have been identified and added to the CSFs:
 - Letters of Protest: Development and testing are complete;
 - Form Paragraph Editor: Development and testing is in progress; and
 - Divisional applications: Requirements gathering is in progress.

6. Cost of TMNG.

The total TMNG cost from inception through August 2018 has been \$178.8M. Given the significant investment of Trademark User Fees in TMNG, TPAC has worked with OCIO and with OCFO to more closely monitor spending and progress on TMNG initiatives. TPAC appreciates the cooperation of OCIO and OCFO in this effort, which has proven helpful to our Committee, and TPAC plans to continue to closely monitor the ongoing investment of Trademark User Fees in this project.

The following details, as well as the attached exhibits, reflect more specifically the total investment of Trademark User Fees in the various phases of TMNG:

- \$66.9M in expenditures for TMNG from FY11-FY15, See Exhibit A.
 - Established the TMNG infrastructure and framework;
 - Separated and virtualized the trademark IT infrastructure from the rest of the USPTO IT infrastructure;
 - Designed and started developing trademark examination capabilities
- \$94.8M in adjusted expenditures for TMNG-2 through August 2018, See Exhibits B 1 and B 2.
 - Continuing with the development of and delivering Trademark examination capabilities;

- \$17.1M in adjusted expenditures for TMNG-EXT through August 2018, See Exhibit C.
 - Developing and delivering TMNG capabilities to support external Trademarks customers.

7. Stabilization: Trademark Legacy Systems.

OCIO continues to maintain and utilize the trademark legacy systems, which continue to run – with glitches – while TMNG development is underway. A significant increase in funding has been budgeted to enhance trademark legacy systems to ensure that trademark users, internally and externally, can continue to access and use the systems as necessary.

8. Accomplishments in FY18 for Trademark Legacy Systems.

- Deployed legacy Madrid and TRADEUPS enhancements into the Production environment;
- Began modifying legacy trademark systems to support Mandatory Electronic Filing (“MEF”) implementation scheduled for Spring 2019;
- Continued development and testing of TEAS and TEASi infrastructure upgrades; and
- Deployed enhancements and defect fixes to TTABIS (Consent Motion, Extension, Document Types) and ESTTA (Foreign Characters).

Despite these accomplishments, however, there are challenges, many of which necessitate urgent decision making for the future of both TMNG and the legacy systems. The challenges are:

- Legacy trademark IT systems are beyond their planned retirement dates and are using aging environments to include unsupported hardware, highly specialized software, and incompatibility with newer software;
- Increasing need for emergency maintenance is costly and unsustainable;
- O&M Team has specialized skills to work with outdated technology. If these skills are lost, the agency will have risk of long outages;
- Technology is mixed (old with new) making it harder to maintain;
- Older technology is less flexible, so it cannot keep up with advances in technology; and
- Security issues arise from older technology with no available fixes.

9. Overall Concerns.

From a trademark user perspective, both internally and externally, there is significant frustration with the USPTO's IT systems. The outages this year have affected a number of trademark systems, including XSEARCH, TICRS, TSDR, TEASi, EOG, ID MANUAL, TMNG Exam, and Case Content Viewer. These outages also affect trademark users around the world, and while the USPTO has made accommodations, the outages have been disruptive. The USPTO is very aware of the issues and a thorough review of its legacy systems as well as its TMNG efforts soon will be underway; a task force of USPTO IT leaders will be working with outside consultants to tackle the issues, and while the review process may be lengthy, the USPTO is committed to providing a mature IT product to all of its end users.

A short-term goal is to determine during Q2 FY 2019, whether or not it is practical and economical to continue with TMNG Exam beta testing and launch to end users. Ultimately, the goal is to provide end users with the most modern and useful trademark systems the USPTO can provide.

C. Budget and Funding Issues.

1. Fees Collected.

Total trademark fees collected in FY 2018 were \$329 million representing an increase of 7.8% over collections in FY 2017. With prior fiscal year Operating Reserve and other sources of income, \$450.9 million in total resources were available. Total spending was \$315.6 million, resulting in \$135.3 million available in the Operating Reserve at the beginning of FY 2019.

The optimal Operating Reserve target was increased to five months beginning FY 2018. The USPTO Operating Reserve Policy was updated to allow projected reserve balances to exceed the optimal level by up to 25%, for two consecutive years in the five year budget outlook without triggering mitigation discussions or activities. This additional flexibility acknowledges the high degree of variability in trademark fee collections. The optimal reserve target is reviewed every two years to assess the likelihood and consequence of risks to ensure an appropriate reserve level is maintained to mitigate the uncertainty and complexity of the operating environment. TPAC noted in the 2016 Annual Report that it would monitor the Operating Reserve with a goal of maintaining a six-month reserve of trademark operating expenses. TPAC appreciates the efforts to review the Operating Reserve targets every two years and is pleased with the five-month optimal level with the 25% acceptable planning variance. In the past, significant unanticipated spending on the IT side has impacted the

Operating Reserve. TPAC will continue to monitor the impact of IT budgeting and spending on the health of the Operating Reserve.

2. Impact of 2017 Fee Adjustment.

The USPTO continually strives to balance the fees according to office needs because of workload ebbs and flows, and to incentivize behaviors for the users to encourage greater use of the electronic systems. TPAC commends the due diligence of the Trademark Operations to review and assess the need for adjustments to the fee schedule. In FY 2018, the USPTO considered its 5-year financial outlook and determined that additional fee adjustments are not warranted at this time. The USPTO continues to monitor filing trends and applicant and registrant behavior for changes that would impact future revenues.

With the last trademark fee adjustment in January 2017, the USPTO increased all fees for filing paper applications to address the additional cost of processing paper applications and to further encourage electronic filing.

3. Financial Advisory Board.

The Financial Advisory Board (“FAB”) is overseen by the Office of the Chief Financial Officer (“OCFO”), OCIO, and Patent and Trademark executives and provides oversight, accountability, and analysis for financial activities, ensuring funding is sufficient to carry out the mission and objectives of the USPTO. The FAB reviews fee proposals and annual agency spending requests to ensure consistent practices to mitigate financial and operational risk. The FAB reviewed budget spending plans and funding to ensure financial resources were sufficiently managed within expected revenues and reviewed delivery on performance commitments. The revalidated FY 2019 plans and the FY 2020 budget request are based on a positive financial outlook with a lower expectation for filing increases. Trademark revenues and operating reserves are sufficient to fund planned hiring and spending requests, as well as the current planned investments for continuing TMNG projects and investments in critical legacy system fixes and enhancements.

4. Direct v. Indirect Spending.

Total trademark fee collections in FY 2018 increased by 7.8%, which was within 1.1% of planned collections. This accounts for approximately 9.8% of the total USPTO fee collections. The Trademark share of USPTO’s FY 2018 expenses was 9.8%. Direct expenses for Trademark Operations and the TTAB accounted for 51.3% of trademark fee collections. Spending on trademark and TTAB IT systems, rent, and payments to OPM was 19.1% of total trademark expenses. The remainder of the trademark spending (29.6%) was based on a cost allocation for supporting administrative

services within the USPTO, which included infrastructure for agency-wide information technology, human resource management, financial management, legal services, policy and international activities, and USPTO administration and management. OCIO expenses, which include the trademark share of supported IT products, services, and support, is 27.8% of total trademark expenses. The allocation percentage for trademark user fees for administrative services or allocated indirect expenses within the USPTO was somewhat less than 30.3% of trademark expenses reported for FY 2017. While the percentage share of user fees is still higher than that allocated to patent user fees, the allocated amount as a share of spending has come down. This has been an area of concern for the TPAC. The TPAC will continue to monitor these allocations and discussions any appropriate adjustments with the USPTO.

5. Spending in Trademarks for Trademark Information Technology.

In 2018, the IT Subcommittee and Budget Subcommittee worked more closely in monitoring budget versus spending for all Trademark IT support, which accounts for 29% of direct trademark obligations in 2018. Particular focus was paid to the deliverables in TMNG, where \$26 million was obligated through August 2018 for work that began this fiscal year.

\$178.8M of trademark users' fees have been invested in TMNG through August 2018. However, a projection of the total cost for TMNG is not available as the following products do not have associated schedule or cost estimates:

- TMNG eFile
- TMNG Madrid
- TMNG Non-Examination
- TMNG TTAB

6. Trademark funding of Regional Offices.

Trademark revenues make up 13.2% or \$1.9 million in funding for the Office of the Under Secretary. This includes providing \$877,800 for regional office outreach support. The regional offices do not have any trademark personnel on site, nor do they administer any trademark services that are conducted by Trademark Operations. Trademark staff in Alexandria provide regular customer sessions at regional offices via webcast and on occasion meet with trademark owners and representatives at events hosted at the regional offices. This past fiscal year, the Trademark Office also provided examining attorneys for special work projects of the regional offices to work on Trademark-centric and other events. Regional directors have included trademark information in various outreach events.

TPAC believes that the Trademark Operations sufficiently manages customer requests and outreach in the regions through the Trademark executives and staff from the Alexandria office. The Trademark share, which may be of concern, represents less than 13% of the costs attributed to the USEC regional office support. The use of trademark fees to fund the regional offices remains an issue of concern for TPAC, and we will continue to monitor the allocation going forward.

D. Trademark Trial and Appeal Board.

TPAC commends Chief Judge Rogers and the group of senior TTAB attorneys and judges who have stepped up to assume duties normally shouldered by the Deputy Chief Judge while that vacant position is in the process of being filled. The TTAB has been proactive over this past fiscal year by taking on a number of initiatives to enhance stakeholders' experiences. These projects included continuing to manage and improve upon case pendency; helping stakeholders navigate the amended Rules of Practice through the issuance of numerous precedential decisions; soliciting stakeholders' comments on TTAB initiatives; and making IT changes that provide users with more options, more information and new functionality when filing certain documents online at the TTAB. In its efforts to declutter the Trademark Register, the TTAB started a pilot program to gather more information prior to preparation and publication of a NPRM for an expedited cancellation proceeding. The program engages parties early on in cancellation cases to discuss customized case procedures to facilitate expedited resolution.

1. Efforts to Declutter the Trademark Register.

The TTAB is continuing its efforts to identify and develop expedited procedures for cancellation proceedings involving only nonuse or abandonment claims that could facilitate faster removal of registrations of unused or abandoned marks from the Trademark Register. On May 16, 2017, as described in TPAC's 2017 Annual Report at III. D. 5., the TTAB issued a Request for Comments on a Proposal for Streamlined Cancellation Proceedings on Grounds of Abandonment and Nonuse (82 Fed. Reg. 22517). The comment period closed on August 14, 2017. The TTAB received numerous written comments from individuals, corporations, intellectual property associations, law firms and TPAC. See Exhibit D. It subsequently hosted a public roundtable on September 25, 2017 to summarize and discuss users' comments, and to take additional oral comments.

The comments received from stakeholders demonstrated broad, general support for some form of a more efficient proceeding to cancel registrations for nonuse or abandonment. However, the TTAB determined that there were too many concerns regarding specifics that it could not easily reconcile, such as apprehension over burden-shifting, a possible lack of due process for respondents, and the potential for abuse of the procedure.

TPAC's 2017 Annual Report at III. D. 5. set forth a number of possible features the Board initially considered for a streamlined proceeding. But, based on the many concerns voiced by stakeholders, by the beginning of FY 2018, it was clear that the Board was not in a position to propose new procedures in a NPRM that would be efficient, workable and acceptable to a wide range of users.

The TTAB therefore decided to delay drafting of a NPRM and began a pilot program to gather more information. It is using this pilot program to learn which procedures are most comfortable for parties in nonuse cases and to get a sense of what rules would be most useful and acceptable to users. Beginning in March 2018, it started the labor-intensive process of identifying active cancellation proceedings considered suitable for expedited treatment of a nonuse claim. By the end of the fiscal year, 47 cancellation cases were identified as eligible for the pilot program because they were limited to abandonment and/or nonuse and the answer did not raise a counterclaim. Of those cases, the Board has participated in 20 conferences with the involved parties.

Procedurally, one of the two ATJs assigned to the pilot program has participated in the parties' discovery conferences, along with the Board's assigned IA. The goal is to explain and encourage the parties' participation in the pilot program and discuss an expedited approach to resolving their respective cases, using Accelerated Case Resolution ("ACR") techniques.¹ The pilot program is anticipated to continue at least through the middle of calendar year 2019, with the goal of translating the lessons learned from the pilot into a NPRM at some later date.

TPAC applauds the TTAB's thoughtful, deliberative process for formulating a workable set of rules to expedite the removal of registrations of unused trademarks from the Trademark Register and concurs with this strategy. TPAC looks forward to further discussions with the TTAB as it continues working toward this conclusion.

2. Revisions to Trademark Trial and Appeal Board Manual of Procedure.

In June 2018, the TTAB revised its Trademark Trial and Appeal Board Manual of Procedure ("TBMP") as part of its annual revision schedule. The update incorporates case law issued from March 3, 2017 to March 2, 2018 and reflects current TTAB practice and procedure.

¹ As of the end of FY 2018, 11 of the 47 eligible cases were terminated by settlement or the withdrawal of the petition and another 11 were in suspension to facilitate settlement discussions. The parties agreed to an ACR approach in 4 cases and were considering it in 8 more, pending some discovery. In only two cases did the parties expressly decline use of ACR. As of fiscal year-end, another 10 or more cases were being evaluated for eligibility.

3. Information Technology Changes.

On August 11, 2018, the USPTO made IT changes to its systems to enhance users' online experience, namely, adding a simplified Consent Motion form, providing new options for the Request for Extension to Oppose form, and displaying additional status indicators for proceedings in TTABVUE. See Exhibit E. TPAC commends the TTAB on these proactive changes, which provide system users with more detailed information on scheduling, in addition to adding transparency to the process.

4. Standard Protective Order.

As discussed in TPAC's 2017 Annual Report at III. D. 4., the TTAB adopted a revised Standard Protective Order ("SPO") on June 24, 2016. The SPO applies in every proceeding unless the parties agree otherwise. After the SPO had been in effect for over a year, the TTAB sought public input on its provisions and overall utility, using the IdeaScale platform to solicit stakeholders' comments. Only four entities submitted comments by the January 31, 2018 deadline. See Exhibit F.

The commenters were split evenly over the SPO's presumption to preclude access by in-house counsel to the other party's "Attorneys' Eyes Only" ("AEO") information and documents. Input from IAs revealed that there were few contested motions concerning AEO disclosures or discovery responses and that disputes over confidentiality are rare.

Other outstanding concerns regarding the SPO included (1) ambiguous language in Section 5 of the SPO regarding disclosure of protected information to independent experts and consultants and whether that section applies solely to AEO information or to confidential information as well, (2) the pro se handling of confidential documents/information, and (3) clarification of the level of protection for the 30-day "protected" status of information provided orally in a deposition.

In the absence of any consensus and in view of the limited number of comments on the SPO, in FY 2019 the TTAB intends to post more targeted questions on the IdeaScale platform in an effort to solicit feedback from a wider audience of stakeholders. The TTAB will also solicit feedback through means other than IdeaScale, to ensure wider dissemination of the request for comments to a larger audience of trademark owners. TPAC agrees that further input would be helpful before the TTAB considers making amendments to the SPO. TPAC also provided the TTAB with recommendations for how to more broadly circulate the request for comments. We look forward to hearing from the TTAB in FY 2019 regarding the results of its efforts to secure additional feedback on the SPO.

5. Personnel.

Deputy Chief Judge Susan Richey and Administrative Trademark Judges T. Jeffrey Quinn and Anthony Masiello retired from federal service in FY 2018. TPAC commends Judges Richey, Quinn and Masiello for their many years of excellent service.

During FY 2018, the Board hired five IAs to backfill open positions and add to their ranks, and also hired the second of its two Lead Paralegals.

As of the end of FY 2018, the TTAB had 22 ATJs (in addition to the Chief ATJ), 18 IAs, a Managing IA, two Lead Paralegals, a Supervisory Paralegal, and 11 Paralegals. The TTAB has been without a Deputy Chief ATJ since January 1, 2018.

