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Sent: Wednesday, February 3, 2021 11:46 PM
To: TMFeedback <TMFeedback@USPTO.GOV>
Subject: TMA Comments

To Whom It May Concern:

I understand the Office is seeking preliminary comments on some aspects of the Trademark Modernization Act and specifically the potential rules that might be implemented. I appreciate the opportunity to provide these comments and expect to provide further comments during the notice and comment period. In the meantime, I provide preliminary comments in my individual capacity regarding some of the questions posed by the Office. My contact information is set forth below and I would be pleased to provide further clarification if desired by the Office.

1. How long should the trademark owner have to respond (to the Petition in an expungement/reexamination proceeding)?

Obviously, the goal was to have an expedited proceeding which should be shorter than the current proceedings which, can be fairly short in cases of default and allows 40 days for an Answer or further extension. A period of 30 days (or 25 days) could be sufficient in some instances; however, there will be a need to have an opportunity for an extension. For example,

pro se individuals and foreign applicants, in particular, will need time to retain counsel in the US, and investigate the facts regarding use which, depending on the amount of time that has passed, could require an extensive investigation or search for supporting documentation (including resolving corporate document retention policies). Further, depending on whether the challenge arises over the holidays or summer vacation, or involves foreign counsel and other scheduling complications, allowances must be made for these circumstances.

2. What constitutes sufficient evidence to support a prima facie case of non-use?

The Office needs to articulate a standard for a prima facie case but needs to consider that the amount and type of evidence in a suitable “investigation” could vary by industry or other specific circumstances. One could envision internet searches, formal use investigations, discovery responses, public admissions and similar evidence being the type of evidence that, alone or together, could be sufficiently probative to make non-use more likely than not and may form the basis of a Petition. However, the Office needs to acknowledge the potential for mistake, abuse or misinterpretation, also considering that some industries do not make public use online, or publish “specimens” of use online that you might see in other industries such as consumer products. For example, B2B, industrial uses or ingredients used in further manufacture might not be advertised online and thus an internet search alone would not be dispositive. Care should be taken not to impose a low standard that would subject registrants who already satisfied registration requirements once to a proceeding that is premised on an investigation that is not appropriate under the circumstances of a given industry or factoring in the lapse of time and loss of records/evidence/witnesses. As a corollary to this, proceedings should not be instituted based on what a Petitioner might allege is a suitable investigation or on the basis of a Petitioner’s subjective belief of non-use, as the fact of non-use is the issue to be decided.

As another example of the difficulties inherent with some investigations, there could be smaller companies using a mark that might not reach the top of a Google® search list due to search engine optimization and/or a search of the website might not retrieve the mark but that does not preclude “use in commerce” (or that a mark has never been used in commerce) or advertising in other less-public or lesser-known trade channels, particularly where many brand owners use new mediums such as ever-evolving types of social media that can still create an association between the mark and the goods/services. It must also be noted that the statute references the broader term “investigation” not “search” and thus a “search” is not the only evidence contemplated by the statute.

There should also be an opportunity for expedited dismissal or challenge by the Registrant to challenge clearly deficient or manufactured evidence, for example, if the evidence does not meet the standard or is clearly mistaken on the facts or the law, for example, by including a typographical error in the search report, searching the wrong website, or presenting another similar defect. In such cases of deficient, non-dispositive or non-probative evidence, perhaps

the rules could allow the Director to issue a provisional ruling in favor of the Registrant because the investigation does not meet the standard to initiate the proceeding.

3. Do the Federal Rules of Evidence apply?

The Federal Rules of Evidence provide procedural safeguards and reliable standards but, in view of the attempt to create a streamlined proceeding, it should be acceptable to allow minimal discretion or exceptions when there is corroboration or some other readily ascertainable indicia of reliability, as long as the Registrant is provided due process and an opportunity to respond. The Office should also take care to delineate any deviations from evidentiary standards in cancellations and oppositions, as applicable, particularly where a reviewing court might not understand any differences between the various proceedings.

