

## Insights: Alerts

# Changes to Federal Trademark Law and Their Effective Dates Under the Trademark Modernization Act and its Implementing Regulations

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## I. Introduction

On December 27, 2020, the Trademark Modernization Act of 2020 (“TMA”) became law after it passed Congress and was signed by the President as part of the year-end Consolidated Appropriations Act for 2021.<sup>1</sup> With the issuance of implementing regulations for the TMA by the U.S. Patent and Trademark Office (“USPTO”) on November 17, 2021,<sup>2</sup> many—but not all—of the most important aspects of the TMA became effective during December 2021. This alert addresses both the TMA itself and the newly effective implementing regulations and includes the following significant takeaways:

- the amended Lanham Act now authorizes ex parte expungement and ex parte reexamination proceedings to challenge the registration of a mark that either has never been used in commerce or that was not used in commerce as of the date the registrant filed a sworn averment in the application process that the mark was so used, respectively;
- it similarly is now possible to petition the Trademark Trial and Appeal Board to cancel the registration of a mark that has never been used in commerce, even if such a petition is filed after the registration's fifth anniversary of issuance;
- as of December 1, 2022, certain office action actions from the USPTO will have a shortened (but extendible) three-month response deadline;
- the availability of letters of protest against pending applications also has been codified for the first time;
- the presumption that a plaintiff will suffer irreparable harm upon a violation of the Lanham Act has been codified and given nationwide effect; and
- the TMA and case law interpreting it have confirmed the constitutionality of the appointment of administrative law judges to the Board.

Because these and other changes effected by the TMA are perhaps the most consequential since the landmark Trademark Law Revision Act of 1988,<sup>3</sup> trademark professionals and mark owners alike would do well to familiarize themselves with those changes.

## II. The TMA and the USPTO's Final Implementing Regulations

## **A. Ex Parte Challenges to Registrations: Effective December 27, 2021**

Many of the substantive provisions of the TMA arise from a July 18, 2019, hearing before the House Subcommittee on Courts, Intellectual Property, and the Internet on the subject of “clutter,” or “deadwood,” on the U.S. Patent and Trademark Office's trademark registers. As most trademark professionals are aware, United States law requires applications for registration not based on foreign filings to be supported by a sworn averment that the applied-for mark is used in commerce for all the goods and services listed in the application;<sup>4</sup> that sworn averment must in turn be supported by a specimen showing the mark's use in connection with at least one good or service in each International Class covered by the application. In contrast, under Sections 44(e) and Section 66(a) of the Lanham Act,<sup>5</sup> an applicant with a country of origin other than the United States may claim either a foreign registration or an International Registration covering its marks as the basis of its application, rather than a sworn averment of use in commerce. Regardless of whether a registration is based on use in commerce or a foreign registration, its owner must maintain it with periodic sworn averments of ongoing use in commerce (or excusable nonuse) under Section 8 or Section 71 of the Act.<sup>6</sup>

Because of congressional concern over registrations covering marks not actually used in commerce,<sup>7</sup> the TMA authorizes two new mechanisms targeting deadwood on the USPTO's trademark registers, both of which became effective on December 27, 2021. The first, ex parte expungement,<sup>8</sup> allows challenges to registrations covering marks that have never been used in commerce. It primarily targets registrations issued under either Section 44(e) or Section 66(a) of the Act. It generally is available to challengers only between the third and the tenth anniversaries of a registration's issuance,<sup>9</sup> although for a limited time until December 27, 2023, petitions to initiate expungements may be brought against registrations at any time after their third anniversaries.<sup>10</sup>

The second, ex parte reexamination,<sup>11</sup> permits challenges to use-based registrations issued under Section 1(a) of the Lanham Act, or, in other words, registrations whose owners averred under oath during the application process that their marks were used in commerce. Such an averment may have been included in the application itself or, alternatively, as part of a statement of use. This mechanism allows the USPTO to reexamine the accuracy of the registrant's averment of use as of the filing date of that averment, which the TMA defines as the “relevant date.”<sup>12</sup> It is not available once a targeted registration has passed its fifth anniversary.<sup>13</sup>

The two mechanisms are not necessarily exclusive, and it is therefore possible to invoke both when challenging a single registration; likewise, the Director may consolidate expungement and reexamination proceedings targeting the same mark if they present the same issues.<sup>14</sup> A recent USPTO examination guide explains of the relationship between the two that “[a] petition requesting institution of an expungement proceeding may be filed in connection with a mark registered under Trademark Act Section 1, 44, or 66. However, a petition requesting institution of a reexamination proceeding may be filed only in connection with a mark registered under Section 1.”<sup>15</sup> In the interests of efficiency and consistency, the Director may consolidate parallel proceedings against the same registration.<sup>16</sup>

