

*INTA News*

## **USPTO Implements Trademark Modernization Act**

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Regulations issued by the United States Patent and Trademark Office (USPTO) that implement key provisions regarding expungement and reexamination proceedings under the Trademark Modernization Act of 2020 (TMA) went into effect December 18, 2021. Other new rules related to the response time for Office Actions will apply at the end of the current year. The action marks the onset of significant changes toward enhanced efficiency of trademark registration procedures.

On the timeline to implementation of the TMA, which was passed by Congress in 2020, the USPTO first published its proposed rules in May 2021. In August 2021, INTA submitted comments developed by the USPTO Subcommittee of the Trademark Office Practices Committee. In November 2021, the USPTO published the final rule in the *Federal Register*.

In reviewing the final USPTO rules, it is clear that INTA's comments strongly influenced numerous changes to the initially proposed rules.

The TMA authorizes the USPTO to set flexible Office Action response periods, between 60 days and six months, with options for extensions. INTA advocated for a response period of three months, with one

three-month extension option for a \$125 fee. In the final rules, the USPTO agreed with this position for Section 1 and Section 44 applicants, although it retained a six-month response period for Section 66(a) applicants.

The USPTO also delayed the implementation date for the three-month response time to December 1, 2022. INTA had raised concerns regarding the impact on trademark owners' docketing systems and IT changes that the Trademark Office will need to make to its own systems.

The TMA also requires the USPTO to implement regulations relating to the new *ex parte* expungement and reexamination proceedings, under which any party may seek cancellation of registrations for unused marks in whole or in part. Petitions must meet a "reasonable investigation" standard for alleging lack of use.

The USPTO's proposed rules required registrants to respond with rebuttal evidence within two months of an Office Action issued by the Office in response to expungement and reexamination petitions. Because trademark owners may have difficulty gathering use evidence, particularly for extensive goods and services, INTA advocated for a longer, three-month deadline. The final rules reflect this three-month response deadline, with a one-month extension available for a \$125 fee.

In addition, initially, the USPTO proposed a fee of \$600 per class for a petition for expungement or reexamination. INTA advocated for a reasonable filing fee that was not low enough to encourage abusive filings or too high to dissuade filings; the final rule setting the fee at \$400 per class achieves these goals.

INTA supported the USPTO's proposal not to require a petition for expungement or reexamination to identify the real party in interest, but also suggested that the Office may eventually find that such information may be appropriate. The final rule reflects this reasoning, giving the director of the USPTO discretion to require identification of the real party in interest.

Finally, the USPTO's proposed rules on attorney recognition would have required counsel to affirmatively terminate representation to avoid a presumption of ongoing representation by the USPTO. INTA opposed the draft rules in this area, noting that they would place a significant burden on counsel, applicants, and registrants. In response, the USPTO determined that additional study would be needed before making any changes to these rules.

*Although every effort has been made to verify the accuracy of this article, readers are urged to check independently on matters of specific concern or interest.*

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