

Trademark Modernization Act of 2020 – Use It or Lose It

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Practices

Intellectual Property Law

Article

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Tucked away in the recesses of the Consolidated Appropriations Act of 2021, also known as the COVID-19 relief and spending bill, is the Trademark Modernization Act (TMA). At face value the TMA borrows some of the central themes of the American Invents Act—sifting out, fixing, and decluttering intellectual property.

Notably, the TMA allows third-parties, either through petitions or submissions, to assist the USPTO in efforts of authenticating use in commerce. This administrative crowd sourcing, if you will, is not unique, but has the plausible effect of reducing nonuse marks and lowering costs on applicants seeking to cancel or expunge registrations not in use for identified goods and services. In similar fashion to real property and maximum productivity, the USPTO is attempting to make use of the available *real estate* in the highest and best use by validating the mark is not *vacant*. The reform comes in light of certain abuses from foreign applicants granted registration through international filing, despite showing little to no use within commerce. The effects of which have added to an already burgeoning Trademark registry.

Today, applicants are often advised to perform a clearance search prior to filing for registration or beginning product marketing. These searches can avoid headaches and unfortunate consequences when going to market. Applicant's may now have a choice when facing negative results from a clearance search to investigate the obstructing mark and petition the director if satisfactory evidence exists that the mark is vacant or not in use in commerce. One provision of the TMA allows for new grounds of cancellation of a registered mark through an ex parte expungement petition on the merits the mark has never been used in commerce on or in connection with the goods and services. The expungement proceeding can be brought three years after the mark's registration date, and no later than 10 years after registration. Another provision grants ex parte reexamination of a registered mark on the

basis the mark was not in use in commerce. The reexamination covers scenarios in which a mark was not in use during the examination process, prior to registration of the mark. The reexamination may be filed by any person or the USPTO no later than five years from the marks registration date.

The TMA grants the USPTO one year to draft detailed regulations for implementing new procedures. Applicant's now have additional options when developing new products and services, while also increasing the effectiveness of the registry. Time will only tell if the TMA is successful in curbing the deluge of nonuse marks.