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TMA Provides New Procedures for Challenging Registered Marks That Are Not in Use

Legal Update

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What can you do if you have filed a trademark application that was rejected by an Examiner due to a registration that you learn is not in use with some or all of the goods/services identified in the registration? The Trademark Modernization Act (the TMA or the Act), enacted in December 2020, provides two new options: **ex parte expungement** and **ex parte re-examination**. These mechanisms are intended to give trademark owners an option to help clear the “dead wood” on the federal register, which is crowded with registrations for marks that are not in use but still prevent legitimate businesses from registering their marks. These processes are instituted outside the Trademark Trial and Appeal Board (TTAB) (currently the only venue for instituting a cancellation proceeding) and are intended to be less expensive alternatives to a contested cancellation proceeding in the TTAB. On November 17, 2021, the Trademark Office issued the final rules implementing the Act. Both processes discussed in this article are available to petitioners on or after December 18, 2021.

1. Ex Parte Expungement

The first new process, set forth in Section 16A of the Act, allows any third party (or the Director) to file a petition requesting that the Director of the Trademark Office cancel a registered mark for some or all of the goods and/or services in the registration based on an allegation that the mark has *never* been used in commerce in the U.S. with the challenged goods and/or services. This provision may be invoked any time between three and ten years after registration. Note that until December 27, 2023 (three years from the enactment of the TMA), an expungement proceeding may be initiated against a registration any time after the third year following registration, including even more than ten years after registration. It appears aimed at registrations issued under either the Madrid Protocol (66(a) registrations) or under the Paris Convention (Section 44(E) registrations), both of which do not require proof of use prior to registration.

The petitioning party must submit a verified statement that sets forth the elements of the reasonable investigation conducted by the petitioner that shows that the registrant has never used the mark with the goods/services in question, and any additional facts that support the petitioner’s allegations. Once filed, the Director then determines whether the petition sets forth a prima facie case of nonuse, and if so,

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institutes a proceeding in which the registrant may either submit evidence showing use, or evidence of excusable nonuse.

2. Ex Parte Re-examination

The second new process, set forth in Section 16B of the Act, allows for the invalidation of a registered mark that was not used in commerce in the U.S. for some or all of the goods/services listed in the registration *as of the "relevant date"* in the application process. The "relevant date" is defined as:

1. the filing date for a use-based application;
2. the filing date of the amendment to allege use; or
3. the deadline by which a statement of use was due.

This process is aimed at registrations obtained through false allegations of use, and this process applies only to registrations issued under Section 1(a) of the Lanham Act, but not against a registration that is based on a foreign registration or an extension of protection of an International Registration. It will require applicants to ensure that the mark is in use with all goods and services identified, and not just a subset, before claiming use. If the petition is successful, the registration would be cancelled as to those goods/services for which the mark was not in use as of the relevant date.

As with the expungement proceeding, this process can be commenced by a third party, by filing a petition alleging a reasonable investigation that demonstrates that the mark was not in use with all the goods/services on the "relevant date." Requests for reexamination must be filed within the first five years after registration.

Expungement and reexamination proceedings also will be included among the types of proceedings for which suspension of action by the USPTO or TTAB is authorized.

For parties seeking to cancel problematic registrations, both new options should be less expensive and faster than a contested cancellation proceeding in the Trademark Trial and Appeal Board. Each petition has a required filing fee of \$400 per class. And for registrants who find themselves on the receiving end of a petition for re-examination or expungement, the USPTO's decision to cancel all or part of a registration is appealable to the TTAB.

This article is the first in a series of articles written by the Fredrikson's Advertising, Marketing and Trademark attorneys that will be published in the coming weeks regarding the provisions of the Trademark Modernization Act.