As of the date of the Annual Report, the Deputy Chief ATJ position and two ATJ positions are still open due to retirements. Hiring a new Deputy Chief ATJ is a priority for the Board. A second vacancy announcement for that position closed near the end of the fiscal year and applicants will be considered in the first quarter of FY 2019. Applicants for the ATJ positions were under active consideration at the close of FY 2018.

6. Performance Statistics.

In FY 2018, the TTAB continued its successful record, going back several years, of meeting or exceeding virtually all of its performance goals and metrics. TPAC once again congratulates the Board on its outstanding performance and service to the trademark community. Highlights of these statistics are set out below.

“Average pendency” figures are calculated after excluding cases that resulted in issuance of precedential orders or decisions, or consideration of such issuance, as well as cases with anomalous prosecution histories such as lengthy suspensions or remands. In addition to allowing the TTAB to assess its own performance, the resulting figures provide useful averages for those involved in typical proceedings and permit clients and counsel to make more accurate estimates of how long it will take the Board to resolve their cases or motions.

- a. In FY 2018, 6,496 oppositions, 2,253 cancellation proceedings and 3,223 appeals were filed (compared to 6,156 oppositions, 2,101 cancellation proceedings and 3,158 appeals in FY 2017). Extensions of time to oppose also increased; there were 19,208 filed in FY 2018, up from 18,490 in FY 2017.
- b. The TTAB issued 39 precedential decisions in FY 2018, near the top of its target range of 35-40 precedential decisions per year.

- c. The average pendency of all non-precedential final decisions issued in FY 2018 in both ex parte and inter partes cases was 8.6 weeks (compared to 7.8 weeks in FY 2017). That pendency is better than the TTAB's goal of 10-12 weeks. The average for ex parte appeals was 8.3 weeks (compared to 7 weeks in FY 2017) and for inter partes appeals the average was 9.5 weeks (compared to 10.4 weeks in FY 2017). Pendency is measured from the date the case becomes ready for final decision ("RFD") to the date the final decision is issued.
- d. The average pendency of precedential decisions issued in FY 2018 was 29.9 weeks for final decisions in inter partes cases (compared to 23.2 weeks in FY 2017), 27.9 weeks for final decisions in ex parte cases (compared to 20.1 weeks in FY 2017), and 24.5 weeks for interlocutory orders (compared to 26.5 weeks in FY 2017).
- e. The TTAB issued final decisions addressing the merits in a total of 585 cases in FY 2018 (compared to 649 in FY 2017), leaving the total inventory of cases ready for final decision at the end of FY 2018 at 130 cases (compared with the FY 2017 final inventory of 93 cases). The TTAB's goal for FY 2018 inventory control was 130-160 cases. The vast majority of all cases commenced at the TTAB are resolved without the need for a final decision addressing the merits.
- f. The average end-to-end (commencement to completion) pendency of inter partes cases decided in FY 2018 was 140.3 weeks (compared to 157.2 weeks in FY 2017), a decrease of 10.8%. The median pendency of such cases was 128 weeks (compared to 148 weeks in FY 2017), a decrease of 13.5%.
- g. The average end-to-end processing time for ex parte appeals decided in FY 2018 was 35.8 weeks (compared to 38.8 weeks in FY 2017), a decrease of 7.8%. Median pendency of such appeals was 33 weeks (compared to 31.5 weeks in FY 2017), an increase of 4.8%.
- h. The average pendency of non-precedential decisions on contested motions issued in FY 2018 was 9.4 weeks, compared with a target of 8-9 weeks, versus 7.8 weeks in FY 2017. The number of motions resolved by issued decision was 1318 in FY 2018, versus 1238 motions in FY 2017.
- i. The case with the oldest contested motion RFD at the end of FY 2018 had been ripe for decision for 11.9 weeks, compared with the goal of having no case at the end of any quarter RFD for more than 12 weeks.

- j. The inventory of contested motions RFD at the end of FY 2018 was 165, compared with the target range of 145-175 motions, versus 147 motions in FY 2017.

7. Trends in Metrics.

As anticipated, FY 2018 saw an increase in the number of filed oppositions, cancellations and appeals. There was also growth in motion practice, particularly in motions to dismiss and motions to strike. In addition, the TTAB saw a 9.6% increase in the number of requests for extension of time to oppose; this is despite the FY 2017 increase in fees for some such requests.

At the same time that the Board's workload was growing, as mentioned above, two positions in the IA staff were vacated during the second half of the fiscal year, two ATJs retired during the fiscal year, and the TTAB was without a Deputy Chief ATJ for three-quarters of the fiscal year.

Judge Rogers and his staff reassigned motions to ATJs to help the Board keep pace with the growing number of contested motions in the increasing number of trial cases. Compared to FY 2017, the Board produced 80 more non-precedential decisions on contested motions, which may explain the 1.6 week increase in pendency for the issuance of decisions on such motions. The inventory of such motions at the end of FY 2018 was 18 more than the end of FY 2017, which could be due to the reduction in staff as well as the increase in motion practice.

ATJ production of final decisions on the merits for all cases declined by 64 cases and the inventory at the end of the fiscal year was up 37 cases from year-end FY 2017. However, the TTAB still met its pendency measure and inventory control ranges for non-precedential final decisions. Average end-to-end processing time for both appeals and trial cases declined in FY 2018.

Despite the substantial time and effort required for issuing precedential decisions, the TTAB issued two more precedential opinions in FY 2108 than in FY 2017. However, 2018 pendency increased for precedential decisions in inter partes and ex parte cases, but decreased in connection with precedential interlocutory orders.

Given the rise in new case filings and the upward pressure on dockets during FY 2018, the TTAB stepped up its hiring activity, with the addition of five new IAs near the end of the year. As discussed above, the TTAB plans to add two or more ATJs in FY 2019 to fill vacant positions and may hire more to augment the number of judges. The TTAB has also been actively seeking applicants for the Deputy Chief ATJ position.

As the numbers indicate, the TTAB responded appropriately to its additional workload and the unavoidable reduction in staffing in FY 2018.

TPAC commends Chief Judge Rogers and the TTAB for taking aggressive actions to keep the TTAB running smoothly while limiting pendency as much as possible.

8. Precedential Decisions.

Several of the TTAB's 39 precedential decisions issued during FY 2018 addressed the Board's handling of issues arising under its amended Rules of Practice. TPAC commends the TTAB for being attuned to the needs of its users by providing these decisions to help trademark owners and practitioners understand how to navigate the new rules.

TPAC understands that in early FY 2018 some in the trademark bar expressed an interest in seeing an increase in the number of annual precedential decisions issued by the Board. The TTAB started a dialogue with trademark associations to discuss this issue. However, it also pointed out that a substantial amount of time, effort and manpower goes into writing, editing and vetting each precedential decision.² To explore this request more fully, the TTAB has indicated it would like to hear from trademark owners as to specific issues and/or areas where they would like to have more procedural and substantive guidance. Given the manner in which precedential decisions are prepared, TPAC concurs that the focus on increasing the number of precedential decisions should be on whether trademark owners need additional guidance on topics that are important to them. If more guidance is needed, additional precedential decisions could be issued on these topics. TPAC looks forward to hearing more on the progress of this issue in FY 2019.

There is currently a searchable eFOIA database of TTAB precedential decisions available at uspto.gov. However, the location of the database is not obvious to users. TPAC has recommended to the Board that it make existing precedential opinions more accessible on its website and to organize the decisions by date and subject matter.

E. Policy and International Affairs.

1. IP Attaché Program.

The USPTO's IP Attaché Program ("IP Attaché Program"), managed by the Office of Policy and International Affairs ("OPIA"), continues to be a very important tool both in advancing harmonization and supporting the protection and enforcement of the rights of U.S. businesses abroad. The IP Attachés engage regularly with the private sector and other stakeholders to understand their concerns and develop strategies to address them. Their

² For example, all ATJs are provided an opportunity to comment on or make suggestions for any final decision on the merits that is proposed for issuance as a precedent, and all ATJs and IAs are able to comment on any proposed precedential decisions that address procedural matters in trial cases.

work includes: raising issues with foreign government officials; providing training on IP law, enforcement, and administration; conducting public awareness programs; and presenting and explaining U.S. government positions. Additionally, the IP Attachés help U.S. stakeholders looking to enter foreign markets or conduct business abroad, by providing information on navigating foreign laws and regulations, and by explaining how foreign courts and governments operate and ways to protect and enforce IP abroad. IP Attachés serve in embassies, consulates and missions throughout the world, including in China, Mexico, Brazil, Peru, Belgium, India, Thailand, Switzerland, and Kuwait.

Some examples of the IP Attachés' work this past year include efforts by the IP Attaché in Mexico in providing OPIA feedback to the Mexican IP Office regarding tools for tackling bad faith filings. Ultimately, the Mexican law included an examination refusal and grounds for opposition and cancellation on bad faith. Likewise, the IP Attaché in Rio continually provided information on the status of the EU-Mercosur GI negotiations to OPIA and the U.S. Dairy industry to better assist with advocacy efforts on U.S. interests regarding Geographical Indications (“GIs”). Further, the IP Attachés in China continually met with US businesses in China, providing information on the Chinese trademark system to assist these businesses navigating the system.

a. Outreach. Throughout FY 2018, the IP Attachés engaged with the corporate community, academia, and other U.S. stakeholders to raise awareness of the availability and the services of the IP Attaché Program and to learn what issues were paramount to the concerns of the community.

2. Technical Assistance.

The OPIA provides technical assistance to foreign trademark officials typically in the form of examination, Madrid Protocol implementation, or IP office administration training. These programs give OPIA the opportunity to share best practices with other officials, demonstrating not just how the USPTO trademark system works but why it was designed that way. These exchanges are critical for improving foreign examination practices and in creating ongoing dialogues about how to handle particular issues.

OPIA's Trademark Team, through the USPTO's Global Intellectual Property Academy (“GIPA”) and in cooperation with the IP Attachés, trained over 690 government officials in 18 trademark examination, administration, law and policy programs. This included Trademark Basics for U.S. government agencies, as well as training to build IP capacity in 30 trading partner economies.

This fiscal year, the USPTO provided thirteen training programs overseas covering trademark examination, opposition and cancellation, non-traditional marks including trade dress, and geographical indications examination and policy. Specifically addressing how to handle applications filed in bad faith, OPIA trained trademark office personnel in Oman, Vietnam, Thailand, San Salvador, Costa Rica, Rwanda, Uganda, Botswana, Peru, Ecuador and Jamaica.

In addition, at GIPA's headquarters OPIA offered a seminar on the Madrid Protocol for countries wishing to join and newly acceded countries, a digital video conference on trade dress with Colombian examiners, IT training for Mexican officials, training for Japan on how the USPTO trains its trademark examiners, and a program on opposition and cancellation for Chinese officials.

Further, OPIA Trademark Team members are in regular communication with foreign offices regarding specific policy questions or concerns.

3. WIPO.

a. WIPO Standing Committee on Trademarks, Industrial Designs and Geographical Indications.

At the WIPO Standing Committee on Trademarks, Industrial Designs, and Geographical Indications ("SCT"), OPIA is advancing discussions on national examination practices to seek better international understanding of how GI applications are actually reviewed. The goal is to seek to create transparency in national examination practices to identify similarities and differences between systems and to provide information that will benefit GI holders, national offices, and competitors. This past year, the SCT developed and submitted a questionnaire for SCT delegations soliciting information about national examination practices. Additionally, OPIA is responding to demands from other delegations for protection of GIs in the domain name system and on the Internet. For example, some SCT delegations including the European Union and Switzerland have asked for a discussion by the SCT that would advance GI protection at the Internet Corporation for Assigned Names and Numbers ("ICANN"), namely, the inclusion of GIs in the Uniform Dispute Resolution Procedure ("UDRP") in generic top-level domains ("gTLDs") and country code top-level domains ("ccTLDs") and GIs in the block list of geographic names in the ICANN Applicant Guidebook for subsequent rounds of new gTLD applications. Also, the delegation of France has asked that the SCT pursue discussions on the use/misuse of GIs on the Internet, for example, online counterfeiting.

As for trademark agenda items, the SCT has been looking at the protection for country names in trademarks since 2009 through studies and areas of convergence but has found little consensus on the issue. This year, the SCT looked more closely at different trademark examination practices used by national offices relating to country names. Additionally, some delegations are requesting that country names and names of geographic or cultural significance be reserved from delegation in subsequent gTLD application rounds at ICANN for use only by governments or parties authorized by the government.

b. WIPO Working Group on the Legal Development of the Madrid System.

In the Working Group for the Legal Development of the Madrid System, OPIA is contributing to discussions on regularizing replacement, addressing examination authority as to limitations, and rule changes to implement division and merger of international registrations. The WIPO International Bureau (“IB”) is trying to “regularize” replacement, an underutilized and misunderstood feature of the Madrid System, based on requests from some delegations and users. One focus of the discussion is whether there should be a process for an applicant/holder to file a request to take note of replacement at the IB. Currently, the holder would make a request to the USPTO, not the IB. The issue of the effective date of replacement is also being discussed with significant differences of opinions in the delegations. Additionally, there is no consensus on who is responsible for examining limitations, the office of origin, the IB, or the designated contracting party. OPIA will continue to discuss these issues at the yearly Working Group meeting at WIPO.

4. World Trade Organization (“WTO”).

The Dispute Settlement Body of the WTO issued a decision in June 2018 upholding the application of Australian Plain Packaging Regulations in respect of tobacco products. Among other things, the Panel deciding the dispute confirmed that “use in commerce” as used in the TRIPS Agreement applies not only to product packaging restrictions but also to “point of sale” materials, advertising and sponsorship. While Australia’s trademark restrictions were upheld as consistent with international obligations, the Panel’s interpretation of TRIPS Article 20, the chief IP claim, gives helpful guidance for future disputes. This ruling is already being appealed, but it nonetheless is likely to encourage other World Health Organization (“WHO”) members to adopt the same regime and perhaps to extend it to other products. OPIA is monitoring these developments and discussing them with TPAC.

5. ICANN.

OPIA represented the USPTO at the ICANN Governmental Advisory Committee (“GAC”) meetings, where the principal topics of discussion were protection for geographic names in any future top-level domains; protection for inter-governmental organization (“IGO”) names in top- and second-level domains; assessment of protection mechanisms in the new gTLDs; and the WHOIS domain name registration database under the May 2018 EU General Data Protection Regulation (“GDPR”).

On GDPR, OPIA shared with TPAC that it is part of a conversation within the U.S. Government to discuss the impact of the GDPR on U.S. businesses and on EU nationals accessing U.S. Government services. From the USPTO perspective, there are at least two main USPTO equities: (1) WHOIS and online enforcement; and (2) USPTO’s own collection and processing of EU personal data. On the first, OPIA continues to engage as part of the ICANN Governmental Advisory Committee to ensure continued collection and access to WHOIS data. On the second, OPIA has been monitoring what European IP offices are doing.

6. Hague Conference on Private International Law.

The Hague Conference on Private International Law has proposed an international agreement to recognize and enforce judgments between the prospective member states. The proposal would apply to judgments on intellectual property validity and infringement. OPIA is helping to advance the position of the United States that intellectual property should be excluded from the proposed agreement. There will likely be a diplomatic conference scheduled for mid-2019 but in the meantime, work continues on evaluating whether IP judgments should be included or excluded and if included, whether decisions of competent authorities (IP tribunals) should be eligible for cross border recognition and enforcement in the Convention.

7. The Five Trademark Offices.

The Five Trademark Offices (“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 European Union Intellectual Property Office (“EUIPO”), 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.

A list of projects of the TM5 as of August 2018 is attached as Exhibit G.

- a. Annual Meeting, November 30 – December 1, 2017. The last Annual Meeting of the TM5 was held in Alicante, Spain. At that

time, the TM5 offices discussed various ongoing joint projects, and agreed to adopt three new projects: Fraudulent Solicitations/Misleading Invoices (co-led by USPTO and EUIPO), Quality Management (co-led by JPO and EUIPO) and Priority Rights Documents (led by EUIPO). The offices also agreed to invite certain non-TM5 trademark offices to join the USPTO-led Common Status Descriptors Project and participate in a new Bad Faith Report including cases from non-TM5 countries with the participation of INTA. A full-day user session took place on the second day of the meeting, featuring presentations on Quality Management and Bad Faith Trademark Filings, and table topic discussion on Fraudulent Solicitations, Bad Faith Filings, and Quality Management.