### **1. Procedural Aspects of the Two New Ex Parte Mechanisms**

Standing is not required to initiate either of the two proceedings. Instead, any party can initiate either type of ex parte proceeding by submitting to the Director of the USPTO verified evidence or testimony establishing a “prima facie case” of the nonuse of a registered mark in commerce with respect to at least some of the goods or services covered by the registration. A petition to initiate either proceeding must be accompanied a sworn averment by the petitioner describing its “reasonable investigation of nonuse,”<sup>17</sup> as well as a filing fee of \$400 per class of goods or services targeted by the petition.<sup>18</sup> Alternatively, the Director of the USPTO may determine on his or her own initiative that a prima facie case of nonuse exists,<sup>19</sup> including through evidence submitted under cover of an unsuccessful petition by a private party.<sup>20</sup>

#### **a. The Requirements of a Successful Petition**

##### **1) Establishing a Prima Facie Case of Nonuse**

Although not technically part of the implementing regulations, the USPTO's notice of final rulemaking sets forth the following guidance on what constitutes a prima facie case of nonuse, which suggests that a petitioner need not prove nonuse by a preponderance of the evidence and testimony:

[A] prima facie case requires only that a reasonable predicate concerning nonuse be established. Thus, with respect to these proceedings, a prima facie case includes sufficient notice of the claimed nonuse to allow the registrant to respond to and potentially rebut the claim with competent evidence, which the USPTO must then consider before making a determination as to whether the registration should be cancelled in whole or in part, as appropriate.<sup>21</sup>

The implementing regulations themselves address in great length how a petitioner can establish a prima facie case of nonuse under that standard. They provide that evidence supporting a prima facie case of nonuse may include, but is not limited to:

- verified statements;
- excerpts from USPTO electronic records in applications or registrations;
- screenshots from relevant web pages, including the uniform resource locator (URL) and access or print date;
- excerpts from press releases, news articles, journals, magazines, or other publications, identifying the publication name and date of publication; and
- evidence suggesting that the verification accompanying a relevant allegation of use was improperly signed.<sup>22</sup>

This evidence must be clear and legible and be accompanied by an itemized index.<sup>23</sup>

Significantly, the USPTO's notice of final rulemaking (but not the regulations themselves) provides that “any party practicing before the USPTO, including those filing petitions to request institution of these ex parte proceedings, is bound by all

ethical rules involving candor toward the USPTO as the adjudicating tribunal.”<sup>24</sup> Consequently, “if [a] petitioner discovers that its petition included false or fraudulent information, the petitioner should seek to correct the petition by filing a petition...to invoke the supervisory authority of the Director to correct the submission and specifying the facts to be corrected.”<sup>25</sup>

## **2) The Petitioner’s Investigation**

The requirement that a petitioner describe the reasonable investigation it undertook prior to filing its petition is separate and independent of the requirement that it establish a prima facie case of the nonuse of the mark underlying a challenged registration; consequently, it is possible for a petition to fail even if the evidence accompanying it otherwise establishes such a case. The USPTO’s notice of final rulemaking recites that “what constitutes a reasonable investigation is a case-by-case determination,”<sup>26</sup> but such an investigation should be one “calculated to return information about the underlying inquiry from reasonably accessible sources where evidence concerning use of the mark during the relevant time period on or in connection with the relevant goods and/or services would normally be found.”<sup>27</sup> Those sources may include, but are not necessarily limited to, the following:

- state and federal trademark records;
- internet websites and other media likely to or believed to be owned or controlled by the registrant;
- internet websites, other online media, and publications where the relevant goods and/or services likely would be advertised or offered for sale;
- print sources and web pages likely to contain reviews or discussion of the relevant goods and/or services;
- records of filings made with or of actions taken by any state or federal business registration or regulatory agency;
- the registrant’s marketplace activities, including, for example, any attempts to contact the registrant or purchase the relevant goods and/or services;
- records of litigation or administrative proceedings reasonably likely to contain evidence bearing on the registrant’s use or nonuse of the registered mark; and
- any other reasonably accessible source with information establishing the registered mark’s nonuse.<sup>28</sup>