4. Would a specimen of use for only one of the laundry list of goods in a TM registration be sufficient to maintain the entire trademark registration?

The statute refers to “each good or service” and thus, presumably, the Petitioner must challenge the registration on an individual good/service basis. Related to this, it seems a “specimen” would need to relate to the rebuttal facts for the specific good/service. That said, if one rebuttal specimen or other proof of use revealed defects in the Petition itself, indicating there is no other support for the Petition, it could be sufficient to defeat the Petition as it was improper to institute the proceeding in the first place.

It must also be acknowledged that the statute expressly allows for proof of use in commerce beyond that which the Office might accept for a “specimen” of use. Specifically, the statute states the proof of use “shall not be limited in form to that of specimens as provided in section 1(a).” While the definition of “use in commerce” has not been changed in the TMA, the commercial realities of “use in commerce” are broader than what the Office accepts as specimens of use. The statutory definition of “use in commerce” includes broad terms such as “the displays associated therewith” or “documents associated with the goods or their sale.” Beyond this issue, is the fact that the statute does not use “use in commerce” as a defined term but the arguably broader, “never been used in commerce” standard. Congress specifically rejected attempts to use “use in commerce” and thus this seems to contemplate a lower standard of proof and that should be acknowledged by the Office or it will likely be the subject of future court challenges.

By way of illustration, courts sometimes consider a different meaning of “use in commerce” such that probative and admissible proof of use could include sales sheets/brochures handed out by sales people, shipping documents, invoices and other company documents that are admissible in court, for example, and used to support damages awards, satisfy tax/Customs authorities and the like (and such documents could be corroborated by testimony about

industry usage that would render them acceptable specimens or proof of use) . Particularly considering document retention issues and the passage of time, the Office will need to make broader allowance for other proof of use and/or corroborating documents that might not meet the “specimen” standard, especially because the Registrant initially satisfied the standards for registrability and should not have to re-litigate proof of use, absent compelling evidence of Registrant’s false statements, inaccurate claims, and wholly deficient claims of use that do not create any public association between the mark and the goods/services. Absent compelling evidence of non-use that clearly meets the standard, the benefit of the doubt should be provided to Registrant.

5. What burden of production/proof will the registrant have in response to a prima facie case? Is it merely a preponderance of evidence?

As explained above, the quality and probative value of the evidence should also be considered. It is also hard to assess this without knowing the standard for a prima facie case. There should also be an opportunity for a Registrant to point out defects in the Petition to obtain a summary dismissal or provisional rejection of the Petition for glaring weaknesses or other circumstances that would not foreclose legitimate use.

6. If the Director is the party initiating this process, is the prima facie case different?

Due process concerns suggest the same standard should apply. Related to this, the statute requires notice to the Petitioner and Registrant that includes “all supporting documents and evidence that were included with the petition.” If a lower standard is allowed for the Director, this suggests he/she could be privy to some other circumstantial evidence or other information that (is not public and) suggests the proceeding might be warranted, but without providing notice for the full basis for the proceeding, a Registrant would not know what rebuttal evidence or explanations are appropriate. After having satisfied the initial requirements for registrability, it would not be fair to subject a Registrant to an unspecified standard for burden shifting or to know what explanation is needed to explain defects in the Petition or why a lack of use was disclosed by the investigation. Further, the cost of rebutting unspecified evidence or standards, or maintaining documentary evidence that might be required later in time (particularly considering company document retention policies and other IT constraints), could be significant and thus the standard should be the same for all Petitions invoked under these procedures.

Also, if the Director is not subject to the same standard, or does not provide all the evidence that supported the institution of the proceeding, Registrants might seek the information through FOIA requests to fully understand the basis, and such could hamper Office efficiency and also delay the proceedings.

The Legislative History also provides further guidance on some of these issues and references

specific concerns raised by stakeholders.

Thank you for the opportunity to provide these initial comments. I would be pleased to provide further comments or respond to any additional questions.

Best regards,

Jennifer Fraser

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