- b. Mid-Year Meeting. The TM5 partners conducted their mid-term meeting on June 22, 2018, on Jeju Island, Korea.

8. Domestic Federal Agency Counsel Trademark Bootcamp & Outreach.

The USPTO has been reaching out to federal agency counsel to help them learn more about the U.S. trademark system and the protections it provides. OPIA, along with Trademark Examining Operations and the Solicitor's Office, hosted two full-day trademark programs for federal government officials at the USPTO's GIPA. The goal was to introduce USPTO as a go-to resource for information on trademark protection and federal registration, and to promote the significant benefits of federal registration over seeking special statutory protection. The programs covered the benefits of trademark registration; applying for and maintaining trademark registrations; USPTO website trademark resources; trademark licensing; and handling trademark enforcement issues. They culminated with presentations on managing a trademark portfolio with limited government agency resources.

9. Domestic Legislative Proposal regarding Section 2(b).

The USPTO is considering a possible statutory amendment to Section 2(b) of the Lanham Act that would allow governments to register flags, coats of arms, or seals as trademarks, or to consent to registration by an affiliated entity. The proposed amendment would include the phrase "except by written consent of the competent authority" at the end of the Section 2(b) sentence as follows: "No trademark ... shall be refused registration ... unless it— ... (b) Consists of or comprises the flag or coat of arms or other insignia of the United States, or of any State or municipality, or of any foreign nation, or any simulation thereof except by the written consent of the competent authority." In response to USPTO's request for input, TPAC provided its comments and support for this initiative in principle.

10. Domestic Local Counsel Requirement.

The USPTO is preparing a proposal to require local counsel for any non-U.S. domiciled trademark filers as a means to ensure consistency with U.S. law requirements and deter the unauthorized practice of law by foreign trademark agents. In response to USPTO's request, TPAC previously provided its input regarding this initiative.

11. Domestic Dairy Industry Concerns with Examination of Geographic Matter.

U.S. dairy industry representatives have raised concerns about the examination of geographic matter, specifically as to certification marks of regional origin, particularly those foreign applications for terms that are generic in the United States or whose status is uncertain here. The USPTO has formed a cross business unit working group to develop a more consistent approach to examination of certification marks of regional origin. While this group has been able to effectively respond to some of industry's concerns, there are some features of USPTO trademark law and practice which remain problematic from Dairy's point of view. This includes the burden of proof for establishing that a geographic term has become generic for the goods and the practice of suspending applications due to prior conflicting prior applications where the allegedly generic term creates the need for suspension. The USPTO is working to evaluate the concerns and seek solutions.

EXHIBIT A

4. Actual Costs

Program Name	FY11	FY12	FY13	FY14	FY15	FY16	Total
Cloud Computing	\$523	\$1,227	\$82	\$0	\$0	\$0	\$1,832
Infrastructure Services	\$1,730	\$2,729	\$169	\$3,708	\$5	\$0	\$8,340
Separation & Virtualization	\$1,235	\$1,879	\$934	\$240	\$0	\$0	\$4,288
TM NG Data Services	\$327	\$1,268	\$3,604	\$5,787	(\$0)	\$0	\$10,985
TM NG User Interface	\$0	\$1,648	\$2,916	\$0	\$0	\$0	\$4,563
TM NG Web and Business Services	\$83	\$2,795	\$8,429	\$13,958	\$695	\$1	\$25,960
TMNG Portfolio Planning and Management	\$1,972	\$2,578	\$3,769	\$2,548	\$58	\$0	\$10,925
Total Cost of Investment to Date	\$5,870	\$14,124	\$19,902	\$26,240	\$758	\$1	\$66,895

5. Actual Costs – Project Level Details

Project Level Details - Actual Cost as of 12/31/15

Program Name	Project Name	FY11	FY12	FY13	FY14	FY15	FY16	Total
Cloud Computing	TSDR FY12	\$0	\$1,187	\$82	\$0	\$0	\$0	\$1,269
	TSDR 10	\$523	\$40	\$0	\$0	\$0	\$0	\$563
Infrastructure Services	TMNG Infrastructure	\$1,481	\$1,955	\$0	\$0	\$0	\$0	\$3,436
	Authentication Authorization and SSO Prototype	\$248	\$18	\$0	\$0	\$0	\$0	\$266
	Authentication Authorization and SSO	\$0	\$756	\$162	\$0	\$0	\$0	\$918
	TMNG Infrastructure Services Phase 3 - Infrastructure Support and Disaster Recovery Plans	\$0	\$0	\$6	\$3,708	\$5	\$0	\$3,719
Separation & Virtualization	FY11 TM NG Separation and Virtualization	\$1,235	\$1,121	\$0	\$0	\$0	\$0	\$2,356
	FY12 TM NG Separation and Virtualization	\$0	\$758	\$934	\$240	\$0	\$0	\$1,932
TM NG Data Services	Trademarks Records Management (TRM) - Phase 1	\$0	\$1,119	\$32	\$0	\$0	\$0	\$1,152
	Trademarks Records Management (TRM) - Phase 2	\$0	\$46	\$3,560	\$0	\$0	\$0	\$3,606
	TRM Prototype	\$327	\$103	\$0	\$0	\$0	\$0	\$430
	TMNG Trademarks Records Management (TRM) Phase 3 - Data Synchronization and Migration	\$0	\$0	\$11	\$5,787	(\$0)	\$0	\$5,798
TM NG User Interface	UCD Prototype	\$0	\$894	\$0	\$0	\$0	\$0	\$894
	User Interface (UI) - Phase 2	\$0	\$5	\$1,809	\$0	\$0	\$0	\$1,814
	User Interface (UI) - Phase 1	\$0	\$748	\$1,106	\$0	\$0	\$0	\$1,855
TM NG Web and Business Services	TM NG Content Management System Phase 2 - Content Modeling and TTAB	\$0	\$0	\$53	\$2,389	\$86	\$0	\$2,528
	TMNG internal Phase 3 - Examination	\$0	\$0	\$30	\$6,740	\$0	\$0	\$6,771
	TM Reporting and DataMart	\$0	\$1,155	\$1,904	\$225	\$1	\$0	\$3,285
	TQRS 10	\$83	\$129	\$0	\$0	\$0	\$0	\$212
	Trademark Reporting and Data Mart – Phase 2	\$0	\$0	\$0	\$2,929	\$520	\$1	\$3,450
	Web and Business Services 1 - Phase 1	\$0	\$631	\$54	\$0	\$0	\$0	\$684
	Web and Business Services 2 - Phase 1	\$0	\$827	\$84	\$0	\$0	\$0	\$911
	Web and Business Services 2 - Phase 2	\$0	\$41	\$2,374	\$0	\$0	\$0	\$2,414
	Web and Business Services 1 - Phase 2	\$0	\$6	\$2,531	(\$0)	\$0	\$0	\$2,538
	TMNG Content Management System Phase 1	\$0	\$6	\$1,399	\$59	\$0	\$0	\$1,465
	Madrid-NG Planning and TMNG Internal Phase 3 (Second Team)	\$0	\$0	\$0	\$1,615	\$88	\$0	\$1,703
	TMNG Portfolio Planning and Management	AIS Mapping of Legacy Features to TMNG Capabilities	\$0	\$0	\$1	\$0	\$0	\$0
TMNG Plan and Manage Portfolio FY13		\$0	\$21	\$2,759	\$0	\$0	\$0	\$2,781
TMNG Plan and Manage Portfolio FY14		\$0	\$0	\$423	\$2,320	\$55	\$0	\$2,797
Trademark Agile Rally-Transformation		\$0	\$0	\$89	\$158	\$0	\$0	\$247
Plan and Manage Portfolio		\$1,972	\$2,556	\$497	\$70	\$3	\$0	\$5,099
Total Cost of Investment to Date	\$5,870	\$14,124	\$19,902	\$26,240	\$758	\$1	\$66,895	

Notes:

All values are adjusted expenditures (in thousands)

EXHIBIT B1



TMNG-2 - Investment to Date - Tables - Period ending August 31, 2018 -

For Official Use Only

Data as of August 31, 2018

CIDP ID TMNG-2

Table 1 - Summary Investment Financials

CIDP ID	Program/Project	Inception To Date		Investment Totals			
		Budget (PV)*	Adjusted Exp (AC)	CIDP Financial Baseline	Current CIDP Financial Estimate	Budget at Completion (BAC)	Estimate at Completion (EAC)
TMNG-2	Infrastructure Services	\$17,087	\$13,282	\$10,154	\$16,467	\$17,926	\$13,731
	TM NG Internal Services	\$78,731	\$74,231	\$79,445	\$79,328	\$85,829	\$76,410
	TMNG Portfolio Planning and Management	\$8,438	\$7,314	\$8,007	\$8,470	\$8,751	\$7,569
Investment Total		\$104,256	\$94,827	\$97,605	\$104,265	\$112,506	\$97,711

Notes

- All amounts are in \$'000s.
- All expenditures (Exp) are adjusted to include accruals.
- Inception to Date figures are reported for Active projects with work % complete of at least 20 percent and Completed projects.
- *PV is not a measure of fiscal year budget execution, it is a measure of total project budget through the current month.
- **BAC reflects the total project budget (Source: PREW and/or PREP).
- The Current CIDP Financial Estimate is calculated based on project state. See table 2 for additional information.
- Estimate at Completion is an EVM calculation using PREW and schedule information.
- Source: EPMS & EDW (USPTO/PPA), as of 08/31/2018 -- EDW query by PPA code, transactions for all Business Units/Investors (not OCIO-only)
- The original financial baseline (comp and non-comp) for this Investment, as presented in the USPTO's Capital Investment Decision Paper (CIDP) approved on 8/15/2014 = \$83,723. Approved CIDP contained a range of \$68,520 to \$113,874.
- A financial re-baseline (comp and non-comp) for this Investment, as presented in the USPTO's Capital Investment Decision Paper (CIDP) approved on 2/9/2016 = \$97,605. Approved CIDP contained a range of \$88,451 to \$122,655.

Table 2 - Current CIDP Financial Estimate by Project State

CIDP ID	Program/Project	Project State		
		Completed / Cancelled (Adjusted Exp)	Active (PREW)	CIDP Financial Estimate
TMNG-2	Infrastructure Services	\$9,722	\$6,745	\$16,467
	TM NG Internal Services	\$59,281	\$20,047	\$79,328
	TMNG Portfolio Planning and Management	\$6,151	\$2,320	\$8,470
Investment Total		\$75,153	\$29,111	\$104,265

EXHIBIT B2



TMNG-2 - Investment to Date - Charts - Period ending August 31, 2018 -

For Official Use Only
Data as of August 31, 2018

Chart 1 - Current Baseline vs "At Completion"

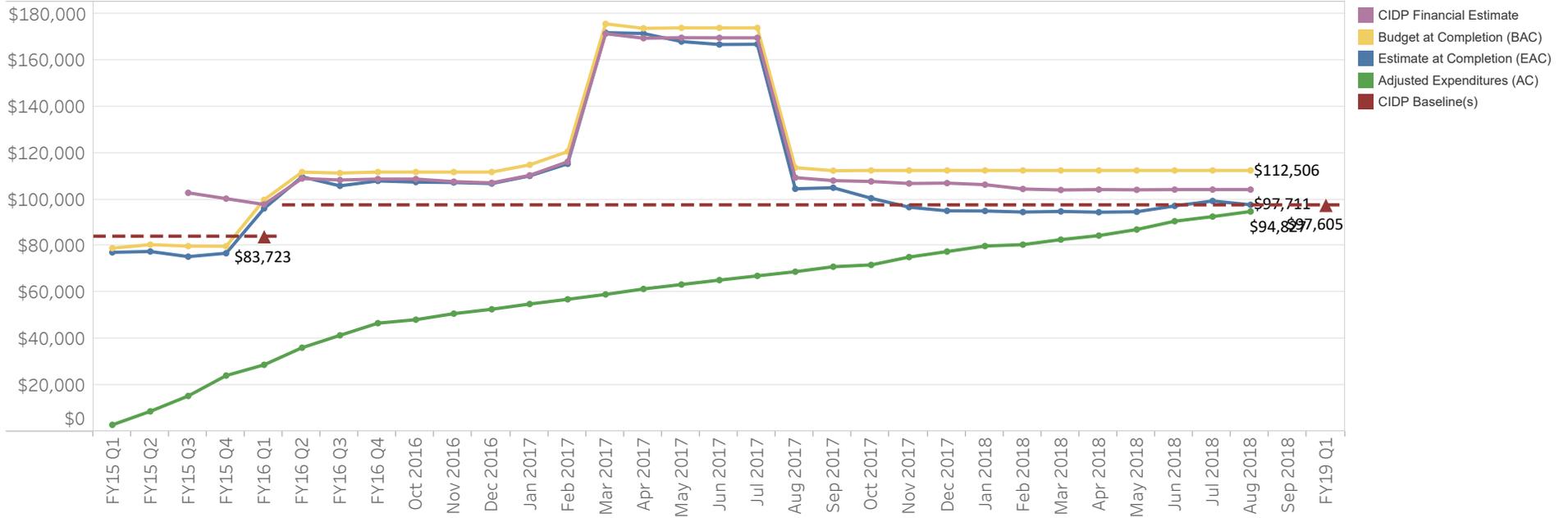


Chart 2 - Current Baseline by FY

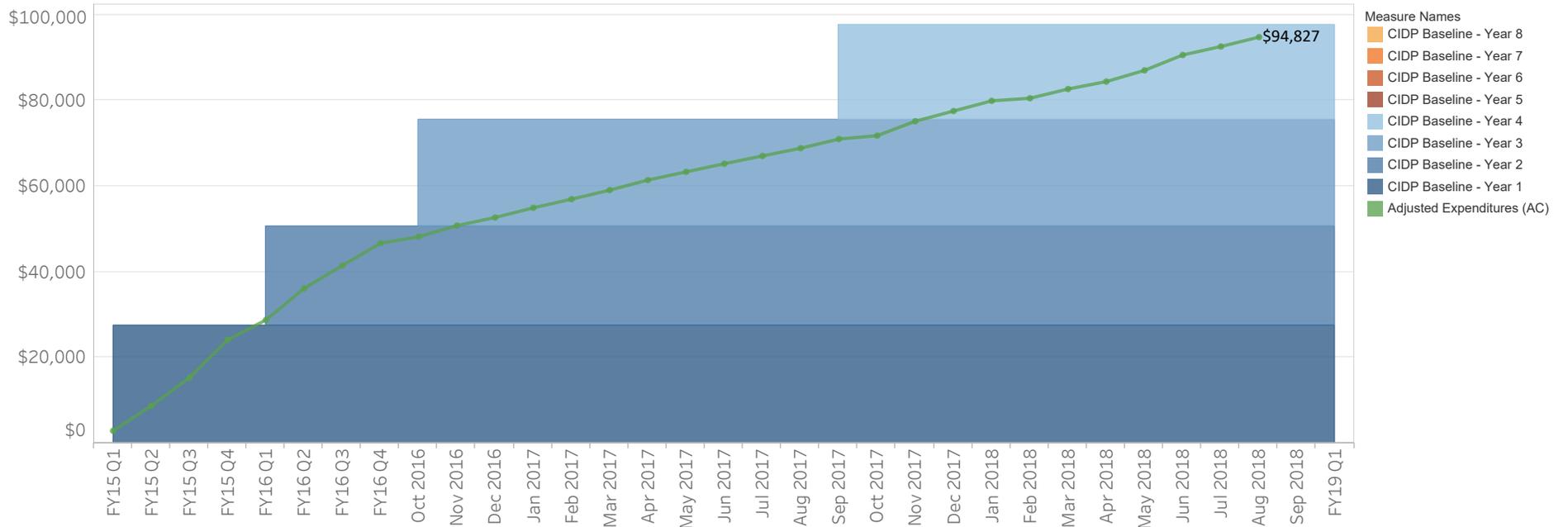


EXHIBIT C



TMNG-EXT - Investment to Date - Charts - Period ending August 31, 2018 -

For Official Use Only
Data as of August 31, 2018

Chart 1 - Current Baseline vs "At Completion"