“A petitioner need not check all possible appropriate sources for its investigation to be considered reasonable”;<sup>29</sup> nevertheless, “[a]s a general matter, a single search using an internet search engine likely would not be considered a reasonable investigation.”<sup>30</sup>

### **b. Action by the Director on a Petition Averting a Prima Facie Case of Nonuse**

After a petition for expungement or reexamination is filed, it will be uploaded to the online registration record and be viewable through the TSDR database on the USPTO website.<sup>31</sup> The USPTO will send a courtesy email notification of the filing to the registrant and/or the registrant's attorney, if their email address is of record.<sup>32</sup> The registrant may not respond to the courtesy notice and the USPTO will not accept any response from the registrant unless and until the Director of the USPTO institutes a proceeding.<sup>33</sup>

In response to a petition averring a prima facie case of nonuse, the Director of the USPTO may take one of three actions. First, if the Director determines that a submission is not complete, the Office will issue a letter identifying the deficiencies in the petition and giving the petitioner thirty days in which to address them.<sup>34</sup> Such a letter will not include a determination of whether or not the petition establishes a prima facie case of nonuse, and the petitioner generally may not respond by submitting additional evidence; an exception exists if the deficiency in question is that petitioner's evidence is not clear and legible, in which case the petitioner will have the opportunity to resubmit that showing.<sup>35</sup> Once a petition is complete, the petitioner may not amend it.<sup>36</sup>

Second, the Director may determine that the petitioner has failed to establish a prima facie case of nonuse, in which case the petition will be dismissed.<sup>37</sup> A determination that a prima facie case has not been established is not subject to review.<sup>38</sup>

Finally, the Director may determine that a prima facie case of nonuse has been established. In that case, the Director "shall" initiate an ex parte reexamination or an ex parte expungement proceeding, as appropriate.<sup>39</sup> Once again, the determination of whether to initiate a proceeding is not subject to review.<sup>40</sup>

### **c. Responding to a Prima Facie Case of Nonuse**

Regardless of how a prima facie case of nonuse as of the relevant date is established, the Director shall initiate the appropriate proceeding and require a registrant to come forward with documentary evidence to the contrary. (The owners of Sections 44(e) and 66(a) registrations have the option of demonstrating excusable nonuse.) Assuming it does not voluntarily delete the "problem" goods or services for its registration, a registrant must respond with use evidence within three months, though a one-month extension is available for a \$125 fee.<sup>41</sup> On the one hand, if the Director deems the registrant's responsive showing inadequate, the goods or services in connection with which use in commerce did not exist as of the relevant date will be stricken from the registration, subject to the applicant's right to appeal to the Trademark Trial and Appeal Board. On the other hand, however, if the Director finds the responsive showing adequate, that determination will have preclusive effect barring all further ex parte challenges to the registration, at least with respect to the goods or services targeted by the original challenge.<sup>42</sup>

One issue not resolved by the TMA itself is the nature of the burden imposed on a registrant attempting to rebut a prima facie case of nonuse. Nevertheless, the USPTO's notice of final rule-making suggests that, rather than proving use as of the relevant date, a registrant need only produce evidence of that use. For example, the notice recites that

....

...The registrant must rebut a prima facie case of nonuse by providing competent evidence of use of the mark on the challenged goods and/or services. If the USPTO determines that the registrant's evidence is not sufficient to rebut the evidence of non-use, i.e., that the preponderance of evidence shows nonuse, the registration will be cancelled, in whole or in part, as appropriate. If the registrant in either a petition-based or Director-instituted proceeding elects to appeal the decision to cancel the relevant goods and/or services, the ultimate determination of whether the USPTO has met its burden of establishing nonuse by a pre-ponderance of the evidence would be made by the TTAB or subsequently by a court.<sup>43</sup>

The TMA itself and the notice of final rulemaking provide the following additional guidance for registrants:

- because the registration file, has already been considered in instituting the proceeding, merely resubmitting the same specimen of use previously submitted in support of registration or maintenance thereof, or a verified statement alone, without additional supporting evidence, will likely be insufficient to rebut a prima facie case of nonuse;<sup>44</sup> but
- although 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, it shall not be limited in form to that of specimens;<sup>45</sup> and;
- if specimens for particular goods and/or services are no longer available, even if they were when the registrant filed an allegation of use, the registrant may provide additional evidence and explanations supported by declaration testimony demonstrating how the mark was used in commerce at the relevant time.<sup>46</sup>

## **2. The Relationship Between the Ex Parte Mechanisms and Other Proceedings**

Termination of an ex parte expungement or an ex parte reexamination proceeding in favor of a registrant will not preclude the petitioner or any other party from pursuing a cancellation action against that registration before the Board using the same theory of nonuse asserted in the petition.<sup>47</sup> Nevertheless, neither the TMA itself nor its implementing regulations address the question of whether an unsuccessful petition for cancellation before the Trademark Trial and Appeal Board (or a failed request for cancellation in a federal district court action) will have preclusive or estoppel effect in a later ex parte proceeding.

