



March 31, 2021

The Honorable David Gooder
Commissioner for Trademarks
600 Dulany Street
Alexandria, Virginia 22313

Ms. Amy Cotton
Acting Deputy Commissioner for Trademark Examination Policy
600 Dulany Street
Alexandria, Virginia 22313

Via Email: TMFeedback@uspto.gov

RE: Comments Regarding the Implementation of the Trademark Modernization Act of 2020

Dear Commissioner Gooder and Acting Deputy Commissioner Cotton,

Amazon.com, Inc. ("Amazon") appreciates the opportunity to comment and continue to work with the United States Patent and Trademark ("USPTO") regarding the implementation of the Trademark Modernization Act of 2020 ("TMA"). Amazon applauds the Trademark Office's ("the Office") active engagement with all stakeholders to protect the integrity of the U.S. trademark register, remove improper trademark registrations, and pursue additional steps in our shared mission of stopping bad actors. The new procedures will be a valuable tool for all businesses, particularly small and medium enterprises ("SMEs"), as they build brand equity and invest in their trademarks.

At this time, our recommendations focus on: (1) preventing abuse of these new proceedings by establishing adequate procedural safeguards critical to furthering the TMA's goal of strengthening and preserving the integrity of the U.S. trademark register; and (2) ensuring that the new flexible response periods account for the unique burdens placed upon SMEs. To further these goals, Amazon proposes the following regulations and procedures for implementing the TMA.

EX PARTE EXPUNGEMENT AND REEXAMINATION

1. Reasonable Investigation Guidance

The more thorough the nonuse investigation, the more likely a petitioner is to find use in commerce of a registrant's mark. Reasonable investigation criteria, at a minimum, should include the following to help ensure legitimate claims:

- Petitioners should be required to provide documentation of alleged nonuse by showing nonuse reflected in each inquiry within their investigation. For instance, if a petitioner relies on Internet searches to determine nonuse, then the petitioner should be required to provide documentary evidence of the criteria for each search and the alleged nonuse reflected by each search, such as a screenshot showing the query and results. For any references to the subject mark in the returned results, e.g. hyperlinks that contain the subject mark, the petitioner should be required to expand the webpage to show the results of the hyperlink destination, showing that there is no use or reference to suspended use.
- Because the effectiveness of investigation strategies varies depending on the industry and goods and services at issue, petitioners should be required to establish that their investigation strategies are reasonably designed to determine use in commerce for the goods and services included in their petitions. For instance, petitioners should be required to demonstrate that their investigation strategies reflect use in commerce by other third-party registrants for identical goods and services.
- Internet searches are likely to be a common type of investigation employed by petitioners in *ex parte* proceedings. The results of Internet searches using mainstream Internet search engines are prone to variation based on the location of the investigator, when the search was conducted, and even the prior search history. Any Internet search relied upon by a petitioner therefore should be conducted by an investigator located within the United States and at a time reasonably contemporaneous with the filing of the petition, e.g. within 14 calendar days.
- Considering the cost and burden of the new *ex parte* proceedings on both the Office and registrants, and the potential unreliability of an investigation based only on Internet searching, Internet searches alone should not be sufficient to establish a *prima facie* case.

2. Types of Evidence for *Prima Facie* Cases

In addition, adequate procedural safeguards for establishing *prima facie* cases, at a minimum, should include the following:

- Standards of evidence should at least be comparable to evidence acceptable for examination under Section 12 of the Trademark Act, including, but not limited to, the submission of access date and URL information for all Internet materials relied upon by the petitioner. In addition, the Office should give deference to authenticated evidence of nonuse emanating from registrants themselves, such as official corporate statements, press releases, and regulatory filings.
- To help ensure acceptable standards of evidence and the legitimacy of claims, verifications for petitions should include, among other things, compliance with Rule 11 of the Federal Rules of Civil Procedure. All petitions should be accompanied by a declaration under 18 U.S.C. § 1001 supporting the petitioner's statements.

