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Opportunities and Traps Under The New Trademark Act Amendments

By Janet Marvel

The Trademark Modernization Act of 2020 (“TMA”) became law on December 27, 2020. It makes major changes in United States trademark law that will impact virtually all brand owners and litigants:

- New procedures for removing registrations and applications from the U.S. Patent and Trademark Office (“USPTO”) records;
- Shorter time frame for responding to Office Actions and fees for extensions; and
- Rebuttable presumption of irreparable harm in federal court trademark cases, easing the burden to obtain injunctive relief.

Reexamination, Expungement, and Letters of Protest

The USPTO has recently experienced an influx of applications and registrations that are clogging the Register and are accompanied by fraudulent specimens of use or other defects. The only recourse in the USPTO under prior law was to file a cancellation proceeding. The House Judiciary Committee recognized that this was an expensive and somewhat burdensome procedure and recommended creating other options.

The new reexamination and expungement procedures under the TMA therefore provide cheaper and faster ways of removing fraudulent and “deadwood” registrations.

Ex Parte Reexamination

The TMA authorizes brand owners to file petitions to the USPTO requesting reexamination of registrations of marks that were apparently not in use as of the “relevant date,” i.e., the filing date of the application, amendment to allege use, or statement of use. If a registrant cannot show use, their registration will be cancelled in whole or in part. This procedure is aimed at fraudulent claims of use, although registrations containing innocent errors regarding use are also subject to cancellation on reexamination. Reexamination is available during the first five years of the registration’s life.

Ex Parte Expungement

Any person may file a petition to expunge a registration on the basis that the mark has *never* been used in commerce as to some or all of the goods in the registration. Ex parte expungement is available between 3 and 10 years after a registration issues and is geared toward removing from the Register registrations obtained by foreign parties under the Madrid Protocol or the Paris Convention. Applicants under either the Protocol or the Convention can obtain registrations without having to prove use, but those registrations become vulnerable to a presumption of abandonment after three years. Expungement provides a way to remove the registrations from the Register other than a cancellation.

A petitioner for either reexamination or expungement must aver that it has conducted a “reasonable investigation” to determine that the mark was not in use on a “relevant date” or was never in use, and provide supporting evidence and a fee.

If the USPTO determines that the petition meets its requirements, the registration will be examined in much the same way as for an application, and the registrant will have an opportunity to provide evidence of use. The USPTO Director may also institute reexamination or expungement proceeding *sua sponte*.

The USPTO is required to promulgate rules for the new reexamination and expungement procedures, including explaining what will constitute a “reasonable investigation,” which will go into effect on or before December 27, 2021.

Letters of Protest

A “Letter of Protest” is an ex parte submission of evidence by interested third parties during the application examination process, notifying the USPTO of information that may affect the registrability of the applied-for mark. The TMA has codified this previously informal process, and now provides the Director with two months to review evidence submitted via a Letter of Protest. The USPTO is also required to promulgate regulations as to how to consider the evidence. It is also likely to establish a fee for filing a Letter of Protest.



THE TMA ESTABLISHES MUCH NEEDED CERTAINTY WITH RESPECT TO THE BURDEN OF PROVING IRREPARABLE HARM IN TRADEMARK LITIGATION.



Shortened Office Action Response Times, More Fees

Under the current law and practice, applicants have six months to respond to Office actions (communications from the USPTO refusing registration or requiring changes to an application). Under the TMA, the Office can shorten the response period to as little as two months. Applicants may request extensions up to six months on payment of a fee.

Restoration of the Presumption of Irreparable Harm

Before 2006, when considering whether to grant injunctive relief in trademark cases, most courts presumed irreparable harm upon a showing of likelihood of confusion. That changed when the Supreme Court decided a patent case, *eBay, Inc. v. MercExchange L.L.C.*, 547 U.S. 338 (2006). Before *eBay*, the Federal Circuit’s rule was to grant permanent injunctions in patent infringement cases absent “exceptional circumstances.” Hence, once a plaintiff won on the merits, the irreparable harm factor was presumed. Some but not all, courts began to apply *eBay* in trademark cases, abandoning the presumption of irreparable harm. This created a circuit split. The TMA resolved the split, restoring the presumption of irreparable harm in trademark cases, and reducing the evidentiary burden on brand owners seeking injunctive relief.

Next Steps

The TMA provides new, and likely very effective, opportunities to attack applications and wrongfully obtained registrations that may block your mark’s registration. It also establishes much needed certainty with respect to the burden of proving irreparable harm in trademark litigation.

The TMA also contains some traps for the unwary. The wise applicant will tighten its record-keeping on use of the mark for each item in its application upon filing a use-based application or submitting a Statement of Use. ■

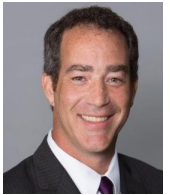
NEW ADDITIONS

■ Novaira T. Paul



We are pleased to welcome Novaira Paul as a new associate. Novaira has experience handling all aspects of trademark litigation, prosecution, and counseling. Novaira has represented Fortune 500 companies in IP cases in federal courts and before the US Patent and Trademark Office. Novaira received her J.D. from Northwestern Pritzker School of Law, where she served as the Deputy Managing Editor of the *Journal of Criminal Law and Criminology* and as Secretary for the Student Bar Association. Novaira currently serves on the Executive Board of the South Asian Bar Association Chicago and is a member of Chicago Women in IP (ChiWIP). Novaira is fluent in four languages and proficient in two. In her free time, Novaira travels and co-hosts a podcast on social issues in the South Asian Diaspora.

