

IP Frontiers: Expungement and reexamination proceedings to begin at Trademark Office



By THOMAS SICA

On Dec. 18, expungement and reexamination proceedings are set to begin at the Trademark Office. How these new proceedings will affect trademark practice remains to be seen, but it is important to understand what they are and how they could impact all trademark registrations.

Tucked inside the extensive COVID-19 relief bill passed by Congress on Dec. 27, 2020 was the Trademark Modernization Act. The Trademark Modernization Act contained several changes to trademark law, including lessening the burden of proof to obtain injunctive relief in trademark infringement cases, allowing for shortened deadlines to respond to office actions issued by the Trademark Office, and creating a new cause of action for cases brought at the Trademark Trial and Appeal Board. Perhaps most significantly, the Trademark Modernization Act also created two new *ex parte* proceedings that may be brought before the Trademark Office: expungement and reexamination.

Over the past several years, the Trademark Office has become increasingly concerned with the amount of “deadwood” registrations that slipped through the cracks in the application process. That is to say, there are many registered trademarks, obtained fraudulently, that were never used in commerce by the trademark owner or were not in use at the time that the owner claimed use. Previously, the only way that a third-party could attempt to remove an unused trademark was via an *inter partes* proceeding at the Trademark Trial and Appeals Board. However, those proceedings often can be expensive and the third party must also establish standing to bring such a case. Expungement and reexamination proceedings are meant to be an efficient way of revealing and canceling these “deadwood” registrations.

Both expungement and reexamination proceedings begin when a third party files a petition to the Director of Trademarks that an existing registration should be canceled, in whole or in part. For an expungement proceeding, the basis for the petition must be that the contested trade-

mark was never used in commerce by the registrant for all or some of the identified goods and/or services listed in the registration. Additionally, expungement proceedings must be filed more than three years after the trademark’s registration date, but less than 10 years from the registration date. Though the 10-year limit does not apply until Dec. 27, 2023. For reexamination proceedings, the basis for the petition must be that the contested trademark was not in use in commerce in connection with some or all of the goods and/or services listed in the registration at the time use was alleged (i.e., at the time the application was filed in a use-based application, or at the time the statement of use was filed in an intent-to-use application). Reexamination petitions must be filed within five years of the registration date of the contested trademark.

There are certain specific requirements that the petitioner must include within the petition for expungement or reexamination. Both petitions must include (1) the required fee, currently set at \$400 per class; (2) the registration number of the trademark at issue; (3) the basis for the petition; (4) the name, address and email address of the petitioner; (5) a designation of a U.S.-qualified attorney if the petitioner is not domiciled in the United States; (6) the attorney’s information, if the petitioner is represented by an attorney; (7) the goods and/or services that the petitioner challenges; (8) a verified statement outlining the investigation conducted and the basis for the petition; and (8) supporting evidence.

If the director determines that the petitioner made a *prima facie* case that the mark was not used in the relevant time, then the director will issue an office action to the registrant. The registrant will have three months, which can be extended for one additional month for a fee, to respond to the office action rebutting the petitioner’s evidence of non-use. If the registrant sufficiently demonstrates use, then the proceeding will be dismissed. If not, the director will issue a final office action, against which the registrant gets a non-extendable three months to respond or appeal.

Some have expressed concern that expungement and reexamination proceedings may open the door to potential harassment of legitimate trademark owners by third parties with more resources. However, the Trademark Office has instituted numerous safeguards to protect against

potential abuse. To start, the director will not initiate an expungement or reexamination proceeding unless the petitioner sets out a *prima facie* case for cancellation in its petition. If the petition does not clearly set out a case that the trademark was not in use on some or all of the goods or services at issue, then the registrant never needs to respond. Furthermore, if a registrant successfully defends its trademark registration against an instituted expungement or reexamination proceeding, third-parties become estopped from attempting to bring another proceeding for the same trademark on the same goods and/or services.

So how will expungement and reexamination impact trademark practice moving forward? Owners of existing trademark registrations must now be more vigilant about their trademarks to ensure that they are using all of their trademark on all of the identified goods and services in their registrations. Otherwise, they may be subject to these proceedings. Parties who are damaged in some way by an existing and unused registration now have a more cost-efficient way of cancelling the registration without having to file a cancellation proceeding at the Trademark Trial and Appeal Board (TTAB). Petitioners need only pay \$400 per class to file a petitioner, and then have no further responsibilities in the proceeding. This is opposed to a TTAB proceeding where the initial filing fee is \$600 per class in addition to all of the subsequent costs that come with a full litigation. And, unlike a TTAB case, the petitioner may remain anonymous if they choose, in order to protect against retaliation, and does not have to demonstrate any standing to bring the proceeding. As such, these *ex parte* proceedings may prove popular among small businesses and individuals lacking the resources to litigate claims against trademark holders.

Ex parte expungement and reexamination proceedings at the Trademark Office become available starting Dec. 18. We will soon learn how these affect the landscape of trademark law.

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