October 8, 2019

The Hon. Mary Boney Denison
Commissioner for Trademarks
U.S. Patent and Trademark Office
P.O. Box 1451
Alexandria, VA 22313-1451

Re: Comments Regarding Trademark Fee Increases Proposed in the Notice of Public Hearing on the Federal Register, 84 FR 45470 Docket No.: PTO-T-2019-0028

Dear Commissioner Denison:

I write on behalf of the American Bar Association Section of Intellectual Property Law (the “Section”) in response to the United States Patent and Trademark Office’s (“USPTO’s”) Notice of Public Hearing on the Federal Register, published at 84 FR 45470 (Docket No.: PTO-T-2019-0028) (the “Notice”). The views expressed herein are presented on behalf of the Section of Intellectual Property Law. They have not been approved by the House of Delegates or the Board of Governors of the American Bar Association and, accordingly, should not be construed as representing the position of the Association.

Since 1894, the ABA-IPL Section has advanced the development and improvement of intellectual property laws and their fair and just administration. As the forum for rich perspectives and balanced insight on the full spectrum of intellectual property law, the Section serves within the ABA as a highly respected voice within the intellectual property profession, before policy makers, and with the public. The ABA-IPL Section membership includes attorneys who represent trademark owners, accused infringers, small corporations, universities, and research institutions across a wide range of industries.

The Section supports in principal the USPTO exercising its fee-setting authority to issue moderate increases to trademark fees to maintain and improve pendency times, to make improvements to the USPTO technology systems, and to increase confidence and reliability of the USPTO’s trademark registration systems.
The Section also supports cost increases for paper filings, where the increases are
designed to encourage applicants and registrants to use electronic systems which are
more efficient and less likely to be subject to processing errors. On August 20, 2018, the
Section expressed support of Mandatory Electronic Filings in its response to the
USPTO’s previous Request for Comment and believes that any cost increase will further
this important issue.

However, the Section has concerns about some of the proposed increases and
therefore respectfully submits the following comments.

Requests for Reconsideration

In the Supplemental Materials to the Notice, the USPTO proposes a new $400 fee
to electronically file a Request for Reconsideration prior to an appeal.

Trademark attorneys representing clients on USPTO trademark prosecution
matters often counsel clients on strategies for responding to Non-Final Actions and Final
Refusals. The Office Action Response procedure is an important part of the process, as it
gives trademark applicants the chance to provide arguments and evidence refuting the
Examining Attorney’s evidence on any given refusal.

While Examining Attorneys undergo extensive training, they are not infallible. It
is one of the key roles of a trademark attorney practicing before the USPTO to ensure that
his or her clients’ trademark rights are reviewed with full evidence and arguments to
support the registration of that trademark before the USPTO. The current system of
allowing an applicant to respond with substantive arguments to both Non-Final and Final
Office Actions furthers the USPTO’s goal of protecting trademark rights in the United
States.

In cases where an applicant believes that the Examining Attorney assigned to its
application may have erred in issuing a Non-Final Office Action, the applicant should not
be discouraged or penalized for providing substantive arguments against that refusal. For
example, if an Examining Attorney issues a Non-Final Office Action requiring a
disclaimer of a word that would affect the rights of the applicant, that applicant should be
able to respond with arguments without risking a $400 fee in the event the initial
response is not persuasive to the Examining Attorney, the refusal is made final, and the
applicant then wishes to simply accept the disclaimer. The same is true for partial
likelihood of confusion refusals, identifications, and other issues in which a Request for
Reconsideration gives the Applicant the chance to remedy an Examining Attorney’s
decision on outstanding issues that has been made final after a Non-Final Office Action.