■ Joshua A. R. Aldort



We are also pleased to welcome Joshua A.R. Aldort as Counsel. Josh has a diverse legal background including extensive experience in trademark and copyright prosecution, licensing, infringement and online advertising law. Josh has represented Fortune 500 companies, mid-size and smaller businesses, certification organizations, charitable organizations and individuals. His industry experience includes medical imaging, toy and leisure, food products, telecommunications, non-profits, social media marketing and advertising, as well as assisting certification organizations in protecting their secure tests and secure test questions. He received his J.D. with a Certificate of International and Comparative Law from Chicago-Kent College of Law, Illinois Institute of Technology. While in college and law school, Josh studied in London and served as a Solicitor's Clerk and a Barrister's Pupil, and assisted in defending clients in courts throughout London.

APPOINTMENTS

■ Robert Sacoff



Bob has been appointed Co-Chair of the AIPPI US Group Committee preparing the US National Report on Q277, Registrability of Trade Marks Against Public Order or Morality. That Question will be on the agenda of the 2021 AIPPI World IP Congress for debate and resolution.

PRESENTATIONS

■ Seth Appel



Seth spoke on trademark law for a group of the Small Business Advocacy Council on March 9.

■ Janet Marvel

Janet will speak in a Strafford Live Webinar entitled "Trademark Year in Review: Key Decisions, Trends, and Strategies," on April 27.

WORLD TRADEMARK REVIEW (WTR) 1000

Pattishall McAuliffe received the top Gold Band ranking for both the United States and Illinois in the 2021 WTR 1000 report. **Robert W. Sacoff** and **Jonathan S. Jennings** were nationally ranked Silver in “enforcement and litigation.” **Janet A. Marvel** was ranked Gold nationally and in Illinois for “prosecution and strategy.” **Jonathan S. Jennings** was ranked Gold in Illinois for “prosecution and strategy” and “enforcement and litigation.” **Brett A. August, Phillip Barengolts, Thad Chaloeintiarana, Bradley L. Cohn, Janet A. Marvel, Robert W. Sacoff** and **Joseph N. Welch II** were ranked Silver in Illinois in “enforcement and litigation.” **Belinda J. Scrimenti** was ranked Silver in Illinois for “prosecution and strategy.” **David C. Hilliard** was honored as one of two Intellectual Property Luminaries in Illinois.

The WTR stated in part: “Universally revered as an elite trademark outfit, **Pattishall, McAuliffe, Newbury, Hilliard & Geraldson** engenders unshakeable trust, as reflected by the many relationships it has sustained over several decades – including some, remarkably, for more than a century. A font of insight on all trademark and brand-related topics, it presents solutions to routine and unusual situations alike with minimum fuss and maximum impact. Its deep bench is a defining feature: it has 12 individuals recommended in the WTR 1000, which is significantly more than any other outfit in Chicago...”

For the full WTR review, go to bit.ly/3doqrN0.

ABA-IPL

Pattishall McAuliffe was a proud sponsor of this year’s ABA CLE seminar, “IPLSPRING Virtual” held from April 7-16.

IP Stars, Managing Intellectual Property Magazine

Pattishall McAuliffe has again been ranked in U.S. top tiers for Trade mark contentious and Trade mark prosecution, and is “Highly Recommended” in Trade mark in Illinois by *Managing Intellectual Property Magazine*.

David Hilliard and **Bradley Cohn** have been recognized as Copyright stars and Trade mark stars nationally and in Illinois by *Managing Intellectual Property Magazine*, and **Brett August, Janet Marvel, Jonathan Jennings** and **Jessica Ekhooff** have been recognized as Trade mark stars.

Managing IP Awards 2021

Pattishall McAuliffe won the awards for “Trademark Contentious Midwest Firm of the Year” and “Trademark Prosecution Firm of the Year.”

In Re Medline Industries, Inc., Serial No. 87680078, 2020 WL 1485709 (TTAB 2020), was named one of the Impact Cases of the Year by *Managing IP*. In this case, **Pattishall McAuliffe** successfully argued that its client could register a particular shade of green for gloves. The U.S.P.T.O. Trademark Trial and Appeal Board reversed the Examining Attorney’s refusal which was based on another company’s registration for a different shade of green for gloves. This was the Board’s first precedential decision reversing an *ex parte* refusal under Section 2(d) of the Trademark Act since 2015; and only the second precedential decision on single color marks that the Board has issued in the 25 years since the Supreme Court’s landmark decision on color marks, *Qualitex Co. v. Jacobson Products Co., Inc.*, 514 U.S. 159 (1995). Our team handling the case included partners **Janet Marvel** and **Seth Appel** and associate **Jacquelyn Prom**.



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