The implementing regulations do, however, provide that "[w]henver it shall come to the attention of the Board that...an expungement or reexamination proceeding may have a bearing on a pending

case, proceedings before the Board may be suspended until termination of the civil action, the other Board proceeding, or the expungement or reexamination proceeding.”<sup>48</sup> According to the USPTO’s notice of final rulemaking on the subject, “the Board has suspended its proceedings in favor of many types of other proceedings, including arbitration proceedings, state court cases, and foreign actions”;<sup>49</sup> thus, “[t]he USPTO considers suspending Board proceedings in favor of expungement and reexamination proceedings under the same conditions to be a continuation of longstanding TTAB practice....”<sup>50</sup>

#### **B. New Nonuse-Based Ground for Cancellation: Effective December 27, 2021**

The TMA has amended Section 14 of the Lanham Act to recognize a cause of action for cancellation “[a]t any time after the three-year period following the date of registration, if the registered mark has never been used in commerce on or in connection with some or all of the goods or services recited in the registration.”<sup>51</sup> This new ground for cancellation corresponds to the “never used” basis for ex parte expungement proceedings. Unlike the ex parte procedure, the new ground for cancellation before the TTAB is not limited to proceedings brought before the tenth anniversary of a registration’s issuance. Like the ex parte procedure, the new ground is available for cancellation any time after the registration’s issuance. Although neither the TMA nor the implementing regulations address the issue, a petitioner for cancellation pursuing this ground for cancellation presumably must prove nonuse by a preponderance of the evidence and testimony and not merely establish a prima facie case of nonuse as in the ex parte expungement context. The owner of a registration with a Section 44(e) or a Section 66 basis may respond to a petition for cancellation by “demonstrat[ing] that any nonuse is due to special circumstances that excuse such nonuse,”<sup>52</sup> although neither the amended Section 14 nor its legislative history indicates whether excusable nonuse is a classic affirmative defense as to which the registrant has the burden of proof or, alternatively, whether a lesser showing by the registrant will suffice.

#### **C. Shortened Office Action Response Deadlines: Effective December 1, 2022**

One of the more commented-on subjects during the rulemaking process was the TMA’s authorization of the USPTO to shorten the standard six-month deadline for responses to office actions. Although the implementing regulations for this change will not be effective until December 1, 2022, they take the following approaches:

- applicants for registration under Section 1 or Section 44 of the Act will have three months in which to respond to office actions, subject to a three-month extension upon payment of a \$125 filing fee;<sup>53</sup> and
- the same rules will apply to deadlines to respond to post-registration office actions;<sup>54</sup> but
- applicants for registration under Section 66(a) will continue to have six-month response deadlines.<sup>55</sup>

To qualify as timely, a request for an extension must be received on or before the response deadline.<sup>56</sup>

#### **D. Codification of Letter of Protest Mechanism: Effective December 27, 2021**

The TMA codifies the existing letter of protest procedure,<sup>57</sup> which permits the submission by other parties during the trademark examination process of evidence bearing on the registrability of an applied-for mark.

The previous procedure was informal, without a timeline for when the evidence must reach an examiner, sometimes resulting in occurring only after the initial approval of an application. The TMA improves the efficiency and certainty of the application process by giving the Director of the USPTO two months in which to review the evidence submitted with a letter of protest and to determine whether that evidence should be included in the record of the application;<sup>58</sup> neither the TMA nor the implementing regulations<sup>59</sup> set forth the potential consequences of the Director's failure to meet that deadline, however. The current \$50 filing fee for each letter of protest remains unchanged under the implementing regulations.

