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TESTIMONY
TRADEMARK PUBLIC ADVISORY COMMITTEE
HEARING ON PROPOSED FEE CHANGES
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My name is Allison Strickland Ricketts. I am a partner at Fross Zelnick Lehrman & Zissu.

For 50 years, Fross Zelnick's lawyers have practiced exclusively in the areas of trademark, copyright, design patent and related matters. We have extensive experience in search and clearance, adoption, and protection of trademarks, and portfolio trademark management in the United States and around the world. We advise many of the world's best-known brands on trademark strategies, enforcement, and transactions, and we are consistently ranked at the top of our profession by legal publications such as World Trademark Review, Managing Intellectual Property, Chambers and The Legal 500.

More relevant to this hearing, our attorneys have handled more than 38,000 trademark applications and registrations before the USPTO.

All of the unit costs and proposed fees I will reference are for electronic filing via TEAS.

APPLICATIONS

We support the proposed fee increases for newly filed applications.

INTENT TO USE

The notice does not propose any changes for ITU filings. The unit cost for processing an extension of time to file a Statement of Use is \$13. The fee is \$125/class. That is \$112 of profit on every one-class ITU filing. I think it is probable that ITU applicants are disproportionately US citizens, since such applicants are not eligible to use Section 44 or 66. We would like to see the fee for obtaining a six-month extension to file the Statement of Use reduced, to no more than \$100/class. This would reduce the disproportionate burden of these fees on US citizens who are the biggest users of the ITU filing basis.

On the other hand, the unit cost for processing a Statement of Use is \$108, but the fee is \$100. We would support an increase of that fee to \$125/class. These changes would better align the fees with the unit cost.

POST-REGISTRATION

We do not understand why the unit cost of a Section 8 is \$30 but the unit cost of a Section 71 is \$13. They are the same thing.

We would not object to increasing the fee for a Section 8 or 71, but not by as much as \$100, which is proposed. Three years ago this fee, which had been \$100/class, was increased by \$25. Another \$25 increase would be acceptable.

We do not support an increase in the fee for filing a Section 15. The fee is \$200/class but the unit cost is \$30. The fee is high enough and whatever the Office does in the course of acknowledging these filings is fully recouped with the existing fee.

FEE FOR DELETING GOODS AND SERVICES

First, an observation. The proposal to impose a new fee for deleting goods or services following a post-registration audit will succeed in its goal to “promote voluntary decluttering” only if registrants:

1. know about the new fee before they file a Section 8 or Section 71, and
2. know about the existence of the post-registration audit and consider that they have a risk of being randomly audited.

Many people are not aware of the existence of the post-registration audit, including attorneys who do not practice trademark law as a major part of their practice.

Adding more warnings to the TEAS forms in all upper case letters and in red text to educate trademark owners about these issues is not a strategy for success. The forms need to be substantially re-designed.

Bottom line, I do not think this proposed new fee would be very effective at promoting “voluntary decluttering.”

But this new fee would raise money to achieve other goals, so we support it for that reason.

However, we do not support the proposed fee of \$100 per item deleted.

1. This would be more punitive in some industries than others. Compare specific list of clothing required in Class 25 to broad “alcoholic beverages except beer” which is acceptable in Class 33.

2. It also would unfairly penalize people who provided more specificity about their goods than what is required. I looked at the file of a registrant selected for the audit whose registration specified “surgical instruments and apparatus,” which is acceptable on its own and covers all types of surgery. But then the registrant had gone on to identify 22 specific types of surgery in which the instruments were used. Thus, under this proposal, this registrant would have to pay \$2300 to delete all of these items, whereas another registrant that enjoyed an equally broad scope of protection but in only one phrase would only have to pay \$100 to delete the single item. This seems an arbitrary and capricious outcome as between these two similarly situated registrants.

3. Practically speaking, how would this be calculated? It may not be perfectly clear what a single item is.

- In the example above, all of the types of surgery were listed within a single clause ending in a semi-colon. I might have thought that an “item” should be interpreted as all the text between semi-colons. But the post-registration audit Office action separated each item into a separate line item by type of surgery, resulting in 22 separate items.
- Same issue for software. These ID’s must identify the functionality. Is “computer software for the collection, editing, organizing, modifying, book marking, transmission, storage and sharing of data and information” actually 8 items because each function is considered separable? Or is it 16 items because each function is applied to “data” and each function is applied to “information”? Think how this would expand exponentially if the fields of use were included.

4. If the fee will be large, more than say, \$3000 (and the registrant I mentioned above was up to 77 items for which it was required to provide proof of use), it seems like this might encourage the registrant to abandon the post-registration filing and start over with a new, equally cluttered application.

For the above reasons, we think a per item charge for deletion is ill-conceived and we oppose this.

However, we would support a per class fee when goods/services are deleted in a class in response to a post-registration audit.

As far as collecting this fee in TTAB proceedings, we don't know what an "adverse finding" is meant to encompass. Is this different from an adverse "decision"? Does it include default judgments? Does it include a judgment against one class of a multi-class registration when only one class had a counterclaim against it, and if so, how exactly would the TTAB go about collecting this fee? Would the registrant be assessed a fee for deletion of the goods in the class that was deleted, but lose the entire registration, even in the classes against which a counterclaim was not brought, if it did not pay that fee?

Due to the practical problems of implementing this at the TTAB, we do not support imposing such a fee in connection with TTAB proceedings.

REQUESTS FOR RECONSIDERATION

No reason was given to justify a new fee of \$400 for filing a Request for Reconsideration. We oppose any fee for filing a request for reconsideration.

A request for reconsideration is any response to a final refusal Office action. There are numerous reasons why such a response is filed. Just a few of these include:

- To enter a disclaimer after arguments against it did not succeed in response to the first refusal.
- To submit a coexistence agreement to overcome a 2(d) refusal when arguments against it did not succeed in response to the first refusal.
- To notify the Examining Attorney that a cancellation action has been filed against a blocking registration and to request suspension.
- To request suspension of the application because a blocking registration has entered the six-month grace period for maintenance (this might not have been permitted in response to a first Office action because the blocking registration had not yet entered the grace period).
- To submit a new drawing.
- To satisfy the examining attorneys' further ID specificity requirements.
- To submit substitute specimens.

TTAB Fees

We oppose the increase in fees for seeking extensions of time to oppose. Parties use this time to try to work things out and avoid the expense of a proceeding. In our view, this should be encouraged, not discouraged with a higher fee. We also do not understand why the unit cost is so high since the processing of these extensions seems to be almost entirely automated.

We oppose an increase in the fees for filing a Notice of Opposition or Petition for Cancellation. As Commissioner Denison pointed out in her Congressional testimony this summer, the Office does not have the power to re-open examination and cancel a registration, once issued, even in cases of fraud. It must rely on private parties to institute such proceedings. Making it even more expensive to do so is at odds with the goal of reducing cluttering. It also produces a disproportionately larger hardship for individuals and small entities.

We do not support imposing a fee to file a motion for summary judgment. This could discourage ending meritless cases.

Thank you for the opportunity to testify.