

USPTO Issues Final Regulations Implementing the Trademark Modernization Act of 2020

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The United States Patent and Trademark Office's Final Regulations implementing the Trademark Modernization Act of 2020 went into effect on December 18, 2021. The regulations provide for two new ex parte proceedings for expungement and reexamination of unused registered trademarks, which aim to facilitate removal of fraudulent and unused trademarks from the federal register. The new proceedings will provide a more efficient and less expensive alternative to current proceedings with the Trademark Trial and Appeal Board for challenging trademark registrations.

Expungement Proceedings

The new expungement proceedings permit any party to request cancellation of some or all of the goods or services in a trademark registration if the registrant never used the mark in commerce with those goods and/or services. These proceedings will be particularly important to foreign registrants, who often base their U.S. registrations on home country registrations without demonstrating any use of the mark in the United States. Until December 27, 2023, a proceeding may be requested for any registration that is at least three years old. Following that date, expungement proceedings must be commenced between three and ten years after the registration date.

Reexamination Proceedings

The new reexamination proceedings allow any party to request cancellation of some or all of the goods or services in a registration if the trademark was not used in commerce with those goods or services on or before: (i) the application filing date (for actual use applications); or (ii) the later of the date an amendment to allege use was filed or the date that the deadline to file a statement of use expired (for intent-to-use applications). These proceedings will be directed primarily at applicants who have submitted false information in the application or a subsequent Declaration of Use. Cancellations through a reexamination proceeding must be requested within five years of a trademark's registration.

Requirements for Ex Parte Proceedings

A petition for expungement or reexamination must include a verified statement demonstrating that a reasonable investigation was conducted as to whether the trademark had been used in commerce with the specified goods or services. The rules do not specify what will constitute a "reasonable investigation", but do specify that a single Internet search likely would not be sufficient. The petition must also include a concise factual statement explaining the basis for the petition as well as evidence to support a prima facie case of nonuse in commerce. The fee for a request for expungement or reexamination is \$400 per class of goods and services.

Significantly, the final regulations do not require the petitioner to identify the real party in interest on whose behalf the petition is filed. This means that an attorney may file a petition for expungement or reexamination on behalf of a client without disclosing the client's identity. The USPTO adopted this rule so that parties are not discouraged from filing legitimate petitions by fear of retaliation from a registrant. However, the USPTO Director retains the authority to require disclosure of the identity of a real party in interest to discourage and prevent abusive filings.

Additional Provisions

In addition to implementing the new ex parte proceedings, the final regulations also shorten the time for

applicants and registrants to respond to office actions from six months to three months. A request for a single three-month extension may be filed for a fee of \$125. This particular change will go into effect on December 1, 2022.

The new rules also provide a financial incentive for owners of trademark registrations to update the registrations from time to time. If the trademark owner deletes items for which the mark is no longer in use before a 6th year Declaration of Use or a 10th year renewal application is filed, there is no charge. However, there is a filing fee (currently \$250 per class) if the registrant deletes goods and services after one of these filings is submitted, either voluntarily or in response to a Post-Registration Office Action.

Please contact [John E. Ottaviani](#) or [David M. DiSegna](#) at Partridge Snow & Hahn LLP if you have questions about the final regulations or the Trademark Modernization Act of 2020. For additional information and resources visit the firm's [Intellectual Property & Technology Group](#) page.

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