#### **E. Restoration/Confirmation of the Presumption of Irreparable Harm: Effective December 27, 2021**

A prerequisite for the entry of injunctive relief in trademark and unfair competition litigation is a demonstration that the plaintiff will suffer irreparable harm without that relief. Significantly, Section 6 of the TMA creates a uniform rule to be applied nationally with respect to what a plaintiff must show in a Lanham Act case to establish its entitlement to an injunction. Before the Supreme Court's decisions in *eBay Inc. v. MercExchange LLC*,<sup>60</sup> and *Winter v. Natural Resources Defense Council, Inc.*,<sup>61</sup> most courts recognized a presumption that a prevailing plaintiff under the Lanham Act would be irreparably harmed by continuing violations of the Act.

This changed in 2006, when *eBay* and *Winter* eliminated similar presumptions in litigation brought under patent and environmental law. Thereafter, courts struggled to determine whether the presumption still applied in litigation under the Lanham Act. The Third, Ninth, and Eleventh Circuits held it did not.<sup>62</sup> The First and Second Circuits questioned the ongoing viability of the presumption without expressly resolving the issue.<sup>63</sup> To add to the confusion, at least the Fifth and the Eighth Circuits, as well as numerous district courts, affirmed findings of irreparable harm in trademark cases after *eBay* without clearly addressing *eBay* or the presumption.<sup>64</sup> Practically speaking, the circuit split meant that a trademark owner's chances of success in obtaining injunctive relief varied significantly depending on whether the circuit maintained or dispensed with the presumption of irreparable harm, and accordingly encouraged forum shopping.

The TMA has now resolved the inconsistencies by codifying in Section 34(a) of the Lanham Act<sup>65</sup> that a trademark owner seeking an injunction in an infringement case is entitled to a rebuttable presumption of irreparable harm upon establishing infringement at the proof stage, or showing a likelihood of liability in the context of motions for temporary restraining orders or for preliminary injunctions. This abrogates court decisions that have applied *eBay* to trademark cases and eliminated the presumption of irreparable harm. Although some courts entertaining requests for injunctive relief since December 27, 2020, have seemingly been oblivious to this change,<sup>66</sup> others have begun giving the amended Section 34(a) the effect intended by the amendment.<sup>67</sup>

On this issue as well, however, the TMA and its legislative history leave open a potentially significant issue, namely, whether the restored (or confirmed) presumption shifts the burden of proof to a defendant against which it is asserted, or, alternatively, whether it merely shifts the burden of production.<sup>68</sup> Based on Congress's failure to address the issue, it may well be that Federal Rule of Evidence 301 provides the default rule and that the shift is merely one of the burden of production. If so, the presumption may ultimately prove a very weak one, as such a presumption can vanish like a bubble bursting in the face of

cognizable evidence to the contrary, even if that showing cannot satisfy a preponderance-of-the-evidence standard of proof.<sup>69</sup>

#### **F. Protection of Trademark Trial and Appeal Board Administrative Law Judges from Challenges Under the Constitution's Appointments Clause: Effective December 27, 2020**

In *Arthrex, Inc. v. Smith & Nephew, Inc.*,<sup>70</sup> the Federal Circuit concluded that, because of the perceived lack of control by the Director of the USPTO over the administrative law judges of the Patent Trial and Appeal Board, they qualified as “Officers of the United States” and therefore were unconstitutionally installed under the Constitution's Appointments Clause.<sup>71</sup> To address that constitutional defect, the court invalidated the portion of the Patent Act preventing the Secretary of Commerce from removing APJs from service without cause.<sup>72</sup> Having accepted the case for review, the Supreme Court agreed with the Federal Circuit that the unreviewable authority enjoyed by the judges of the PTAB was incompatible with their appointment by the Secretary of Commerce to an inferior office; nevertheless, the Court held that the proper remedy was to allow dissatisfied patentees before the PTAB to seek discretionary reviews from a Director of the USPTO who has been confirmed by the Senate.<sup>73</sup>

In doing so, the Court noted with apparent approval certain amendments worked by the TMA revising Sections 18, 20, and 24 of the Lanham Act,<sup>74</sup> to make clear the Director's ability “to reconsider, and modify or set aside, a decision of the Trademark Trial and Appeal Board” and also providing that the amendments “may not be construed to mean that the Director lacked the authority to reconsider, and modify or set aside, a decision of the Trademark Trial and Appeal Board before the date of the enactment of this Act.”<sup>75</sup> Those amendments, the Court held, con-firmed that “review by the Director would follow the almost-universal model of adjudication in the Executive Branch and aligns the PTAB with the other adjudicative body in the PTO, the Trademark Trial and Appeal Board.”<sup>76</sup>

