

Intellectual Property Law *Trending Now*

Consolidated Appropriations Act for 2021 Sweeps the Trademark Modernization Act into Law as Well

On December 27, 2020 the President signed the Consolidated Appropriations Act for 2021. Buried within the 5,593-page bill was the Trademark Modernization Act (“TMA”) which includes a number of amendments to the Lanham Act.

The full text of the bill may be found [here](#), and we highlight a number of the more significant provisions below. Thankfully for practitioners and trademark owners alike, the TMA will not become effective until December 27, 2021.

Trademark holders would be wise to take the one year reprieve to work with their intellectual property counsel to update trademark and branding strategies to efficiently adapt to and take advantage of the updates to the United States’ trademark laws enacted by the TMA.

Ex Parte Submissions During Examination

Section 3 of the TMA will permit any third party to submit evidence relevant to the examination of a trademark during the examination period. The evidence may relate to any ground on which the Examiner might have refused registration. For example, a third party could submit evidence that another is using a confusingly similar mark or submit evidence that the applicant is not or has not used the mark on the applied for goods.

The *ex parte* communication must identify the ground for refusal and a brief description of the evidence. The Office has two months to decide whether to include the material in the record, and if it is

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is included, only evidence—not the third party’s reasoning—should be included.

This procedure could make monitoring trademark applications more important, and unfortunately, more labor intensive. It is not clear whether there will be a set time period during the examination process for *ex parte* communications to be provided, such as a time frame similar to the opposition period. If not, trademark owners and their counsel will likely need to establish procedures for periodically searching for and identifying applications, rather than simply reviewing the Trademark Gazette for newly published applications.

Adjustable Deadlines for Responses

Presently, most all responses by an Applicant during prosecution are due 6 months from the date of the communication from the Office. Section 4 allows for the Office to set shortened periods for response while allowing an Applicant to extend the response period for up to 6 months for the payment of a fee.

It is likely that this provision will reflect what currently happens during patent prosecution. For patents, most responses to Office communications are given a 3 month deadline to respond, and the applicant can extend that deadline for 1 month increments, up to 6 months (i.e. three 1 month extensions). Each extension is incrementally more expensive. Going forward, trademark owners can expect to be required to respond within 3 months as a matter of course, and expect incrementally more expensive extension requests.

Expungement of Trademarks

Section 5 creates a new *ex parte* cancellation procedure to expunge a trademark that has never been used in commerce. Currently, only *inter partes* cancellation proceeding may be brought to cancel a mark based on non-use. The purported intent of the procedure is to weed out foreign registrations for goods where the mark has never been used on goods sold within the United States. Through the procedure, a third party can cancel a mark for any goods/service for which the mark was never used. However, for any goods/services for which the trademark owner is able to establish use, the mark will not be canceled for that subset of goods/services.

The precise procedures that will allow third parties to utilize the *ex parte* cancellation procedures are not yet known. The TMA instructs that Office to use the one year grace period to devise the means for implementation of the new procedures.

For trademark holders, the new *ex parte* procedures indirectly emphasize the need for owners to maintain reliable records of use of the mark for each and every good/service listed in an application, not simply a specimen showing use within a particular class. Such records will be invaluable in the event that the holder needs to rebut the institution of a non-use proceeding.

It also means that trademark holders and their counsel must work collaboratively to ensure that the descriptions of the goods/services accurately represent the trademark holder's real-world use. While that has always been a good practice, it likely will be more important now since any third party will easily be able to lodge an objection based on their own interpretation of the description of goods/services.

Presumption of Irreparable Harm

Recent case law has called into question the appropriate standard for determining whether an injunction should issue with respect to claims of trademark infringement. Section 6 of the TMA creates a rebuttable presumption of irreparable harm. Accordingly, trademark holders that are successful in establishing their infringement claims (or successfully establish that they have a likelihood of success on the merits) will have an easier path to obtaining an injunction against the infringers.

Conclusion

The particulars of how the United States Patent and Trademark Office determines it will implement the provisions of the TMA will have a significant impact on their effectiveness and on the protocols that trademark owners will want to implement to effectively take advantage of the new proceedings and insulate their marks from attack. But regardless, it is clear from the TMA that effective collaboration between trademark counsel and trademark holders will remain key to building and maintaining a strong trademark portfolio.

*If you have any questions about this update, please contact the author listed below or the **Aronberg Goldgehn attorney** with whom you normally consult:*

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