- Petitioners domiciled outside of the United States should be subject to the requirements of 37 C.F.R. § 2.11(a) and be represented by an attorney who is an active member in good standing of the legal bar of the highest court of a state within the United States.
- Following the filing of a petition, registrants should be allowed to report petitioner's bad faith before the Office determines whether to institute an *ex parte* proceeding. The existing rules and laws regarding bad faith should be applied to the new *ex parte* proceedings. See TBMP § 318; *see also* 37 C.F.R. § 2.116(a); *NSM Resources Corp. v. Microsoft Corp.*, 113 U.S.P.Q.2d 1029, 1037-38 (TTAB 2014) (applying Rule 11 sanctions to dismiss a Board proceeding "initiated in bad faith" finding petitioner's pleading "frivolous," and its conduct "vexatious").

3. Registrants' Evidence of Use

Section 5 of the TMA specifies that a "registrant's documentary evidence of use must be consistent with when 'a mark shall be deemed to be in use in commerce' as defined in section 45, but shall not be limited in form to that of specimens as provided in section 1(a)." The requirement to prove use in commerce for each challenged good or service identified in a registration can pose onerous record-keeping obligations on registrants if the threshold for acceptable evidence of use comes close to the requirements for specimens under Section 1(a). As detailed above, this burden is compounded by the potential need for evidence in reexamination proceedings from over five years in the past. Imposing a high evidentiary standard for registrants to show use would thus increase the practical cost of registration by requiring registrants to incur additional record-keeping costs to safeguard against challenges. This has the potentially far-reaching and unintended consequence of reducing access to trademark rights. Therefore, evidentiary requirements for registrants should be as flexible as possible while still being consistent with the definition of "use in commerce" under Section 45 of the Trademark Act.

To further the TMA's goal of creating less costly and quicker alternatives to *inter partes* proceedings, registrants should be allowed to submit evidence that meets the standard for specimens under Section 1(a) for each challenged good or service identified in a registration to automatically rebut a petitioner's *prima facie* case. This should promptly terminate an *ex parte* proceeding in favor of the registrant.

4. Registrants' Response Times to the New *Ex Parte* Proceedings

Section 5 of the TMA specifies that regulations for *ex parte* proceedings "may include regulations that set response and extension times." Due to the unique evidentiary challenges posed by these new proceedings, the Office should err on the side of caution to afford registrants adequate time to respond. In the case of *ex parte* reexamination proceedings, the relevant time of use in question may be more than five years in the past. This can pose significant hurdles for collecting appropriate evidence that may fall outside of the registrants' document retention policies. Registrants therefore should be afforded six months for an initial response. This is comparable to current examination response procedures under Section 12 of the Trademark Act.

Registrants in many cases may have more than sufficient evidence to rebut nonuse claims at the outset of the proceeding. To promote timely resolution of these claims, the Office should issue a determination within 30 days of a registrant's submission of proof that automatically rebuts a petitioner's *prima facie* case.

5. Limitations on Co-Pending Proceedings

Section 5 of the TMA specifies that regulations for *ex parte* proceedings may "define the relation of a proceeding under this section to other proceedings concerning the mark." *Ex parte* proceedings are intended to be a less costly and less time-consuming alternative to *inter partes* proceedings. Unless *ex parte* proceedings are stayed while *inter partes* proceedings are pending, the *ex parte* proceedings will have the unintended consequence of undermining *inter partes* proceedings, because faster resolution of an *ex parte* proceeding resulting in the cancellation of a registration potentially moots or impacts the more robust proceedings in *inter partes* forums. This could lead to unpredictable results, eroding the reliability of USPTO proceedings. This is one of the reasons why an *ex parte* proceeding should be stayed pending the outcome of an *inter partes* proceeding concerning the mark regardless of whether a nonuse claim is at issue in the *inter partes* proceeding. Indeed, this measure will also help dissuade parties from instituting frivolous *ex parte* proceedings to escape or gain leverage in concurrent, yet unrelated, *inter partes* proceedings.