Taken together with the TMA's amendments, the Court's holding likely dooms any challenges to the appointments process for TTAB judges, and, in fact, the Federal Circuit has rejected just such a challenge in *Piano Factory Grp. v. Schiedmayer Celesta GmbH*.<sup>77</sup> In particular, the court in that case held that “the Trademark Modernization Act of 2020 made the Director's authority vis-à-vis the decisions of the TTAB indisputably clear”;<sup>78</sup> indeed, “[i]f there were any doubt as to the status of [TTAB judges] as inferior officers prior to 2020, the 2020 legislation removed that doubt.”<sup>79</sup> “Thus,” the court concluded, “considering the Supreme Court's favorable reference to the constitutional status of [TTAB judges] as inferior officers of the United States, we reject [the appellant's] Appointments Clause challenge to the legitimacy of the TTAB panel that decided this case.”<sup>80</sup>

#### **Conclusion**

As perhaps befits its enactment as part of a much larger omnibus bill, the TMA addresses a variety of otherwise unrelated trademark issues. Taken as a whole, however, it adopts numerous reforms protecting the integrity of the USPTO's registers. The new post-registration reexamination and expungement procedures provide faster and more cost-effective means than opposition and cancellation actions to challenge trademark claims grounded in merely false (and not necessarily fraudulent) averments of use. In addition, the TMA provides courts and litigants with much-needed clarity concerning the showing of irreparable harm necessary to support a

request for injunctive relief in litigation under the Lanham Act, thereby removing a significant incentive for forum-shopping under current law. Finally, by further distinguishing between the Trademark Trial and Appeal Board and the Patent Trial and Appeal Board, the TMA apparently already has eliminated potential threats to the method of appointing administrative law judges to the former tribunal. Although certain issues remain to be clarified through case law arising from the two new ex parte procedures, the TMA's enactment marks significant changes in trademark prosecution and litigation practice alike.

\*Click [here](#) to view the updated Federal Trademark Law Under the Trademark Modernization Act as of March 2022.

## Footnotes

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<sup>1</sup>Consolidated Appropriations Act of 2021, Pub. L. No. 116-260 (2020).

<sup>2</sup>86 Fed. Reg. 64300 (Nov. 17, 2021).

<sup>3</sup>Pub. L. No. 100-667, 102 Stat. 3935 (1988).

<sup>4</sup>See *generally* 15 U.S.C. § 1051.

<sup>5</sup>*Id.* §§ 1126(e), 1141f.

<sup>6</sup>See *id.* §§ 1058, 1141k.

<sup>7</sup>Commissioner Dennison's testimony at the July 18, 2019, hearing accessible at <https://www.uspto.gov/about-us/news-updates/statement-commissioner-trademarks-mary-boney-denison-united-states-house>, highlights the use-in-commerce-based concerns underlying the most significant provisions of the TMA:

The USPTO creates and maintains the federal register of trademarks that now includes approximately 2.4 million registrations. The register itself provides notice to applicants, other trademark owners, and our examining attorneys of the registrant's claim of ownership in a mark and allows them to search the register to determine the availability of marks for registration in the United States. The register is a valuable tool in making business decisions, and its accuracy is para-mount. When businesses are selecting names for new products, they turn to the register to figure out whether their chosen mark is available for their use and registration. But, for the register to be useful, it must accurately reflect marks that are in use in the United States for the goods and services identified in the registrations. If the register is filled with marks that are not in use, or features registrations obtained by improper means, it makes trademark clearance more difficult, time-consuming and expensive. An inaccurate register also leads to expensive opposition and cancellation proceedings, or federal court litigation, to correct in-accurate registrations and to enforce rights. And, in turn, it may cause companies to alter business decisions, often at significant cost.

. . . [I]n recent years, the USPTO has seen a significant increase in the number of applicants who are not fulfilling their legal and ethical obligations to file accurately and in good faith, particularly with respect to claims that the mark is in use in commerce. The USPTO increasingly has been receiving trademark application and registration maintenance filings involving false or inaccurate use claims and submission of fake or digitally altered specimens that do not actually show use of the mark in U.S. commerce in the ordinary course of trade as required by law.

<sup>8</sup>15 U.S.C. § 1066a(b).

<sup>9</sup>*Id.* § 1066a(i)(1).

<sup>10</sup>*Id.* § 1066a(i)(2).

<sup>11</sup>*Id.* § 1066b.

<sup>12</sup>*Id.* § 1066b(b).