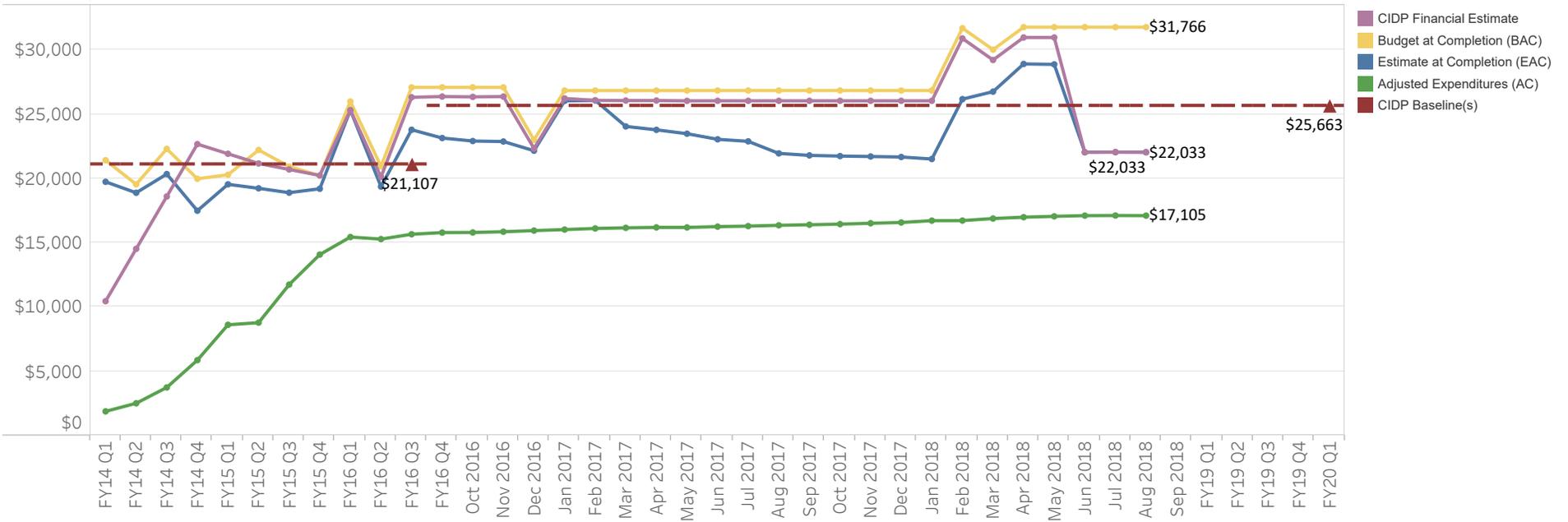


Chart 2 - Current Baseline by FY

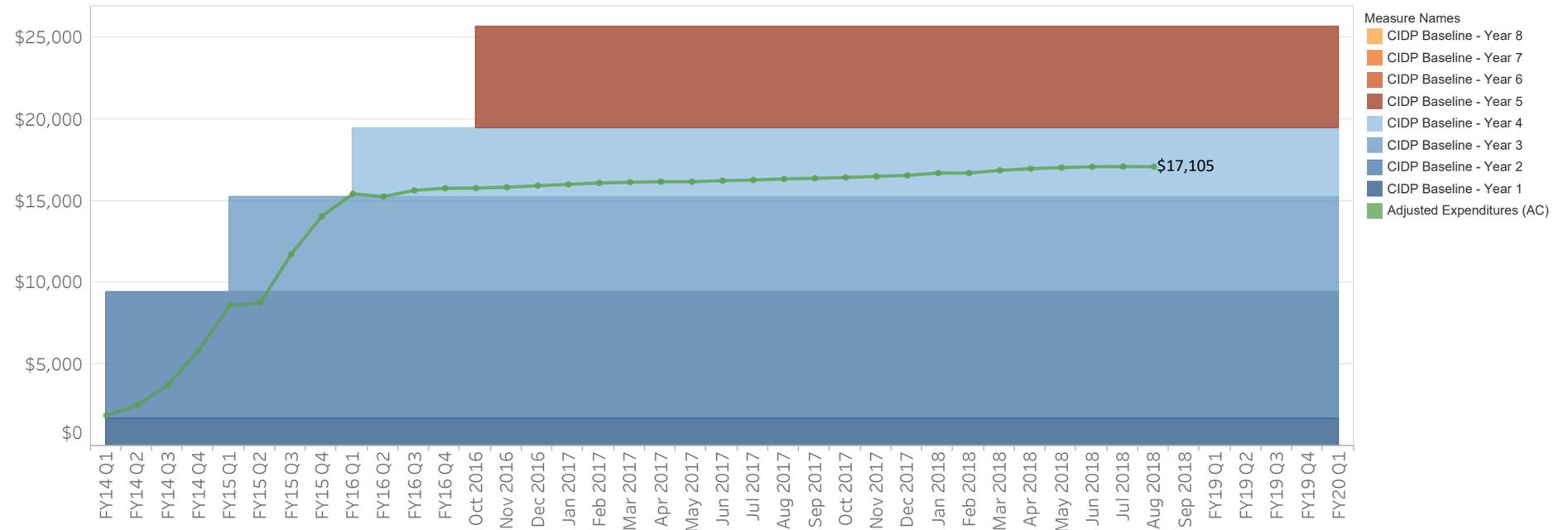


EXHIBIT D

U.S.C. 1852, a copy of the recording is available upon request.

Authority: 16 U.S.C. 1801 *et seq.*

Dated: May 10, 2017.

Tracey L. Thompson,

Acting Deputy Director, Office of Sustainable Fisheries, National Marine Fisheries Service.

[FR Doc. 2017-09832 Filed 5-15-17; 8:45 am]

BILLING CODE 3510-22-P

DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

RIN 0648-XF367

Marine Mammals; File No. 20951

AGENCY: National Marine Fisheries Service (NMFS), National Oceanic and Atmospheric Administration (NOAA), Commerce.

ACTION: Notice; receipt of application.

SUMMARY: Notice is hereby given that Ann Zoidis, Ph.D., Cetos Research Organization, 11 Des Isle Avenue, Bar Harbor, ME 04609, has applied in due form for a permit to conduct research on marine mammals.

DATES: Written, telefaxed, or email comments must be received on or before June 15, 2017.

ADDRESSES: The application and related documents are available for review by selecting "Records Open for Public Comment" from the "Features" box on the Applications and Permits for Protected Species (APPS) home page, <https://apps.nmfs.noaa.gov>, and then selecting File No. 20951 from the list of available applications.

These documents are also available upon written request or by appointment in the Permits and Conservation Division, Office of Protected Resources, NMFS, 1315 East-West Highway, Room 13705, Silver Spring, MD 20910; phone (301) 427-8401; fax (301) 713-0376.

Written comments on this application should be submitted to the Chief, Permits and Conservation Division, at the address listed above. Comments may also be submitted by facsimile to (301) 713-0376, or by email to NMFS.Pr1Comments@noaa.gov. Please include the File No. in the subject line of the email comment.

Those individuals requesting a public hearing should submit a written request to the Chief, Permits and Conservation Division at the address listed above. The request should set forth the specific reasons why a hearing on this application would be appropriate.

FOR FURTHER INFORMATION CONTACT: Shasta McClenahan or Carrie Hubbard, (301) 427-8401.

SUPPLEMENTARY INFORMATION: The subject permit is requested under the authority of the Marine Mammal Protection Act of 1972, as amended (MMPA; 16 U.S.C. 1361 *et seq.*), the regulations governing the taking and importing of marine mammals (50 CFR part 216), the Endangered Species Act of 1973, as amended (ESA; 16 U.S.C. 1531 *et seq.*), and the regulations governing the taking, importing, and exporting of endangered and threatened species (50 CFR 222-226).

The applicant requests a five-year research permit to study cetaceans in the Gulf of Maine to determine population behavior, size, distribution, seasonal variations, habitat utilization, and trophic ecology. The research would target 17 species of cetaceans including the following endangered species: Blue (*Balaenoptera musculus*), fin (*B. physalus*), North Atlantic right (*Eubalaena glacialis*), sei (*B. borealis*), and sperm (*Physeter macrocephalus*) whales. Researchers would conduct vessel and unmanned aerial surveys for counts, biological sampling, observations, photography, and photogrammetry of cetaceans. Standard research activities for target large whale species include annual takes of 400 each fin and humpback (*Megaptera novaeangliae*) whales, 100 each minke (*B. acutorostrata*) and sei whales, and 50 each blue, North Atlantic right, and sperm whales. Adult and juvenile whales may be biopsy sampled annually: Up to 100 each fin and humpback whales, and 30 each blue, minke, and sei whales. Up to 10 humpback and fin whale calves, 6 months or older, may be biopsy sampled each year. Other Level B harassment takes may occur for nine smaller, non-listed cetacean species; please see the take table of the application.

In compliance with the National Environmental Policy Act of 1969 (42 U.S.C. 4321 *et seq.*), an initial determination has been made that the activity proposed is categorically excluded from the requirement to prepare an environmental assessment or environmental impact statement.

Concurrent with the publication of this notice in the **Federal Register**, NMFS is forwarding copies of the application to the Marine Mammal Commission and its Committee of Scientific Advisors.

Dated: May 11, 2017.

Julia Harrison,

Chief, Permits and Conservation Division, Office of Protected Resources, National Marine Fisheries Service.

[FR Doc. 2017-09854 Filed 5-15-17; 8:45 am]

BILLING CODE 3510-22-P

DEPARTMENT OF COMMERCE

Patent and Trademark Office

[Docket No.: PTO-T-2017-0012]

Improving the Accuracy of the Trademark Register: Request for Comments on Possible Streamlined Version of Cancellation Proceedings on Grounds of Abandonment and Nonuse

AGENCY: United States Patent and Trademark Office, Commerce.

ACTION: Request for comments.

SUMMARY: The United States Patent and Trademark Office ("USPTO") seeks comments from stakeholders, mark owners, and all those interested in the maintenance of an accurate U.S. Trademark Register, on the establishment of a streamlined version of the existing *inter partes* abandonment and nonuse grounds for cancellation before the USPTO's Trademark Trial and Appeal Board ("TTAB").

DATES: To ensure consideration, comments should be submitted no later than August 14, 2017.

ADDRESSES: Comments should be sent by electronic mail message over the Internet addressed to: TTABFRNotices@uspto.gov or to the following address: United States Patent and Trademark Office, Trademark Trial and Appeal Board, P.O. Box 1451, Alexandria, VA 22313-1451, ATTN: Cynthia Lynch.

The comments will be available for public inspection via the USPTO Web site at <http://www.uspto.gov>. Because comments will be made available for public inspection, information that the submitter does not desire to make public, such as an address or phone number, should not be included in the comments.

FOR FURTHER INFORMATION CONTACT: Cynthia Lynch, Trademark Trial and Appeal Board, by email at TTABFRNotices@uspto.gov or by telephone at (571) 272-8742.

SUPPLEMENTARY INFORMATION:

Background

As part of the USPTO's ongoing effort to improve the accuracy of the U.S. Trademark Register, the USPTO has been consulting with stakeholders on

ways to eliminate from the Register registrations for marks that are not in use. Stakeholders asked the USPTO to consider creating additional tools to facilitate challenges by interested parties to registrations for unused marks. The USPTO considered cost and efficiency, the potential for abuse of any such tools, U.S. treaty obligations, and the existing legal framework for abandonment, nonuse, and registration-maintenance requirements.

The USPTO has assessed many options, including making statutory and regulatory changes, as part of this ongoing effort and has decided to prioritize proposals for modifying existing regulations at this time. Accordingly, this Request for Comments addresses an option for a streamlined version of the existing *inter partes* abandonment and nonuse grounds for cancellation before the TTAB ("Streamlined Proceedings").¹

Streamlined Proceedings

Under existing law, cancellation of a registration for nonuse requires a showing of either: (1) Abandonment as to some or all of the goods/services (nonuse plus intention not to resume use); or (2) no use for some or all of the goods/services in a Section 1-based registration prior to the relevant operative date (*i.e.*, filing date, date of amendment to allege use, or date of statement of use). The USPTO is considering offering a streamlined TTAB cancellation proceeding limited to the assertion of one or both of these claims. No other possible grounds for cancellation would be included in the Streamlined Proceedings.

The introduction of this flexibility in the relevant rules would include specific procedures and timing to facilitate speed and efficiency, including that the evidence must be submitted with the pleadings, very limited discovery only when granted by the TTAB for good cause shown, an abbreviated schedule, no oral hearing, and issuance of the TTAB's decision within an expedited timeframe. These proceedings would provide a significantly streamlined process because pleading, presentation of evidence, and limited briefing would occur simultaneously. The fee for a petition to cancel in a Streamlined Proceeding would be lower than for a petition in a full proceeding—with possible fees totaling \$300 per class

¹ If this Streamlined Proceedings proposal is implemented, the USPTO will have a better sense of whether the proceedings are effective for their intended purpose and can then evaluate whether proposals necessitating statutory amendment also would be useful.

when filing through the Electronic System for Trademark Trials and Appeals (ESTTA), or \$400 per class when filing on paper.

A petition to cancel in a Streamlined Proceeding would be required to set forth facts to establish the petitioner's standing and set forth with particularity the factual basis for the ground(s) asserted as the basis for cancellation. While the Streamlined Proceedings would be limited to assertion of two possible grounds, there may be cases in which the petitioner would assert both; and in that scenario, each ground would have to be stated with particularity. Additionally, the petition would be required to be supported by the proof upon which the petitioner relies to establish both standing and the claim of abandonment and/or nonuse. As proof for the claim, for example, a petitioner might provide a declaration outlining a search for use of the mark and the results, or other evidence of abandonment or nonuse.

The respondent's answer would be required within 40 days. In addition to the requirement that the respondent admit or deny the averments in the petition and, if applicable, state the defenses of either estoppel or prior judgments, the answer would be required to also include proof of use or other evidence on which the respondent seeks to rely to counter the abandonment or nonuse grounds for the goods or services as to which the grounds have been alleged, or to support any pleaded defenses.

After reviewing the answer and proof, within 40 days the petitioner may elect to:

(1) Reply, providing any rebuttal evidence, thereby submitting the Streamlined Proceeding for decision by the TTAB (typically within 90 days);

(2) Withdraw the petition for cancellation without prejudicing the right to file another cancellation proceeding *on grounds other than the grounds raised in the Streamlined Proceeding*; or

(3) File a notice of conversion to a full cancellation proceeding, along with the appropriate fee and any proposed amendment of the petition to cancel, including adding other grounds for cancellation. Upon any such conversion to a full proceeding, the TTAB would designate a time within which an amended answer must be filed, and issue a trial order setting deadlines and dates to allow for disclosures, discovery, trial and briefing. The cancellation proceeding then would continue pursuant to the usual practices and rules for non-streamlined proceedings. Notably, the respondent would *not* have

the option of converting to a full TTAB proceeding.² However, both parties would retain the right to judicial review of TTAB decisions in Streamlined Proceedings, under 15 U.S.C. 1071.

At the time of the answer, the respondent may, by separate motion, request limited discovery solely on the issue of standing, based on a showing of good cause. Upon the grant of such a motion, the TTAB would issue an order setting the deadline for discovery and deadlines by which the respondent may submit a motion to challenge standing and by which the petitioner may respond to such a motion, if filed. The TTAB would grant such a motion only when it appears that discovery could provide outcome determinative information with respect to standing. Such a motion would not stay or otherwise extend deadlines. Regardless of the request for discovery or any challenge to standing, the respondent must nonetheless still timely answer the petition and provide its proof, and the petitioner must provide any reply brief or conversion request.

Counterclaims would not be permitted in Streamlined Proceedings. To the extent that a respondent believes that it has the basis for a counterclaim, it would have to bring the claim in a separate proceeding. As a general rule, suspensions would be rare and would typically be available only when there is concurrent district court litigation involving the same mark(s) and issue(s).