6. Additional Safeguards Against Abuse

Several of the safeguards detailed above, such as the requirement for U.S. attorneys by foreign-domiciled parties and compliance with Rule 11, not only focus the Office's resources on legitimate claims but also deter misuse of the *ex parte* process by bad actors. In addition, *ex parte* procedures, at a minimum, should include the following to safeguard against abuse:

- Fees for instituting *ex parte* proceedings should be adequate to discourage abuse by petitioners and account for the increased administrative burden of these proceedings on the Office. Filing fees for these proceedings should be no less than the cost of initiating *inter partes* proceedings—i.e., \$600 per class of goods or services challenged in a petition.
- The verification required for *ex parte* petitions should require that the verifier declare under penalty of perjury that the averments in the petition are true and correct under 18 U.S.C. § 1001 or 28 U.S.C. § 1746.
- Attorneys representing repeat bad actors should be subject to disciplinary sanctions by the USPTO's Office of Enrollment and Discipline, with mandatory referrals to the relevant state bar associations.

EX PARTE CANCELLATION ORDERS

Section 5 of the TMA specifies that, following an *ex parte* proceeding for which it is determined that a mark has not been used by the relevant time frame with no eligible excusable nonuse, a challenged registration “should be cancelled for each such good or service.” To avoid inequitable cancellation, regulations for these cancellation orders should clarify that a registration should not be cancelled in total unless a determination of nonuse with no eligible excusable nonuse has been made for all goods and services in the registration.

INTER PARTES CANCELLATION ORDERS

Section 5 of the TMA specifies a new *inter partes* cancellation ground for expungement. It is silent, however, as to whether cancellation orders for successful expungement claims pertain to some or all of the goods or services identified in registrations. To avoid inequitable cancellations, regulations implementing this new *inter partes* cancellation ground should clarify that a registration should not be cancelled in total unless a determination of nonuse with no eligible excusable nonuse has been made for all goods and services in the registration.

EXAMINATION RESPONSE PERIODS

Section 4 of the TMA specifies that an applicant “shall have a period of six months in which to reply or amend the application, or such shorter time that is not less than sixty days” following refusal of an application for trademark registration. Any stratification of response periods should be consistent with the goals of the TMA, namely reducing fraud and decluttering the U.S. trademark register. In addition, implementation of the TMA should guard against imposing a disproportionate burden on *pro se*, individual, or small-business applicants, who are less likely to have the knowledge or resources to navigate a more complex response procedure and would consequently be more prone to inadvertent defaults. Therefore, response periods of less than six months should be used sparingly and be reserved exclusively for refusals furthering the goals of the TMA. To that end, refusals arising from abusive behavior targeted by the TMA as well as non-substantive refusals such as those addressing application formalities are appropriate for shorter response periods. By contrast, substantive refusals such as those under Section 2 of the Trademark Act are generally unrelated to the goals of the TMA and should be afforded six-month response periods. This stratification of response periods should be consistently applied by the Office to minimize administrative burden for docketing and avoid inadvertent defaults.

CONCLUSION

Integrity of the U.S. trademark register is imperative for all entities, but especially SMEs, as they build brand equity and invest in their trademarks. The new mechanisms introduced by the TMA must focus on this integrity, safeguard against potential misuse, and maintain the balance needed to ensure the accessibility of the trademark registration process to all.

Commissioner David Gooder, *et al*

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Thank you for the opportunity to continue to work with the Office in our joint mission to reduce the impact of bad actors and provide recommendations regarding implementation of the TMA. Amazon is pleased to answer any questions and engage in further discussion.

Sincerely,

Dana Northcott

Dana Northcott

Vice President & Associate General Counsel, IP Operations