<sup>13</sup>*Id.* § 1066b(i).

<sup>14</sup>37 C.F.R. § 2.92(e)(1).

<sup>15</sup>USPTO Examination Guide 1-21, *Expungement and Reexamination Proceedings Under the Trademark Modernization Act of 2020*, at 2, available at: <https://www.uspto.gov/sites/default/files/documents/TM-ExamGuide-1-21.pdf>.

<sup>16</sup>37 C.F.R. § 2.92(e).

<sup>17</sup>*Id.* § 2.91(c)(8)(i).

<sup>18</sup>*Id.* § 2.6(a)(26).

<sup>19</sup>15 U.S.C. §§ 1066a(h)(1), 1066b(h)(1).

<sup>20</sup>86 Fed. Reg. at 64311.

<sup>21</sup>*Id.* at 64303 (citing H.R. REP. NO. 116-645, at 8 (2020) (first citing *In re Pacer Tech.*, 338 F.3d 1348, 1351 (Fed. Cir. 2003); and then citing *In re Loew's Theatres, Inc.*, 769 F.2d 764, 768 (Fed. Cir. 1985)).

<sup>22</sup>37 C.F.R. § 2.91(c)(9)(i)-(v).

<sup>23</sup>*Id.* § 2.91(c)(9).

<sup>24</sup>86 Fed. Reg. at 64303.

<sup>25</sup>*Id.* at 64312.

<sup>26</sup>*Id.* at 64302.

<sup>27</sup>37 C.F.R. § 2.91(d)(1).

<sup>28</sup>*Id.* § 2.91(d)(2).

<sup>29</sup>*Id.* § 2.91(d)(3).

<sup>30</sup>86 Fed. Reg. at 64302.

<sup>31</sup>*Id.* at 64303.

<sup>32</sup>*Id.*

<sup>33</sup>*Id.*

<sup>34</sup>USPTO Examination Guide 1-21, *Expungement and Reexamination Proceedings Under the Trademark Modernization Act of 2020*, at 5, available at: <https://www.uspto.gov/sites/default/files/documents/TM-ExamGuide-1-21.pdf>; see also 86 Fed. Reg. at 64302.

<sup>35</sup>86 Fed. Reg. at 64309.

<sup>36</sup>37 C.F.R. § 2.91(c).

<sup>37</sup>*Id.* § 2.94.

<sup>38</sup>15 U.S.C. §§ 1066a(c)(3), 1066b(d)(3) (Supp. III 2021); 37 C.F.R. § 2.92(c)(1).

<sup>39</sup>15 U.S.C. §§ 1066a(c)(1), 1066b(d)(1); 37 C.F.R. § 2.92(a).

<sup>40</sup>15 U.S.C. §§ 1051(f), § 1066(c)(3); 37 C.F.R. § 2.92(c)(1).

<sup>41</sup>37 C.F.R. § 2.93(b)(1); 86 Fed. Reg. at 64306.

<sup>42</sup>15 U.S.C. § 1066A(j)(2).

<sup>43</sup>86 Fed. Reg. at 64304, 6314.

<sup>44</sup>*Id.* at 64304.

<sup>45</sup>15 U.S.C. §§ 1066a(e), 1066a(f).

<sup>46</sup>86 Fed. Reg. at 64304.

<sup>47</sup>*Id.* at 64316 (“Regarding the question about the extent to which, or whether, termination of an expungement or reexamination proceeding in favor of the registrant may bar future nonuse cancellation actions before the TTAB with respect to the registration, the USPTO clarifies here that termination of an expungement or reexamination proceeding in favor of the registrant does not bar future nonuse cancellation actions under § 2.111 with respect to the registration.”).

<sup>48</sup>37 C.F.R. § 2.117.

<sup>49</sup>86 Fed. Reg. at 64318.

<sup>50</sup>*Id.*

<sup>51</sup>15 U.S.C. § 1064(6).

<sup>52</sup>*Id.*

<sup>53</sup>All filing fees assume that requests for extensions will be filed in electronic, rather than hard-copy, form.

<sup>54</sup>86 Fed. Reg. at 64306.

<sup>55</sup>*Id.*

<sup>56</sup>*Id.*

<sup>57</sup>15 U.S.C. 1051(f) (Supp. III 2021).

<sup>58</sup>*Id.*

<sup>59</sup>37 C.F.R. § 2.149.

<sup>60</sup>547 U.S. 388 (2006).