The Streamlined Proceedings could offer a substantially quicker schedule than a full cancellation proceeding. In the case of a default judgment where the respondent does not respond to the petition, the entire proceeding could conclude within approximately 70 days. In a case where a respondent elects to respond, the entire proceeding could conclude within approximately 170 days in most cases. Extensions of time for the answer or reply would be limited to one per party.

Request for Public Comments

The USPTO is requesting written public comments on the Streamlined Proceedings, as outlined above, or other options for a streamlined version of the existing *inter partes* abandonment and nonuse grounds for cancellation before

² Given that the respondent, rather than the petitioner, generally has the relevant information about use, the respondent would seem to have no legitimate need for a full proceeding. Although the USPTO considered some stakeholder suggestions that the respondent also have the conversion option, the USPTO concluded that such a mechanism would undercut the speed and efficiency for a petitioner and result in the streamlined proceedings lacking any real benefit over existing cancellation procedures.

the TTAB. The Office also invites any other input the public wishes to convey about the topics addressed in this Request for Comments.

Dated: May 10, 2017.

Michelle K. Lee,
Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office.
 [FR Doc. 2017-09856 Filed 5-15-17; 8:45 am]
 BILLING CODE P

DEPARTMENT OF COMMERCE

Patent and Trademark Office

Responses to Office Action and Voluntary Amendment Forms

ACTION: Proposed collection; comment request.

SUMMARY: The United States Patent and Trademark Office (USPTO), as required by the Paperwork Reduction Act of 1995, invites comments on a proposed extension of an existing information collection: 0651-0050 (Responses to Office Action and Voluntary Amendment Forms).

DATES: Written comments must be submitted on or before July 17, 2017.

ADDRESSES: You may submit comments by any of the following methods:

- *Email:* InformationCollection@uspto.gov. Include "0651-0050 comment" in the subject line of the message.
- *Mail:* Marcie Lovett, Records Management Division Director, Office of the Chief Information Officer, United States Patent and Trademark Office, P.O. Box 1450, Alexandria, VA 22313-1450.
- *Federal Rulemaking Portal:* <http://www.regulations.gov>.

FOR FURTHER INFORMATION CONTACT: Requests for additional information should be directed to Catherine Cain, Attorney Advisor, Office of the Commissioner for Trademarks, United States Patent and Trademark Office, P.O. Box 1450, Alexandria, VA 22313-1450, by telephone at 571-272-8946, or by email at Catherine.Cain@uspto.gov. Additional information about this

collection is also available at <http://www.reginfo.gov> under "Information Collection Review."

SUPPLEMENTARY INFORMATION:

I. Abstract

This collection of information is required by the Trademark Act, 15 U.S.C. 1051 *et seq.*, which provides for the federal registration of trademarks, service marks, collective trademarks and services marks, collective membership marks, and certification marks. Individuals and business that use such marks, or intend to use such marks, in interstate commerce may file an application to register their marks with the United States Patent and Trademark Office (USPTO). This collection generally contains information that is not submitted with the initial trademark application but is associated with, or required for, the USPTO review of applications for registration.

In some cases, the USPTO issues Office Actions to applicants who have applied to register a mark, requesting information that was not provided with the initial submission, but is required before the issuance of a registration. Also, the USPTO may determine that a mark is not entitled to registration, pursuant to one or more provisions of the Trademark Act. In such cases, the USPTO will issue an Office Action advising the applicant of the refusal to register the mark. Applicants reply to these Office Actions by providing the required information and/or by putting forth legal arguments as to why the refusal of registration should be withdrawn.

The USPTO administers the Trademark Act through Chapter 37 of the Code of Federal Regulations. These rules allow the USPTO to request and receive information required to process applications. These rules also allow applicants to submit certain amendments to their applications.

Applicants may also supplement their applications and provide further information by filing a Voluntary Amendment Not in Response to USPTO Office Action/Letter, a Request for Reconsideration after Final Office Action, a Post-Approval/Publication/

Post-Notice of Allowance (NOA) Amendment, a Petition to Amend Basis Post-Publication, or a Response to Suspension Inquiry or Letter of Suspension. In rare instances, an applicant may also submit a Substitute Trademark/Service mark, Substitute Certification Mark, Substitute Collective Membership Mark, or Substitute Collective Trademark/Service mark application.

II. Method of Collection

The forms in this collection are available in electronic format through the Trademark Electronic Application System (TEAS), which may be accessed on the USPTO Web site. TEAS Global Forms are available for the items where a TEAS form with dedicated data fields is not yet available. Applicants may also submit the information in paper form by mail, fax, or hand delivery.

III. Data

OMB Number: 0651-0050.
Form Numbers: PTO-1771, PTO-1822, PTO-1957, PTO-1960, and PTO-1966.

Type of Review: Extension of a currently approved collection.

Affected Public: Businesses or other for-profits; not-for-profit institutions; individuals.

Estimated Number of Respondents: 472,301 responses per year.

Estimated Time per Response: The USPTO estimates that it will take the public between 10 minutes (0.16 hours) and 45 minutes (0.75 hours), depending on the complexity of the situation, to gather the necessary information, prepare the appropriate documents, and submit the information required for this collection.

Estimated Total Annual Respondent Burden Hours: 266,184 hours per year.

Estimated Total Annual Respondent Cost Burden: \$109,135,440.00. The USPTO expects that the information in this collection will be prepared by attorneys at an estimated rate of \$410 per hour. Therefore, the USPTO estimates that the respondent cost burden for this collection will be approximately \$109,135,440.00 per year.

TABLE 1—TOTAL HOURLY BURDEN

IC #	Item	Estimated time for response (hours)	Estimated annual responses	Estimated annual burden hours	Rate (\$/hr)	Estimated annual burden
		(a)	(b)	(a) × (b) = (c)	(d)	(c) × (d) = (e)
1	Response to Office Action (TEAS) ..	0.58 (35 minutes)	410,722	238,219	\$410.00	\$97,699,790.00
1	Response to Office Action (Paper) ..	0.67 (40 minutes)	9,847	6,597	410.00	2,704,770.00

Highlights of Comments on USPTO 2017 Streamlined Cancellation Proposal

Subject	Comments
Overall View	<ol style="list-style-type: none"> 1) Overall mixed comments in favor and against a streamlined cancellation option 2) General support but questionable whether useful if petitioner expects default 3) Streamlined proceedings are unnecessary in view of default and ACR and resources should instead be used to speed up default process, better examine specimens, expedite cancelling expired registrations 4) Support for streamlined proceedings but even if USPTO does not proceed with them, still should proceed with efforts to make default judgments efficient and predictable 5) Concern that proposal lacks necessary safeguards to prevent abuse, or is unfairly prejudicial to respondents 6) Streamlining raises due process concerns 7) Streamlined proceedings would benefit parties who conduct thousands of clearance searches annually and who find full cancellation proceedings inordinately lengthy 8) Streamlined proceedings needed but cost rather than time-consumption is the issue with full proceedings; need to structure proceedings to facilitate attorneys handling them on a flat fee basis; statutory change may be needed 9) In favor – proposal would be beneficial and provides reasonable safeguards for respondents 10) Would help address trademark depletion and congestion on the Register
Timing	<ol style="list-style-type: none"> 1) 40 days too short for the answer, given that respondent may have to produce evidence of use on many items 2) Should allow for extensions of time because respondent may need to retain counsel and engage in international communications or may have challenges as a pro se 3) 40 days may be too long for the answer, and 30 would suffice 4) Single extension for each party is reasonable 5) Streamlined proceedings should receive priority treatment from Board personnel 6) Allow parties to stipulate to extensions to facilitate settlement
Fees	<ol style="list-style-type: none"> 1) Fees should be the same for full and streamlined 2) Lower fees make abusive tactics more affordable and a “loser pays or fee shifting model” should be used; petitioners should be required to post a bond 3) Clarify fee to convert to full cancellation proceeding
Procedures	<ol style="list-style-type: none"> 1) Ensure service of process in same manner as for full cancellation 2) Respondent should be allowed to voluntarily surrender its registration without prejudice; Respondent should be allowed to delete goods/services but otherwise maintain registration 3) Allow respondent to convert to a full cancellation proceeding if it shows need 4) Allow respondent to convert to a full cancellation proceeding for any reason 5) Need detail on how evidentiary objections will be made and addressed; should allow a respondent an opportunity to file additional evidence to address objections 6) Should <i>require</i> petitioners to provide contact information for respondents/counsel to avoid any delays in service on respondent 7) Allowing stipulated suspension or at least a brief suspension for settlement discussions would be beneficial; stipulated suspension for settlement should be allowed 8) Consider limited written discovery for both parties; Petitioner should be allowed to request discovery if needed 9) Should foreclose motions practice 10) Prohibiting counterclaims creates inefficiencies with separate proceedings on same facts; clarify that counterclaims allowed if conversion to full proceeding

Subject	Comments
Standing	<ol style="list-style-type: none"> 1) To ensure good faith, petitioners should be required to show ownership of registrations or use-based applications or common law use proven with “robust evidence” 2) Discovery on standing likely unnecessary and may impede the objective of decluttering the register 3) Standing for all cancellation proceedings is too low; streamlined proceedings should have a higher standing threshold 4) Consider relaxing standing requirements for regular petitions to allow onlookers to clear the register of “overbroad” Madrid registrations 5) Standing requirements should be low; other countries’ nonuse proceedings generally do not require standing 6) Standing should be clarified and if standing is challenged, proceedings should be suspended until challenge is resolved 7) Specific scenario about 2(d)-based standing – question whether petitioner must plead that would obviate 2(d) rejection of an application
Use Requirements	<ol style="list-style-type: none"> 1) Clarification requested about the nature of the use requirement and necessary showing, including whether use analogous to trademark use and other non-technical trademark uses qualify 2) Inquiry what standard applies to 44 and 66(a)-based registrations 3) Clarify whether the TTAB may <i>sua sponte</i> request additional evidence of use 4) Provide explicitly for excusable nonuse
Burdens of Production & Proof	<ol style="list-style-type: none"> 1) Clarify if motion to dismiss is allowed; Allow motions to dismiss 2) Set low burden for petitioner to make out prima facie case and specify showing for any intent to resume showing by a respondent 3) Particularity and proof requirements may be unduly difficult for petitioners 4) More guidance needed on pleading and burdens of proof and production; concern that evidentiary requirements might necessitate the disclosure of privileged or work product information 5) Consider <i>requiring</i> a declaration from the petitioner or counsel regarding nonuse investigation 6) Does respondent have a burden of production regardless of petitioner’s case, or may respondent just challenge standing and/or the prima facie case? 7) Burden on respondent may be too great – give more guidance on nature of evidence and burden of proof 8) Petitioner should not have the ability to reply -- it should have three options: await the decision on the filings, withdraw the claim, or convert to a full cancellation action within 30 days of the answer.
Effect of Proceedings	<ol style="list-style-type: none"> 1) Numerous comments concerned the preclusive effect of a streamlined proceeding in various scenarios, including if the petition were withdrawn after the answer, subsequent different claims based on the same facts, and the impact of a change in underlying facts 2) If respondent voluntarily surrenders the registration, may it refile later for the same mark?
Other Issues	<ol style="list-style-type: none"> 1) NPRM should give other examples of acceptable pleaded defenses other than estoppel or prior judgments 2) Provide for applicability of protective order 3) Consistency for streamlined proceedings – consider dedicating specific personnel to handle 4) Consider including genericness and functionality, and lack of distinctiveness (if brought within five years of registration), and request for greater ID specificity as grounds that may be asserted in the streamlined proceedings 5) Need rules to deter and punish bad faith 6) Allow for remedies for “serial abusers” of proceedings 7) Consider sanctions for the petitioner if evidence of use is readily available

EXHIBIT E

ESTTA Enhancements, August 2018

We are deploying these improvements to ESTTA on Saturday, August 11:

- [Enhancements to Consent Motion forms for oppositions and cancellations;](#)
- [Enhancements to the Request for Extensions of Time to Oppose form and process;](#) and
- [Additional proceeding status indicators in TTABVUE](#)

Enhancements to Consent Motion forms (opposition or cancellation)

What can I expect to see in the enhanced consent motion forms?

- **A simplified form displaying the current proceeding schedule:** includes disclosure, briefing and the optional request for oral hearing due date, in the form of a trial order
- **Three options to extend dates:** 30, 60, or 90 days
- **Four options to suspend and automatically resume dates:** 30, 60, 90, or 180 days
- **A seamless way to recalculate proceeding dates:** Based on the number of days selected, the system will recalculate the resumption date and proposed schedule dates for all open dates in the current schedule

Below are two examples of what you will see in the forms. The first is for an extension. The second is for a suspension with a resumption schedule.

Current Schedule and Proposed Schedule

Please select the length of the extension to which the parties have consented.

60 Days ▼

After selecting a desired length of extension, you may save this session by choosing the "Save Session" option below. However, if the saved session is resumed at a later date, and one or more dates in the "Current Schedule" have become "CLOSED," you will be required to re-select the desired length of extension.

	Current Schedule	Proposed Schedule
Time to Answer	03/28/2018	05/27/2018
Deadline for Discovery Conference	04/27/2018	06/26/2018
Discovery Opens	04/27/2018	06/26/2018
Initial Disclosures Due	05/27/2018	07/26/2018
Expert Disclosures Due	09/24/2018	11/23/2018
Discovery Closes	10/24/2018	12/23/2018
Plaintiff's Pretrial Disclosures Due	12/08/2018	02/06/2019
Plaintiff's 30-day Trial Period Ends	01/22/2019	03/23/2019
Defendant's Pretrial Disclosures Due	02/06/2019	04/07/2019
Defendant's 30-day Trial Period Ends	03/23/2019	05/22/2019
Plaintiff's Rebuttal Disclosures Due	04/07/2019	06/06/2019
Plaintiff's 15-day Rebuttal Period Ends	05/07/2019	07/06/2019
Plaintiff's Opening Brief Due	07/06/2019	09/04/2019
Defendant's Brief Due	08/05/2019	10/04/2019
Plaintiff's Reply Brief Due	08/20/2019	10/19/2019
Request for Oral Hearing (optional) Due	08/30/2019	10/29/2019

Extension option

Current Schedule and Proposed Schedule

Please select the length of the suspension to which the parties have consented. *	60 Days ▼
--------------------------------------------------------------------------------------------------------------------	-----------

After selecting a desired length of suspension, you may save this session by choosing the "Save Session" option below. However, if the saved session is resumed at a later date, and one or more dates in the "Current Schedule" have become "CLOSED," you will be required to re-select the desired length of suspension.

Proceeding to resume on 05/12/2018 .

	Current Schedule	Proposed Schedule
Time to Answer	05/30/2017 (CLOSED)	05/30/2017 (CLOSED)
Deadline for Discovery Conference	06/29/2017 (CLOSED)	06/29/2017 (CLOSED)
Discovery Opens	06/29/2017 (CLOSED)	06/29/2017 (CLOSED)
Initial Disclosures Due	07/29/2017 (CLOSED)	07/29/2017 (CLOSED)
Expert Disclosures Due	08/13/2017 (CLOSED)	08/13/2017 (CLOSED)
Discovery Closes	09/12/2017 (CLOSED)	09/12/2017 (CLOSED)
Plaintiff's Pretrial Disclosures Due	10/27/2017 (CLOSED)	10/27/2017 (CLOSED)
Plaintiff's 30-day Trial Period Ends	12/11/2017 (CLOSED)	12/11/2017 (CLOSED)
Defendant's Pretrial Disclosures Due	12/26/2017 (CLOSED)	12/26/2017 (CLOSED)
Defendant's 30-day Trial Period Ends	02/09/2018 (CLOSED)	02/09/2018 (CLOSED)
Plaintiff's Rebuttal Disclosures Due	02/24/2018 (CLOSED)	02/24/2018 (CLOSED)
Plaintiff's 15-day Rebuttal Period Ends	03/26/2018	05/25/2018
Plaintiff's Opening Brief Due	05/25/2018	07/24/2018
Defendant's Brief Due	06/24/2018	08/23/2018
Plaintiff's Reply Brief Due	07/09/2018	09/07/2018
Request for Oral Hearing (optional) Due	07/19/2018	09/17/2018

<input type="button" value="Next"/> <input type="button" value="Back"/> <input type="button" value="Cancel"/> <input type="button" value="Save Session"/>

Suspension and resumption option

Tips for using the enhanced consent motion form:

1. **What should I do if the proceeding schedule dates are incorrect or not available?**

Contact the TTAB Assistance Center during normal business hours (8:30 a.m. to 5 p.m. ET) at 571-272-8500 or email TTABInfo@uspto.gov.