Procedurally, the Request for Reconsideration procedure helps reduce the number
of Ex Parte appeals, because it gives applicants the opportunity to provide a full range of
evidence to the Examining Attorney before appealing the decision to the Trademark Trial
and Appeal Board ("TTAB"). If a refusal or objection maintained in a Final Office Action is not resolved after a Request for Reconsideration, applicants may decide not to use their (and the TTAB’s) resources to pursue a further appeal. These cost-saving measures allow applicants to consider a range of options and not proceed directly to a time-consuming and costly Ex Parte appeal.

Further, applicants considering an appeal to the TTAB must complete the record for examination before filing the appeal because the TTAB does not accept new evidence and indeed requires remand to the examination division in order to consider new evidence on appeal. Applicants should be able to complete the record with supporting evidence without incurring fees in addition to the already-increased fee to file the Ex Parte appeal in the first place.

Because of these considerations, the Section opposes the USPTO’s proposed new fee of $400 to file a Request for Reconsideration.

**Deletion of Goods and Services After Post Registration Audit**

The USPTO Fee Adjustment Schedule includes a proposed fee for the deletion of goods or services in response to a Post Registration Audit with a cost of $100 per good or service deleted.

The Section opposes the $100 “per-good-or-service” pricing model because of concerns that the costs would be unfairly punitive and difficult to predict based on changing and evolving standards for identifications before the USPTO. While the Section supports the USPTO’s initiatives to eliminate “deadwood” from the register, the “per-good-or-service” pricing model leaves the possibility for inherent unfairness.

Some registrations cover many different goods and services, and in the event of an audit, registrants may decide to delete goods or services for which it would be burdensome to gather evidence (such as industrial or rarely-sold products) or where the evidence available does not meet the somewhat higher standards required by the USPTO in an audit, or when the registrant is not in a financial situation to work with an attorney to respond to the USPTO’s Post Registration audit. With the proposed “per-good-or-service” fee model, deletion may become cost prohibitive for a registrant compared with the expense of simply filing a new application, creating a perverse incentive that may ultimately increase the examination burden on the USPTO.

In addition, some registrants may elect to simply allow their registration to lapse, rather than responding to the audit (if the cost of responding was particularly high). Given that the USPTO does not cancel registrations on the day after a response is due, and instead allows them to remain on the Register for a brief period of time, these otherwise lapsed registrations may result in increasing deadwood on the Register instead of paring down registrations to their provable cores.
As an alternative, the Section recommends that the USPTO consider other pricing models, including a per-class fee or a “per-good-or-service” fee that is capped at a reasonable maximum fee.

**Deletion of Goods and Services After Adverse Ruling before the TTAB**

The USPTO Fee Adjustment Schedule also includes a proposed fee for the deletion of goods or services after an adverse ruling before the TTAB with a cost of $100 per good or service deleted.

The Section opposes the $100 “per-good-or-service” pricing model because of concerns that the costs would be unfairly punitive and difficult to predict. Applicants and registrants make legal decisions based not only on legal merit but also on other issues such as budget, risk, etc. The proposed fee would be unfairly applied to applications and registrations that cover a wide range of goods and services.

**Motion for Summary Judgment**

The USPTO proposes a new $500 fee to file a Motion for Summary Judgment in proceedings before the TTAB. The Section recognizes that the TTAB rarely grants Motions for Summary Judgment and that such motions require significant time and efforts by the TTAB to review. However, the Section nonetheless believes that such motions are appropriate in some circumstances. The Section believes that the imposition of a $500 fee creates a perverse incentive for parties not to make such motions, and in doing so, may increase the burden on the parties and on the TTAB to pursue an *inter partes* matter through trial when it might otherwise have been decided on summary judgment. Accordingly, the Section opposes the proposed fee for Motions for Summary Judgment.

**CONCLUSION**

The Section understands that the USPTO will provide additional opportunities to comment through a Notice of Proposed Rulemaking in 2020. In the meantime, the Section commends the Office for its consideration of these issues and appreciates the opportunity to offer these comments.

Sincerely,

George W. Jordan III
Chair, ABA Section of Intellectual Property Law