<sup>61</sup>555 U.S. 7 (2008).

<sup>62</sup>See *Ferring Pharmaceuticals, Inc. v. Watson Pharms., Inc.*, 765 F.3d 205 (3d Cir. 2014); *Herb Reed Enters. v. Fla. Entm’t Mgmt., Inc.*, 736 F.3d 1239, 1249-50 (9th Cir. 2013); *Commodores Entm’t Corp. v. McLary*, 648 F. App’x 771 (11th Cir. 2016) (per curiam).

<sup>63</sup>See *Voice of the Arab World, Inc. v. MDTV Med. News Now, Inc.*, 645 F.3d 26, 33 (1st Cir. 2011); *U.S. Polo Ass’n v. PRL USA Holdings, Inc.*, 511 F. App’x 81, 85 (2d Cir. 2013).

<sup>64</sup>See, e.g., *Warner Bros. Entm’t, Inc. v. X One X Prods.*, 840 F.3d 971, 982 (8th Cir. 2016); *Abraham v. Alpha Chi Omega*, 708 F.3d 614, 627 (5th Cir. 2013); *Entm’t One UK Ltd. v. 2012Shiliang*, 384 F. Supp. 3d 941, 955 (N.D. Ill. 2019).

<sup>65</sup>15 U.S.C. § 1116(a) (Supp. III 2021).

<sup>66</sup>See, e.g., *Glenn H. Curtiss Museum of Loc. Hist. v. Confederate Motors, Inc.*, No. 20-CV-6237 (CJS), 2021 WL 514229, at \*8 (W.D.N.Y. Feb. 11, 2021) (“[C]ourts may no longer simply presume irreparable harm [upon a showing of likelihood of success on the merits]; rather, plain-tiffs must demonstrate that, on the facts of the case, the failure to issue an injunction would actually cause irreparable harm.” (alteration in original) (quoting *WPIX, Inc. v. ivi, Inc.*, 691 F.3d 275, 285 (2d Cir. 2012))).

<sup>67</sup>See, e.g., *ReBath LLC v. Foothills Serv. Sols. Co.*, No. CV-21-00870-PHX-DWL, 2021 WL 2352426, at \*11 (D. Ariz. June 9, 2021) (“[T]he recently enacted Trademark Modernization Act of 2020 (‘TMA’) amended [Section 35(a)] to provide a plaintiff seeking an injunction ‘a rebut-table presumption of irreparable harm upon a finding of a violation.’” (quoting Consolidated Appropriations Act, 2021, PUB. L. NO. 116-260, § 226, 134 STAT. 1182 (2020))).

<sup>68</sup>Rule 301 provides:

In all civil actions and proceedings not otherwise provided for by Act of Congress or by these rules, a presumption imposes on the party against whom it is directed the burden of going forward with evidence to rebut or meet the presumption, but does not shift to such party the burden of proof in the sense of the risk of non-persuasion, which remains throughout the trial upon the party on whom it was originally cast.

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<sup>69</sup>See, e.g., *A.C. Aukerman Co. v. R.L. Chaides Constr. Co.*, 960 F.2d 1020, 1037 (Fed. Cir. 1992) (noting that “presumption is not merely rebuttable but completely vanishes upon the introduction of evidence sufficient to support a finding of the nonexistence of the presumed fact”); *Saratoga Vichy Spring Co. v. Lehman*, 625 F.2d 1037, 1043 (2d Cir. 1980) (“[A] rebuttable presumption . . . disappears in the face of contrary evidence or permits the trier to infer in-tent to abandon, despite contrary evidence.”).

<sup>70</sup>941 F.3d 1320 (Fed. Cir. 2019), *affirmed in part and reversed in part*, 141 S. Ct. 1970 (2021).

<sup>71</sup>U.S. CONST. ART. II, § 2, Cl. 2.

<sup>72</sup>*Arthrex*, 941 F.3d at 1338-40.

<sup>73</sup>See *United States v. Arthrex, Inc.*, 141 S. Ct. 1970, 1987-88 (2021).

<sup>74</sup>15 U.S.C. §§ 1068, 1070, 1092 (Supp. III 2021).

<sup>75</sup>Pub. L. No. 116-260, § 228(a)-(b) (2020).

<sup>76</sup>141 S. Ct. at 1987.

<sup>77</sup>11 F.4th 1363 (Fed. Cir. 2021).

<sup>78</sup>*Id.*

<sup>79</sup>*Id.* at 1374.

## Related People

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