2. What should I do if the number of days I would like to extend or suspend is not available under the Consent Motion form?

Use the Opposition, Cancellation or Concurrent Use (general filings) option and attach your request in the form of a trial order.

3. Will I be able to see the proceeding schedule using the Suspension for Civil Action option?

No. The proceeding schedule will only display under the Extend Dates or Suspend for Settlement options.

4. How do I submit suggestions for future enhancements to this form?

Provide your suggestions within an email to TTABInfo@uspto.gov.

Enhancements to the Request for Extension of Time to Oppose form and process

What can I expect in the enhanced form and process?

- New electronic filing options for Potential Opposer and Applicant
 - Potential Opposer
 - Relinquish an Extension of Time to Oppose
 - Respond to a Board inquiry or order
 - Applicant
 - Request to reconsider an extension of time to oppose
 - Objection to further extensions of time to oppose
 - Respond to a Board inquiry or order
- Extensions of time to oppose requiring manual processing will now be available on TTABVUE before they are considered.

You will be able to view the filing to confirm receipt in TTAB via TTABVUE within 24 hours. If you do not see the filing on TTABVUE after 24 hours, contact the TTAB Assistance Center.

Tips for using the enhanced filing options:

- 1. If I can view a pending request for an extension of time to oppose in TTABVUE, will the option be available to file a further request to extend in ESTTA prior to TTAB's action on the pending request?**

No. You will not be able to submit another extension request or respond to any pending extension request in ESTTA until TTAB grants the extension. Please allow at least seven (7) business days from the date of submission for processing.

- 2. How do I submit feedback or suggestions for future enhancements to the extension of time to oppose process?**

Email your suggestions to TTABInfo@uspto.gov.

Additional proceeding status indicators in TTABVUE

What can I expect to see differently in TTABVUE?

You can expect to see new TTAB proceeding statuses within the "Status" section of the proceeding on TTABVUE.

What are the new proceeding statuses and what do they mean?

- **Suspended** – TTAB suspended proceedings due to settlement discussions, pending disposition of another proceeding or litigation, consideration of a motion, etc.
- **Jurisdiction Restored to TM** – TTAB's action is suspended or precluded pending Trademarks action on the subject application or registration.
- **Extension of Time to Oppose Filed** – TTAB received a request for an extension of time to oppose and it is under consideration and/or granted.

Tips for new proceeding statuses:

What should I do if the proceeding status is incorrect?

Contact the TTAB Assistance Center during normal business hours at 571-272-8500 (8:30 a.m. to 5 p.m. ET) or email TTABInfo@uspto.gov.

EXHIBIT F

Opposition/Cancellation/Concurrent Use No. _____

Plaintiff [insert name]

v.

Defendant [insert name]

TRADEMARK TRIAL AND APPEAL BOARD

STANDARD PROTECTIVE ORDER

Pursuant to Trademark Rule 2.116(g), this standard protective order ("Order") is automatically imposed on this Board proceeding. It is not necessary for the parties and/or their attorneys to sign copies of the Order for it to take effect or for the parties to be bound by its terms during the course of the proceeding. However, it may be desirable to obtain such signatures to assure the parties that they have created a contract which will survive this Board proceeding and that they may have a remedy for breach of that contract which occurs after the conclusion of this Board case. Notwithstanding, any determination of whether the Order establishes contractual rights or is enforceable outside of this Board proceeding is for the appropriate judicial forum to decide should such matter come before it.

Information disclosed by any party or non-party witness during this proceeding may be considered (1) **Confidential** or (2) **Confidential – For Attorneys' Eyes Only (trade secret/ commercially sensitive)** by a party or witness. To preserve the confidentiality of the information so disclosed, the parties are hereby bound by the terms of this Order, in its standard form or as modified by agreement approved by the Board, and by any additional provisions to which they may have agreed and approved by the Board. As used in this Order, the term "information" covers documentary material, electronically stored information ("ESI"), testimony, [1] and any other information provided during the course of this Board proceeding.

Parties may use this Order as the entirety of their agreement or may use it as a template from which they may fashion a modified agreement, subject to Board approval.

This Order shall govern any information produced in this Board proceeding and designated pursuant to this Order, including all designated discovery depositions, all designated testimony depositions and declarations and affidavits, all designated deposition exhibits and testimony exhibits, interrogatory answers, admissions, documents and other discovery and testimony materials, whether produced informally, as part of mandatory disclosures, or in response to interrogatories, requests for admissions, requests for production of documents or other methods of discovery.

This Order shall also govern any designated information produced or provided in this Board proceeding pursuant to required disclosures under any applicable federal procedural rule or Board rule and any supplementary disclosures thereto.

This Order shall apply to the parties and to any nonparty from whom discovery or testimony may be sought in connection with this proceeding and who desires the protection of this Order.

TERMS OF ORDER

1) Classes of Protected Information.

The Rules of Practice in Trademark Cases provide that all inter partes proceeding files, as well as the involved registration and application files, are open to public inspection. The terms of this Order are not to be used to undermine public access to such files. When appropriate, however, a party or witness, on its own or through its attorney, may seek to protect the confidentiality of information by employing one of the following designations.

Confidential -Material to be shielded by the Board from public access.

Confidential – Attorneys’ Eyes Only (Trade Secret/Commercially Sensitive) -Material to be shielded by the Board from public access, restricted from any access by the parties, and available for review by **outside counsel** for the parties and, subject to the provisions of paragraphs 4 and 5, by independent experts or consultants for the parties. Such material may include the following types of information: (1) sensitive technical information, including current research, development and manufacturing information; (2) sensitive business information, including highly sensitive financial or marketing information; (3) competitive technical information, including technical analyses or comparisons of competitor’s products or services; (4) competitive business information, including non-public financial and marketing analyses, media scheduling, comparisons of competitor’s products or services, and strategic product/service expansion plans; (5) personal health or medical information; (6) an individual’s personal credit, banking or other financial information; or (7) any other commercially sensitive information the disclosure of which to non-qualified persons subject to this Order the producing party reasonably and in good faith believes would likely cause harm.

2) Information Not to Be Designated as Protected.

Information may not be designated as subject to any form of protection if it (a) is, or becomes, public knowledge, as shown by publicly available writings, other than through violation of the terms of this Order; (b) is acquired by a non-designating party or non-party witness from a third party lawfully possessing such information and having no obligation to the owner of the information; (c) was lawfully possessed by a non-designating party or non-party witness prior to the opening of discovery in this proceeding, and for which there is written evidence of the lawful possession; (d) is disclosed by a non-designating party or non-party witness legally compelled to disclose the information; or (e) is disclosed by a non-designating party with the approval of the designating party.

3) Access to Protected Information.

The provisions of this Order regarding access to protected information are subject to modification by written agreement of the parties or their attorneys and approved by the Board.

Administrative Trademark Judges, Board attorneys, and other employees of the Board are bound to honor the parties' designations of information as protected, except as otherwise required by law, but are not required to sign forms acknowledging the terms and existence of this Order. Court reporters, stenographers, video technicians or others who may be employed by the parties or their attorneys to perform services incidental to this proceeding will be bound only to the extent that the parties or their

attorneys make it a condition of employment or obtain agreements from such individuals, in accordance with the provisions of paragraph 4.

- **Parties** are defined as including individuals, officers of corporations, partners of partnerships, members of limited liability companies/corporations, and management employees of any type of business organization.
- **Attorneys** for parties are defined as including **in-house counsel** and **outside counsel**, including support staff operating under counsel's direction, such as paralegals or legal assistants, secretaries, and any other employees or independent contractors operating under counsel's instruction.
- **Independent experts or consultants** include individuals retained by a party for purposes related to prosecution or defense of the proceeding but who are not current or former employees, officers, members, directors, or partners of any party, affiliates of any party, or the attorneys of any party or its affiliates, or competitors to any party, or employees or consultants of such competitors with respect to the subject matter of the proceeding.
- **Non-party witnesses** include any individuals to be deposed during discovery or trial, whether willingly or under subpoena issued by a court of competent jurisdiction over the witness

Parties and their **attorneys** shall have access to information designated as **confidential**, subject to any agreed exceptions.

Outside counsel, but not in-house counsel, shall have access to information designated as **Confidential – Attorneys' Eyes Only (trade secret/commercially sensitive)**.

Independent experts or consultants, non-party witnesses, and any other individual not otherwise specifically covered by the terms of this order may be afforded access to **confidential** information in accordance with the terms that follow in paragraph 4. Further, **independent experts or consultants** may have access to **Confidential – Attorneys' Eyes Only (trade secret/commercially sensitive)** information if such access is agreed to by the parties or ordered by the Board, in accordance with the terms that follow in paragraphs 4 and 5.

4) Disclosure to Any Individual.

Prior to disclosure of protected information by any party or its attorney to any individual not already provided access to such information by the terms of this Order, the individual shall be informed of the existence of this Order and provided with a copy to read. The individual will then be required to certify in writing that the order has been read and understood and that the terms shall be binding on the individual. No individual shall receive any protected information until the party or attorney proposing to disclose the information has received the signed certification from the individual. A form for such certification is attached to this Order. See Exhibit A. The party or attorney receiving the completed form shall retain the original.

5) Disclosure to Independent Experts or Consultants.

In addition to meeting the requirements of paragraph 4, any party or attorney proposing to share disclosed information with an independent expert or consultant must also notify the party who

designated the information as protected. Notification must be personally served or forwarded by certified mail, return receipt requested, or by email, and shall provide notice of the name, address, occupation and professional background of the expert or independent consultant.

The party or its attorney receiving the notice shall have ten (10) business days to object to disclosure to the expert or independent consultant. If objection is made, then the parties must negotiate the issue in good faith before raising the issue before the Board. If the parties are unable to settle their dispute, then it shall be the obligation of the party or attorney proposing disclosure to bring the matter before the Board with an explanation of the need for disclosure and a report on the efforts the parties have made to settle their dispute. The party objecting to disclosure will be expected to respond with its arguments against disclosure or its objections will be deemed waived.

6) Responses to Written Discovery.

Responses to interrogatories under Federal Rule 33 and requests for admissions under Federal Rule 36 (whether in a paper or electronic form) and which the responding party reasonably believes to contain protected information shall be prominently stamped or marked with the appropriate designation from paragraph 1. Any inadvertent disclosure without appropriate designation shall be remedied as soon as the disclosing party learns of its error, by informing all adverse parties, in writing, of the error. The parties should inform the Board only if necessary because of the filing of protected information not in accordance with the provisions of paragraph 12.

7) Production of Documents.

If a party responds to requests for production under Federal Rule 34 by making copies and forwarding the copies to the inquiring party, including ESI, then the copies shall be prominently stamped or marked, as necessary, with the appropriate designation from paragraph 1. If the responding party makes documents available for inspection and copying by the inquiring party, all documents shall be considered protected during the course of inspection. After the inquiring party informs the responding party what documents are to be copied, the responding party will be responsible for prominently stamping or marking the copies with the appropriate designation from paragraph 1.

8) Depositions.

Protected documents produced during an oral discovery deposition or a discovery deposition upon written questions, or offered into evidence during an oral testimony deposition, a testimony deposition upon written questions, or testimony submitted by affidavit or declaration, shall be noted appropriately as such by the producing or offering party at the outset of any discussion of the document or information contained in the document. In addition, the documents must be prominently stamped or marked with the appropriate designation.

During discussion of any non-documentary protected information, the interested party shall make oral note on the record of the protected nature of the information.

The transcript of any deposition (whether for discovery or testimony purposes) and all exhibits or attachments shall be considered protected for 30 days following the date of service of the transcript by the party that took the deposition. During that 30-day period, either party may designate the portions of the transcript, and any specific exhibits or attachments, that are to be treated as protected, by electing

the appropriate designation from paragraph 1. Appropriate stampings or markings should be made during this time, if not already done so. If no such designations are made, then the entire transcript and exhibits will be considered unprotected.

9) Filing Notices of Reliance.

When a party or its attorney files a notice of reliance during the party's testimony period, the party or attorney is bound to honor designations made by the adverse party or attorney, or non-party witness, who disclosed the information, so as to maintain the protected status of the information.

10) Briefs.

When filing briefs, memoranda, affidavits and/or declarations in support of a motion, or briefs at final hearing, the portions of these filings that discuss protected information, whether information of the filing party, or any adverse party, or any non-party witness, should be redacted. The rule of reasonableness for redaction is discussed in paragraph 12 of this Order.

11) Handling of Protected Information.

Disclosure of information protected under the terms of this Order is intended only to facilitate the prosecution or defense of this Board proceeding. The recipient of any protected information disclosed in accordance with the terms of this Order is obligated to maintain the confidentiality of the information and shall exercise reasonable care in handling, storing, using, disseminating, retaining, returning, and destroying the information.

12) Redaction; Filing Material with the Board.

When a party or attorney must file protected information with the Board, or a motion or final brief that discusses such information, the protected information or portion of the motion/brief discussing the same should be redacted from the remainder. A rule of reasonableness should dictate how redaction is effected.

Redaction can entail merely covering or omitting a portion of a page of material when it is copied or printed in anticipation of filing but can also entail the more extreme measure of simply filing the entire page under seal as one that contains primarily confidential material. If only a sentence or short paragraph of a page of material is confidential, covering that material when the page is copied, or omitting the material, would be appropriate.

In contrast, if most of the material on the page is confidential, then filing the entire page under seal would be more reasonable, even if some small quantity of non-confidential material is then withheld from the public record. Likewise, when a multi-page document is in issue, reasonableness would dictate that redaction of the portions or pages containing confidential material be effected when only some small number of pages contain such material. In contrast, if almost every page of the document contains some confidential material, it may be more reasonable to simply submit the entire document under seal. **Occasions when a whole document or motion/brief must be submitted under seal should be very rare.**

Protected information, and pleadings, briefs or memoranda that reproduce, discuss or paraphrase such information, shall be filed with the Board under seal. If filed by mail, the envelopes or containers shall be prominently stamped or marked with a legend in substantially the following form:

CONFIDENTIAL

This envelope contains documents or information that are subject to a protective order or agreement. The confidentiality of the material is to be maintained and the envelope is not to be opened, or the contents revealed to any individual, except by order of the Board.

If filed electronically by employing the Board's Electronic System for Trademark Trial and Appeals ("ESTTA"), the filing party should comply with the redaction guidelines set forth above and click the "confidential filing" option prior to transmitting the documents electronically. In all situations, a redacted copy must also be filed for public view.

13) Acceptance of Information; Inadvertent Disclosure.

Acceptance by a party or its attorney of information disclosed under designation as protected shall not constitute an admission that the information is, in fact, entitled to protection. Inadvertent disclosure of information which the disclosing party intended to designate as protected shall not constitute waiver of any right to claim the information as protected upon discovery of the error. In the event a party inadvertently files a document containing protected information, such party should immediately inform the Board and the Board will mark such document as confidential and will require the party to resubmit a redacted, publicly available copy of such document.

If, through inadvertence, a producing party provides any "CONFIDENTIAL" or "CONFIDENTIAL - ATTORNEYS' EYES ONLY" discovery material during a Board proceeding without marking the information as "CONFIDENTIAL" or "CONFIDENTIAL - ATTORNEYS' EYES ONLY," the producing party may subsequently inform the receiving party in writing of the "CONFIDENTIAL" or "CONFIDENTIAL - ATTORNEYS' EYES ONLY" nature of the disclosed information, and the receiving party shall treat the disclosed information in accordance with this Order after receipt of such written notice and make reasonable efforts to retrieve any such material that has been disclosed to persons not authorized to receive the material under the terms hereof. A party objecting to any such "CONFIDENTIAL" or "ATTORNEYS' EYES ONLY" designation shall follow the procedures set forth in paragraph 14 below. Prior disclosure of material later designated as "CONFIDENTIAL" or "ATTORNEYS' EYES ONLY" shall not constitute a violation of this Order.

If a disclosing party through inadvertence produces or provides discovery material that it believes is subject to a claim of attorney-client privilege, work product immunity, or any other privilege, the disclosing party may give written notice to the receiving party that the discovery material is deemed privileged and that return of the material is requested. Upon such written notice, the receiving party shall immediately gather the original and all copies of the material of which the receiving party is aware and shall immediately return the original and all such copies to the disclosing party.

14) Challenges to Designations of Information as Protected.

If the parties or their attorneys disagree as to whether certain information should be protected, they are obligated to negotiate in good faith regarding the designation by the disclosing party. If the parties

are unable to resolve their differences, the party challenging the designation may make a motion before the Board seeking a determination of the status of the information.

A challenge to the designation of information as protected must be made substantially contemporaneous with the designation, or as soon as practicable after the basis for challenge is known. When a challenge is made long after a designation of information as protected, the challenging party will be expected to show why it could not have made the challenge at an earlier time. The party designating information as protected will, when its designation is timely challenged, bear the ultimate burden of proving that the information should be protected.

15) Consequences of Unchallenged Overdesignations.

In the event the Board determines that a party has improperly overdesignated information as protected, and a party has not contested the overdesignations, the Board, on its own initiative, may (1) disregard the overdesignations for those matters which are improperly designated; (2) issue an order to show cause why the submission should not be made open to public view; (3) require a party to reduce redactions by redesignating as non-confidential the overdesignated information and resubmit a properly designated redacted copy for public view; or (4) not consider the improperly designated matter in rendering its decision. In the case of an order to show cause, or request for resubmission of a filing with proper redaction (i.e., proper designation of confidential matter for public access), if no response is received, the Board will redesignate the confidentially filed material as non-confidential and make it available for public view.

16) Board's Jurisdiction; Handling of Materials after Termination.

The Board's jurisdiction over the parties and their attorneys ends when this proceeding is terminated. A proceeding is terminated only after a final order is entered and either all appellate proceedings have been resolved or the time for filing an appeal has passed without filing of any appeal.

The parties may agree that archival copies of evidence, memoranda, discovery deposition transcripts, testimony deposition transcripts, affidavits, declarations, and briefs may be retained solely by outside counsel, subject to compliance with agreed safeguards. Otherwise, within 30 days after the final termination of this proceeding, each party and their attorneys, as well as any other persons subject to the terms of this agreement, shall return to each disclosing party (1) all materials and documents, including ESI, containing protected information, (2) all copies, summaries, and abstracts thereof, and (3) all other materials, memoranda or documents embodying data concerning said material, including all copies provided pursuant to paragraphs 4 and 5 of this Order. In the alternative, the disclosing party or its attorney may make a written request that such materials be destroyed rather than returned. Additionally, parties to this agreement are precluded from disclosing orally or in writing any protected information provided during the course of a Board proceeding once this Board proceeding is terminated.

17) Other Rights of the Parties and Attorneys.

This Order shall not preclude the parties or their attorneys from making any applicable claims of privilege during discovery or at trial. Nor shall this Order preclude the filing of any motion with the Board for relief from a particular provision of this Order or for additional protections not provided by this Order.

By Agreement of the Following:

[insert signature date]

[print or type name and title of individual signing for defendant]

[print or type name and law firm of attorney for defendant]

[print or type name and title of individual signing for plaintiff]

[print or type name and law firm of attorney for plaintiff]

EXHIBIT A

CERTIFICATE OF COMPLIANCE

Protected information, in whole or in part, and the information contained therein which has been produced by the parties to this Board proceeding pursuant to the attached Standard Protective Order has been disclosed to me, and by signing this Certificate of Compliance, I acknowledge and agree that I have read, understand, and am subject to the provisions of the Protective Order and will not disclose such protected information in whole or in part or in any form or the information contained therein to any person, corporation, partnership, firm, governmental agency or association other than those persons who are authorized under the Standard Protective Order to have access to such information.

Date

Signature

Name (print)

[1] This includes testimony provided during a discovery deposition or a testimony deposition or by declaration or affidavit, either orally or upon written questions.

January 2, 2018

The Honorable Gerald F. Rogers
Chief Administrative Trademark Judge
United States Patent and Trademark Office
Trademark Trial and Appeal Board
P.O. Box 1451
Alexandria, VA 22313-1451

Via email: gerard.rogers@uspto.gov

Re: AIPLA Comments to the current TTAB Standard Protective Order,
effective June 24, 2016

Dear Judge Rogers,

The American Intellectual Property Law Association (AIPLA) is pleased to have this opportunity to provide comments on the current version of the USPTO's Standard Protective Order for use in TTAB opposition and cancellation proceedings.

AIPLA is a national bar association of approximately 13,500 members who are primarily practitioners engaged in private or corporate practice, in government service, and in the academic community. AIPLA members represent a wide and diverse spectrum of individuals, companies, and institutions involved directly or indirectly in the practice of patent, trademark, copyright, trade secret, and unfair competition law, as well as other fields of law affecting intellectual property. Our members represent both owners and users of intellectual property. Our mission includes helping to establish and maintain fair and effective laws and policies that stimulate and reward invention while balancing the public's interest in healthy competition, reasonable costs, and basic fairness.

AIPLA commends the Office on its efforts periodically to review and improve its TTAB procedures. In response to the Office's request for comments on the current standard protective order, AIPLA offers the following comments and suggestions:

1. Overall comment about the Standard Protective Order. AIPLA members generally believe that the changes made to the Standard Protective Order in June of 2016 were positive and improved upon the prior version. In particular, making it clear that the standard order automatically applies to all proceedings was generally a positive step, but it does create potential challenges in those cases where one party is not represented by counsel. AIPLA also believes that the change from three to two tiers of designation was appropriate and makes it easier to administer the order and manage the confidential information produced and used in a TTAB proceeding. However, AIPLA

believes that further consideration should be given to the treatment of in-house counsel's access to protected information. AIPLA has noted some ambiguities in the Re: AIPLA Comments on current version of the order and suggests some additional changes to the content and procedures to improve the order's effectiveness.

2. Procedures to Implement the Standard Protective Order. Currently, the TTAB's initial Institution Order references the Standard Protective Order, provides a hyperlink to the language of the order, and states that it is automatically imposed in all inter partes proceedings. AIPLA suggests two modifications to further improve the effectiveness of the order. First, it would be beneficial if the standard order is actually entered on the case docket, with the case caption, as a separate entry in the docket. This is best accomplished upon the filing of the defendant's answer. Incorporating the order directly in the docket would give the order more prominence and clarity as an order that has been entered in the case and would make it easier for the parties to reference the order, as needed, instead of searching the website or clicking through the link in the Institution Order. AIPLA suggests that its entry as a separate document on the docket be triggered by the defendant's answer because the entry would not be needed in cases of a default or, most likely, if the defendant filed a successful motion to dismiss in lieu of an answer.

Second, AIPLA requests that the USPTO make a downloadable Word or RTF version of the Standard Protective Order available on the TTAB website. This would make it easier for the parties to modify the language of the order if they agree to do so.

3. Use of Protective Order with Parties Not Represented by Counsel. One challenge that has been identified with the TTAB's protective order is the administration of the order and production of confidential material in cases involving unrepresented parties. Because there is no attorney to receive the represented party's confidential materials/information, there is a greater likelihood that the unrepresented party will mishandle it. Indeed, AIPLA has received comments from some members that an unrepresented party should not be permitted access to any Confidential or AEO designated material. Although the represented party can insist on the parties executing the order so as to create a potential contract, as the Board suggests, the unrepresented party may refuse and/or any remedies for a violation may still be ineffectual, expensive to obtain, or both. In addition, the current protective order creates a dilemma for the represented party when designating its information in discovery. If the represented party designates information as Attorney's Eyes Only ("AEO") material, it can effectively deny the opposing unrepresented party access to its information. Otherwise, it risks revealing its most sensitive information to a potential, competitor, which could cause great damage. Neither option is tenable. In either case, additional motion practice is likely to be required to address the issues, increasing the overall expense of TTAB proceedings. There is no easy solution, and this dilemma further illustrates why it may be more appropriate to enter the protective order as a separate document directly in the case docket and to wait until after the answer is filed to do so. To the extent one party is unrepresented, that will then be known, and the Board can at least call special attention to the existence of the protective order and the unrepresented party's obligation to adhere to it. Furthermore, in those cases where one party is unrepresented by counsel, the Board should consider whether it would be appropriate to (a) require the parties to execute the standard order or an acceptable substitute, (b) prohibit an unrepresented party's access to any designated material (Confidential and AEO information) unless it retains counsel or other terms and conditions are set to safeguard the information, and/or (c) require the participation of the interlocutory attorney during the discovery conference to ensure these issues are properly addressed to the best extent possible.

4. In-House Counsel's Access to AEO Information. The current version of the protective order creates a default rule that permits an in-house attorney to review protected information that is designated as Confidential but precludes access to AEO designated information. AIPLA recommends that, instead of creating a default position prohibiting in-house counsel's access to AEO information, the standard protective order should be revised to instead make the issue of in-house counsel's access to such information a mandatory item of discussion at the initial discovery conference. The parties should be encouraged to reach an agreement that is entered by stipulation. Alternatively, the standard order could include a check box with options allowing or not allowing access to AEO information by in-house counsel. In the alternative scenario, the parties would file the protective order with the agreed upon box checked. If, despite good faith efforts, no agreement can be reached by the parties, the Board should resolve the issue upon a motion filed by either party.

5. Disclosure of Protected Information to Experts and Consultants. AIPLA believes there is some ambiguity in Sections 3 and 5 of the Standard Protective Order regarding the disclosure of protected information to independent experts and consultants. Section 3 provides that Confidential information may be disclosed, subject to compliance with Section 4 (obtaining the acknowledgment certificate), while AEO information requires compliance with both Sections 4 and 5 (prior notification to the disclosing party). However, Section 5 states: " In addition to meeting the requirements of paragraph 4, any party or attorney proposing to share disclosed information with an independent expert or consultant must also notify the party who designated the information as protected." (italics added) Although AIPLA believes that the prior notification requirement of Section 5 is intended to (and should) apply only to AEO designated information, the foregoing sentence from Section 5 can be read to require prior disclosure for each level of protected information. AIPLA suggests that Section 5 be revised to make it clear that prior notification is required only with respect to AEO designated information.

In addition, the order should clarify which party bears the burden of persuasion when a proposed disclosure to an expert or consultant has been objected to. AIPLA believes the burden of persuasion should lie with the party objecting to the disclosure of its AEO information to the expert or consultant, which is consistent with the burden of persuasion on the designating party whenever a particular designation of protection is challenged.

6. Production of Documents. Section 7 of the Standard Protective Order provides that if the responding party makes its documents available for inspection and copying by the requesting party, those documents are "protected." However, the level of protection is not specified. AIPLA recommends that the order be revised to state that the documents are to be protected as AEO documents during the inspection. Otherwise, a party or other person not suitable for receiving AEO level documents could participate in the inspection. By thus limiting the inspection, the Board adequately protects the producing party's documents until such time as the requesting party has selected documents for copying and the producing party can evaluate and properly designate those documents selected.

7. Depositions. During a deposition, the Standard Protective Order requires the interested party to make an oral note on the record whenever there is a discussion involving non-documentary protected information. However, it also states that the deposition transcript is "protected" for 30 days from service to give each party the opportunity to designate portions of the transcript, as needed. This creates some ambiguity as to whether a party who failed to make an oral note regarding protected information during the time of testimony can later designate that testimony during the 30-day period. Also, the level of protection for the transcript during the 30-day period is not specified.

AIPLA suggests that the order be revised to delete the requirement that an oral note be made on the record during the deposition and/or to make clear that the failure to make an oral note of protection during the testimony does not waive a party's right to designate the testimony for protection during the 30-day review period. AIPLA also suggests that the order be revised to clarify whether the transcript should be treated as Confidential or AEO during this 30-day period.

Thank you for considering AIPLA's suggestions.

Sincerely,

Myra H. McCormack

President

American Intellectual Property Law Association

31 January 2018

Honorable Mary Boney Denison
U.S. Patent and Trademark Office
Trademark Trial and Appeals Board
Commission of Trademarks
600 Dulany Street
Alexandria, VA 22314

Re: Comments on Revising TTAB's Standard Protective Order

Commissioner Denison:

The TTAB Policy Collaboration Site has issued a request for comments relating to the Trademark Trial and Appeal Board's Standard Protective Order ("SPO") in effect as of June 24, 2016. Intellectual Property Owners Association ("IPO") appreciates the opportunity to submit comments in response to this request.

IPO is an international trade association representing companies and individuals in all industries and fields of technology who own or are interested in intellectual property rights. IPO's membership includes roughly 200 companies and more than 12,000 individuals who are involved in the association, either through their companies or as inventor, author, law firm, or attorney members. IPO membership spans more than 30 countries. IPO advocates for effective and affordable IP ownership rights and provides a wide array of services to members.

We write to request that the SPO be revised to eliminate the distinction between in-house and outside counsel as it relates to accessing confidential documents and information. The SPO describes two levels of confidentiality: "Parties and their attorneys shall have access to information designated as confidential, subject to any agreed exceptions." "Attorneys" are defined by the order as "including in-house counsel and outside counsel." The order further states, however, that "Outside counsel, but not in-house counsel, shall have access to information designated as Confidential – Attorneys' Eyes Only (trade secret/commercially sensitive)." (Emphases in original). The SPO thus assumes that in-house counsel—solely because of their status as in-house counsel—should be treated differently than outside counsel.

IPO submits that this distinction is inconsistent with the Federal Circuit's opinion in *U.S. Steel Corp. v. United States*, 730 F.2d 1465, 1469 (Fed. Cir. 1984), which stated, "denial of access sought by in-house counsel on the sole ground of their status as in-house counsel is error," and vacated and remanded the lower court's decision denying in-house counsel's access to confidential information. The court went on to say, "[I]f retained counsel, in-house counsel are officers of the court, are bound by the same Code of Professional Responsibility, and are subject to the same sanctions." *Id.* at 1468; see *Helene Curtis Inc. v. Derma-Cure Inc.*, 43 U.S.P.Q.2d 1316, 1317-18 (T.T.A.B. July 9,

1996) (“[R]espondent has not persuaded the Board that access to confidential information by in-house counsel would result in inadvertent disclosure or substantial harm.”).

Although the Federal Circuit acknowledged there might be some circumstances that make denial of access appropriate—for example, where in-house attorneys are involved in competitive decision-making – it explained that the facts should still be weighed “on a counsel-by-counsel basis” by reviewing “the particular counsel’s relationship and activities.” U.S. Steel Corp., 730 F.2d at 1468; see *Matsushita Elec. Indus. Co. v. United States*, 929 F.2d 1577, 1579 (Fed. Cir. 1991) (finding reversible error where in-house counsel, who also held the titles “Senior Vice President” and “Secretary,” but who was not involved in competitive decision-making, was barred access to confidential documents). Moreover, the cases indicate the threshold showing is high: the party seeking to deny access must prove there is a “serious risk” of disclosure, see, e.g., U.S. Steel Corp., 730 F.2d at 1469, or even that access “would result in” disclosure. See, e.g., *Helene Curtis*, 43 U.S.P.Q.2d at 1318 (emphasis added).

The SPO, however, treats in-house counsel and outside counsel differently simply on the basis of in-house counsel’s status. Although the SPO may be revised upon stipulation of the parties, a party without in-house counsel may demand a concession in return, believing they are giving something up, or they may refuse the request altogether. If they refuse to stipulate, the party seeking to amend the SPO must file a motion with the Board, which (unnecessarily, in our view) takes up resources of the parties and the Board.

Moreover, it is important for outside and in-house counsel to work as a team serving their mutual client, with a free flow of information and documents in connection with their collaboration. The current SPO creates a situation where outside counsel might be required to withhold documents or information from their in-house counterpart, potentially impairing the representation, including interfering with candid settlement discussions.

Consequently, we request that the SPO be amended to remove the difference in treatment between in-house and outside counsel, as reflected below:

(Section 1) “Confidential – Attorneys’ Eyes Only (Trade Secret/Commercially Sensitive) Material to be shielded by the Board from public access, restricted from any access by the parties, and available for review by in-house and outside counsel for the parties...”

(Section 3) “Outside counsel and but not in-house counsel shall have access to information designated as Confidential – Attorneys’ Eyes Only (trade secret/commercially sensitive)”

IPO acknowledges that there are situations in which disparate treatment of in-house and outside counsel might be appropriate, such as when in-house counsel additionally has a role or position where they are responsible for making business decisions and not just providing legal advice. Therefore, if the TTAB accepts this comment and adopts the changes proposed herein, we suggest that the revised SPO include language that the parties might want to consider revising the SPO if either party has in-house counsel with such a business decision-making role. The SPO could encourage the parties to discuss this question at the discovery conference and, if a party represents that its in-house counsel does not have competitive decision-making authority, to so certify to the other party in writing.¹

Thank you for the opportunity to provide our comments.

Henry Hadad

President

1 This language could be similar to the current SPO's encouragement of the parties to sign the SPO so that the terms are enforceable after the conclusion of the board proceeding.



◀◀ BACK TO LIST

1 OF 2



TTAB IS SEEKING INPUT ON THE CURRENT STANDARD PROTECTIVE ORDER

 **IBM IP Law (@lisaulrich)**
on Tuesday

IBM and Gilead support the current Standard Protective Order.

Gilead and IBM thank the United States Patent and Trademark Office (“Office”) for the opportunity to comment on the TTAB Standard Protective Order (“SPO”). We appreciate that the current SPO includes a designation for “Attorney’s Eyes Only” that excludes in-house counsel. We think that the outside counsel only designation is especially important in trademark proceedings.

Gilead and IBM believe that “Attorney’s Eyes Only” protection which excludes in-house counsel is necessary to protect a party’s trade secret/confidential information adequately and therefore the SPO should continue to include this category as a matter of course without amendment by the parties or the TTAB. We further suggest a tiered level of confidentiality that includes: (i) a tier for outside counsel eyes only, precluding in-house counsel, particularly with respect to trade secrets and commercially sensitive information, (ii) a tier for attorneys’ eyes only that includes in-house counsel, and (iii) a general confidentiality tier that permits in-house counsel to share with their in-house business clients and external non-legal advisors with a need-to-know in order to advise.

Unlike other administrative proceedings before the Office, trade secret/commercially sensitive information is frequently at issue in trademark disputes. In determining whether two trademarks are likely to be confused, the TTAB will look at whether the goods/services at issue are similar or dissimilar, the similarity or dissimilarity of established, likely-to-continue trade channels and the market interfaces between the applicant and the owner of the prior mark. In re E.I. du Pont de Nemours & Co., 476 F.2d 1357, 177 USPQ 563 (CCPA 1973). Information regarding markets, customers and expansion strategy, all of which are commercially sensitive planning information, are uniquely relevant to a trademark dispute. Since trademark disputes often occur between parties operating in the same industry, the commercially sensitive information/documents may be sought by a competitor or an entity which will benefit from seeing the information. Companies fiercely guard their marketing plans, which are usually closely tied to their secret R&D and product plans, and other commercially sensitive information such as customer lists. It would be an unfair risk to companies to require them to disclose such information to their competitors’ in-house counsel, who work closely with and advise competitor marketing departments.

Current federal case law holds that in-house counsel may be appropriately restricted from reviewing trade secret information. Restrictions on allowing in-house counsel to review trade secret information are designed to address the concern that access to that information would put counsel in the "untenable position" of either refusing his employer's legal advice or revealing the sensitive information. *Intel Corp. v. VIA Techs., Inc.*, 198 F.R.D. 525, 530-31 (N.D. Cal. 2000) (citing *Brown Bag*, 960 F.2d at 1472). "Because counsel is unable to 'lock-up trade secrets in [her] mind,' the terms of a protective order and the good-faith assurances of an ethical counsel are insufficient on their own to safeguard the inadvertent disclosure of trade secrets." *Adobe Sys. v. Davachi*, 2011 U.S. Dist. LEXIS 71296 (N.D. Cal. 2011) (denying access to in-house counsel) citing *Brown Bag Software v. Symantec Corp.*, 960 F.2d 1465, 1471 (9th Cir. 1992) (denying access to in-house counsel); *Intel Corp. v. VIA Techs., Inc.*, 198 F.R.D. 525, 530-31 (N.D. Cal. 2000) (denying access to in-house counsel); *Pinterest, Inc. v. Pintrips Inc.*, 2014 U.S. Dist. LEXIS 124337 (N.D. Cal. 2014) (denying access to in-house counsel). "Regardless of an occasional statement of some courts to the contrary, in house counsel are subject to pressures different from those which outside counsel face, if only that their own economic well-being is inextricably bound up with their employer's." *Autotech Techs. Ltd. P'ship v. Automationdirect.com, Inc.*, 237 F.R.D. 405, 408 (N.D. Ill. 2006) citing *In re PPG Industries, Inc.*, 944 F.2d 912 (Fed.Cir.1991).

The most recent TTAB case law also confirms that in-house counsel may properly be prevented from accessing trade secret/commercially sensitive information. In *Georgia-Pacific Corp. v. Solo Cup Co.*, 80 U.S.P.Q.2d 1950 (Trademark Trial & App. Bd. Aug. 24, 2006), the Board refused to allow in-house counsel to access Attorneys' Eyes Only information, even though: (1) the company had over 55,000 employees; (2) counsel was a member of a 100-person legal department; (3) counsel had "key knowledge of the industry and the nature of the products;" (4) counsel promised to keep the information on secure floors; (5) counsel promised to store digital copies of the information on a separate, secure server; and (6) outside counsel submitted a letter stating that in-house counsel did not participate in business strategy. Ultimately, because legal advice in an in-house setting involves so many different considerations, the Board was not convinced that counsel would be able to put up a mental wall to ensure that no trade secret information would factor into the analysis.

The current SPO provides a party with appropriate protection for trade secret/commercially sensitive information without need for an amendment. Currently, the SPO permits the designation of material as for outside attorneys' eyes only without need for amendment of the protective order. Designation of information as confidential is up to a particular party, and is not required by the SPO. The parties must use reasonable, good-faith confidentiality designations, and they must be prepared to demonstrate that those designations were justified. See TBMP § 412.01(a); 37 C.F.R. § 2.116(g). Therefore, a party who must produce trade secret/commercially sensitive information in response to a discovery request or in prosecuting its case has adequate protection without recourse to a motion to the TTAB.

A protective order that includes a tier which precludes in-house counsel does not unduly impede cooperation between a party's legal team or settlement discussions. To the extent that the parties agree, they are free to stipulate to modifications of the SPO. Parties may also work together concerning re-designation of the confidential status of a particular document.

The burden of demonstrating a need for protection of trade secret/commercially sensitive information should not change. To the extent that the parties disagree about the use of the "Attorney's Eyes Only" designation in the existing SPO, it is the party seeking access to confidential information who must make the motion and bears the burden of demonstrating either that the information is not trade secret

or commercially sensitive or that in-house counsel is not involved in relevant commercial decision-making. To adequately protect trade secret/ commercially sensitive information, this burden should not change, and this designation should be available to a party as a matter of course.

Practice in contested administrative trademark proceedings in the U.S. is already unique in that discovery is vastly more expansive (and nearly equivalent to full litigation discovery) than in other jurisdictions around the world. We are concerned that providing attorneys - in-house and outside counsel - an all access pass to the trade secrets and commercially sensitive information of their competitors would only encourage trademark proceedings (possibly frivolous) before the TTAB for the fishing expedition that such administrative litigation would enable.

Gilead and IBM thank the Office for providing an opportunity to submit comments on the TTAB Standard Protective Order. IBM and Gilead support the SPO which advances an intellectual property protection mechanism particularly important for the type of evidence relevant in trademark disputes. Trade secret/commercially sensitive information is frequently at issue in trademark disputes before the TTAB. In house trademark counsel work closely with and advise their corporate marketing departments. Corporations are careful to prevent competitor marketing departments from accessing their trade secret/commercially sensitive information. Therefore, we appreciate that the SPO includes a designation for "Attorney's Eyes Only" that excludes in-house counsel. Under the SPO, the burden of demonstrating either that information is not trade secret or commercially sensitive or that in-house counsel is not involved in relevant commercial decision-making appropriately remains with the party seeking access to the confidential information.

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EXHIBIT G

TM5 Project Updates

August 22, 2018

Current TM5 Calendar:

TM5 Annual Meeting: November 1-2, Seoul, South Korea

TM5 Invited User Session: November 2, Seoul, South Korea

TM5 currently has 15 projects (lead Partner provided):

- ID List – USPTO
- Common Status Descriptors – USPTO
- Indexing Non-Traditional Trademarks – USPTO
- Fraudulent Solicitations – USPTO/EUIPO
- Common Statistical Indicators – EUIPO
- Taxonomy and TMClass link – EUIPO
- TMview – EUIPO
- User involvement – EUIPO and JPO
- Bad Faith – JPO
- Image Search – JPO
- TM5 Website – KIPO
- Comparative Analysis on Examination Results – KIPO
- Description of Product Names – KIPO
- Priority Rights Documents – EUIPO
- Quality Management – EUIPO/JPO

ID List

- USPTO is the lead on this project, which provides a list of pre-approved identifications of goods and services that are acceptable in all TM5 offices. As of August 6, 2018 the [TM5 ID List](#) contained 18,724 harmonized identifications (terms approved by all 5 Partners).
- The national trademark offices of non-TM5 countries can also participate in the project on a limited basis. To date, the Offices of Colombia, Chile, Canada, the Philippines, Singapore, Mexico, and the Russian Federation have joined the project. Colombia has accepted more than 90% of the terms on the ID List, which means that now Colombia can also propose terms to the ID list for consideration by the Partners. Colombia is the first non-TM5 country to propose IDs to the ID List. Invitations have been extended to Australia, New Zealand, Vietnam, Peru, Brazil, Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Thailand, Morocco, Algeria, United Arab Emirates, India, South Africa, OAPI, ARIPO, Argentina and Paraguay. South Africa declined.
- At the 2017 Annual Meeting, the Partners agreed to invite Argentina, Paraguay and Saudi Arabia to join the ID List.

Common Status Descriptors

- USPTO is the lead on this project, which aims to show the status of trademark applications and registrations using the same set of status symbols in all TM5 offices. The USPTO implemented the full set [Common Status Descriptors](#) into our Trademark Status and Document Retrieval (TSDR) tool in April 2016, followed by EUIPO on November 5, 2016, JPO in April 2017, SIPO in May 2017, and KIPO in March 2018.
- We have also invited Indonesia, Thailand, Cambodia, Vietnam, Australia, Singapore, New Zealand, Mexico, Norway, Switzerland, Israel, Jordan, and Saudi Arabia to join the Common Status Descriptors.
- EUIPO will soon implement the CSD on the TMView “results” page.

Indexing Non-Traditional Trademarks

- USPTO is the lead of this project that is exploring ways to index non-traditional marks. Through this project, the TM5 Partners will learn more about one another’s methods of indexing of non-traditional trademarks, by coming together to share their respective best practices. Based on this exchange, the TM5 Partners will then work together to develop a common, recommended indexing scheme drawing from the available indexing schemes. Currently, the Partners are working on a guide for examining 3D marks that will include application requirements.

Fraudulent Solicitations

- This project is co-led by USPTO and EUIPO. The purpose of this project is to exchange information on the problem, exchange best practices to combat the problem, coordinate efforts in combatting the problem, raise public awareness of the problem and to create a one-stop shop on TM5 website with information and a multi-national database of questionable solicitations. We intend to share information with other national government agencies via working groups, including investigators, law enforcement, prosecutors, consumer protection agencies, share information with other IP offices, encourage coordination and coordinate within TM5 on outreach efforts.

Common Statistical Indicators

- This is an EUIPO-led project to collect common statistical indicators that capture calendar year data from the various TM5 offices and make the information available to the public. The [2015 data](#) is posted to the TM5 website and other data will be posted in the near future. The Partners are in the process of providing data for CY 2017.

TMclass & Taxonomy

- EUIPO is the lead on this project, which aims to place each identification of goods in a hierarchical tree structure. [TMclass](#) is a database that contains the listing of various national trademark offices’ acceptable identifications of goods and services, and that sets forth the classifications of these IDs. It is expected that this project will be closed at the 2018 TM5 Annual Meeting.

TMview

- EUIPO leads the [TMview](#) project , which is an online searchable database of trademark applications and registrations in 56 trademark offices. EUIPO, USPTO, KIPO and JPO data is included, and SIPO data may be included in 2018.

User Involvement

- Currently, EUIPO and JPO are focusing on different areas of user involvement: EUIPO focuses on participation of users in TM5 projects and JPO focuses on information to users, primarily in the form of workshops.
- EUIPO issued a questionnaire to TM5 user groups on Taxonomy. All Partner users completed the questionnaire, and the Partners are in the process of providing feedback to EUIPO.
- A workshop on examination of non-traditional marks and proving acquired distinctiveness was held on Monday, May 21, at the [2018 INTA Annual Meeting](#) in Seattle. A user workshop at the 2017 INTA Annual Meeting in Barcelona related to combatting bad faith filings. The Partners have begun planning the new workshop that will take place at the 2019 INTA Annual Meeting in Boston.

Bad Faith Project

- This is a JPO-led project through which the TM5 Partners have been sponsoring an ongoing series of seminars and issuing reports on how national trademark offices and rights holders can address the problem of bad faith filings of applications for trademark registration.
- The last seminar was held at the 2017 INTA Annual Meeting in Barcelona, which was accompanied by the publication of [TM5's 2017 report on Bad Faith](#). Currently, the Partners are preparing case studies for a new bad faith report, and we look forward to its publication in 2019.

Image Search

- This is a JPO-led project aimed at driving future development of image search systems available for figurative trademark examinations. In November 2017, the Partners participated in a meeting in Tokyo on the state of the art in the field and how the Partners are handling the issues regarding the image search system. A meeting report is expected in the near future. The Partners continue to share information on this developing field.

TM5 Website

- KIPO hosts the [TM5 website](#) (<http://tmfive.org/>) through which the TM5 Partners describe the various TM5 cooperation projects. The Partners are in the process of updating their information on the website and adding a user's corner with helpful information for users. KIPO intends to address the users' concerns over completeness and timeliness of the website contents, and the Partners will promote the website better. Soon, a user's corner will be active. We welcome the users' suggestions as to the TM5 website.

Comparative Analysis on Examination Results

- KIPO is the lead on this project whose purpose is to increase user convenience by enabling international applicants to predict the registrability of filed marks in TM5 Partners' countries. The project is also to promote mutual understanding among TM5 Partners of their system through information exchanges. The Partners have completed review of 50 cases and will soon begin reviewing a second set of 50 cases for 2018.

Information on Describing Product Names for Users

- This is a KIPO-led project that is a sub-project of the TM5 website with the aim of assisting users in drafting IDs in accordance with Partner guidelines when a term from the ID List is not available for their goods/services. The Partners published a [report on ID practices](#) in 2016. In 2017 the Partners provided detailed information to KIPO about their ID practices through a large study, and the Partners completed a second large study in early 2018. The Partners agreed to complete a third large study in 2018.

Priority Rights

- This EUIPO-led project is a comparative study of Paris priority practices amongst the Partners. Phase I will include a Comparative overview of the practices of TM5 Partners regarding the acceptance of priority right documents and establish a list of conditions to fulfill for foreign priority documents to be accepted (such as whether electronic format documents without legalization are accepted). Phase II is proposed to assess conditions under which TM5 Offices can accept priority rights documents issued by other TM5 Partners. The Partners are currently completing a questionnaire for Phase I.

Quality Management

- This project is co-led by JPO and EUIPO on quality management. JPO will lead Phase I, which will include exchanging information on respective systems on examination practices, quality management activities, and initiatives to further understanding and reliability on quality management. EUIPO will lead Phase II, which is proposed to bring together users and the Phase I information to provide feedback on quality measures. The Partners are currently completing a questionnaire for Phase I.