

**UNITED STATES
PATENT AND TRADEMARK OFFICE**



Introduction and welcome by TPAC Chair

Elisabeth Escobar

Chair, Trademark Public Advisory Committee

April 17, 2020

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Opening remarks

Andrei Iancu

Under Secretary of Commerce for Intellectual
Property and Director of the United States Patent
and Trademark Office

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Operational news and updates

David Gooder

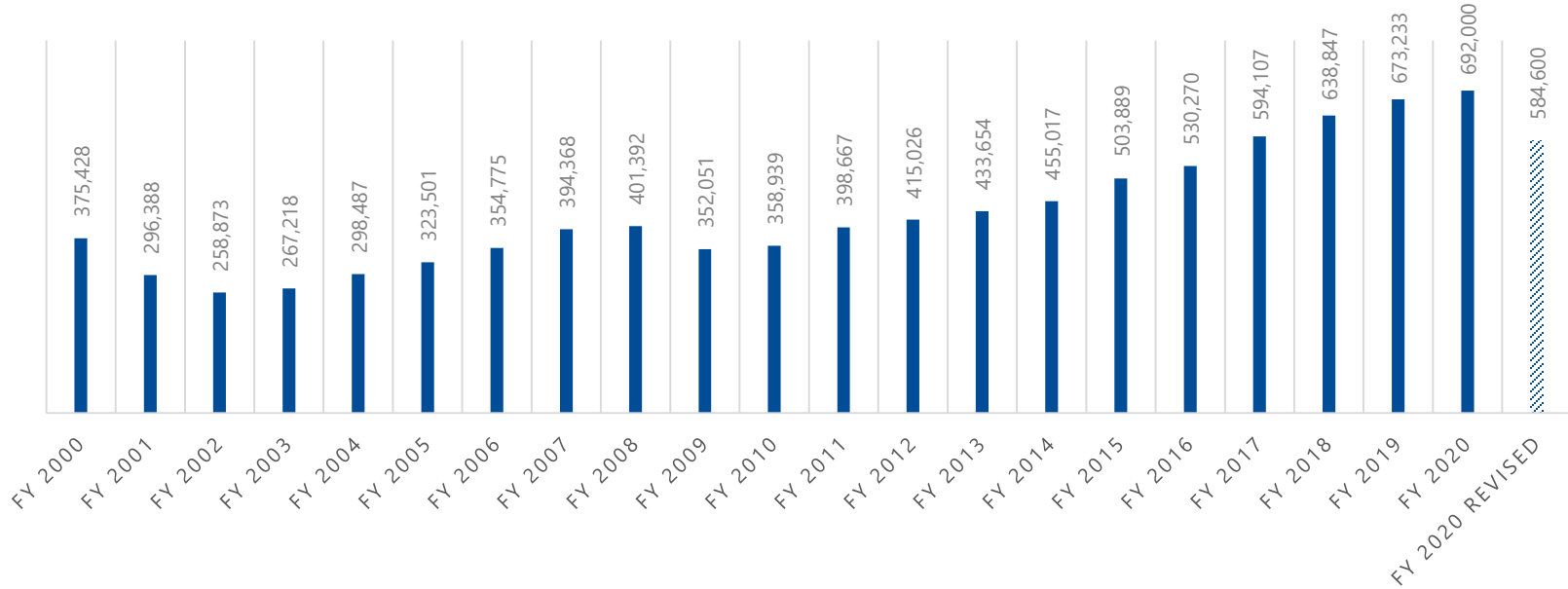
Commissioner for Trademarks

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TM Applications: Historic Trend

APPLICATIONS FOR REGISTRATION - CLASSES



New applications and registrations

Fiscal year	Classes filed	+/- %	Classes registered	+/- %
2014	455,017	+4.9%	279,282	+7.5%
2015	503,889	+10.7%	282,091	+1%
2016	530,270	+5.2%	309,188	+9.6%
2017	594,107	+12.0%	327,314	+5.9%
2018	638,847	+7.5%	367,382	+12.2%
2019	673,233	+5.4%	396,836	+8%
2020 Q2	309,179	-4.4%	202,600	+8.8%

Filing trend: applicant demographic

Fiscal year	U.S. filings	Foreign filings
2014	78%	22%
2015	76%	24%
2016	73%	27%
2017	70%	30%
2018	70%	30%
2019	68%	32%
2020 Q2	71%	29%

Trademarks performance: Pendency

FY 2020 Trademarks performance measures	FY 2020 targets	FY 2020 results (end of Q2)
First action pendency First action pendency from date of filing to the first office action in months	2.5-3.5	2.8
Disposal pendency Disposal pendency from date of filing to issuance of a notice of allowance, registration, or abandonment— excluding suspended and <i>inter partes</i> proceedings	12.0	9.4

Trademarks performance: Quality

FY 2020 Trademarks performance measures	FY 2020 targets	FY 2020 results (end of Q2)
First action compliance In-process review evaluation of the statutory bases for which the USPTO raises issues and/or refuses marks for registration based on the first office action	95.5%	96.0%
Final action compliance In-process review evaluation of the statutory bases for which the USPTO raises issues and/or refuses marks for registration based on the examining attorney's approval or denial of the application	97.0%	97.7%
Exceptional office action Measure indicating the comprehensive quality of the first office action search, evidence, writing, and decision making	50.0%	53.3%

Update on recent rule changes

U.S. Counsel Rule: Requirement issued

- Implemented August 3, 2019
- Requires foreign-domiciled trademark applicants, registrants, and parties before the Trademark Trial and Appeal Board to be represented by a U.S.-licensed attorney to file trademark documents with the USPTO
- Office actions issued with U.S. counsel requirement

	Aug FY19	Sept FY19	Oct FY20	Nov FY20	Dec FY20	Jan FY20	Feb FY20	Mar FY20
U.S. counsel requirement	10,954	9,620	13,154	4,053	1,815	1,562	1,292	1,679

U.S. Counsel Rule: Impact on applications

	U.S. Counsel Rule in effect										
	May FY19	June FY19	July FY19	Aug FY19	Sept FY19	Oct FY20	Nov FY20	Dec FY20	Jan FY20	Feb FY20	Mar FY20
Chinese applications	5,475	4,874	20,435	7,817	2,821	2,625	2,904	3,871	4,197	1,415	3,768
Foreign applications (non-China)	6,622	5,779	6,938	6,297	5,428	6,495	5,738	5,810	5,568	5,667	5,957



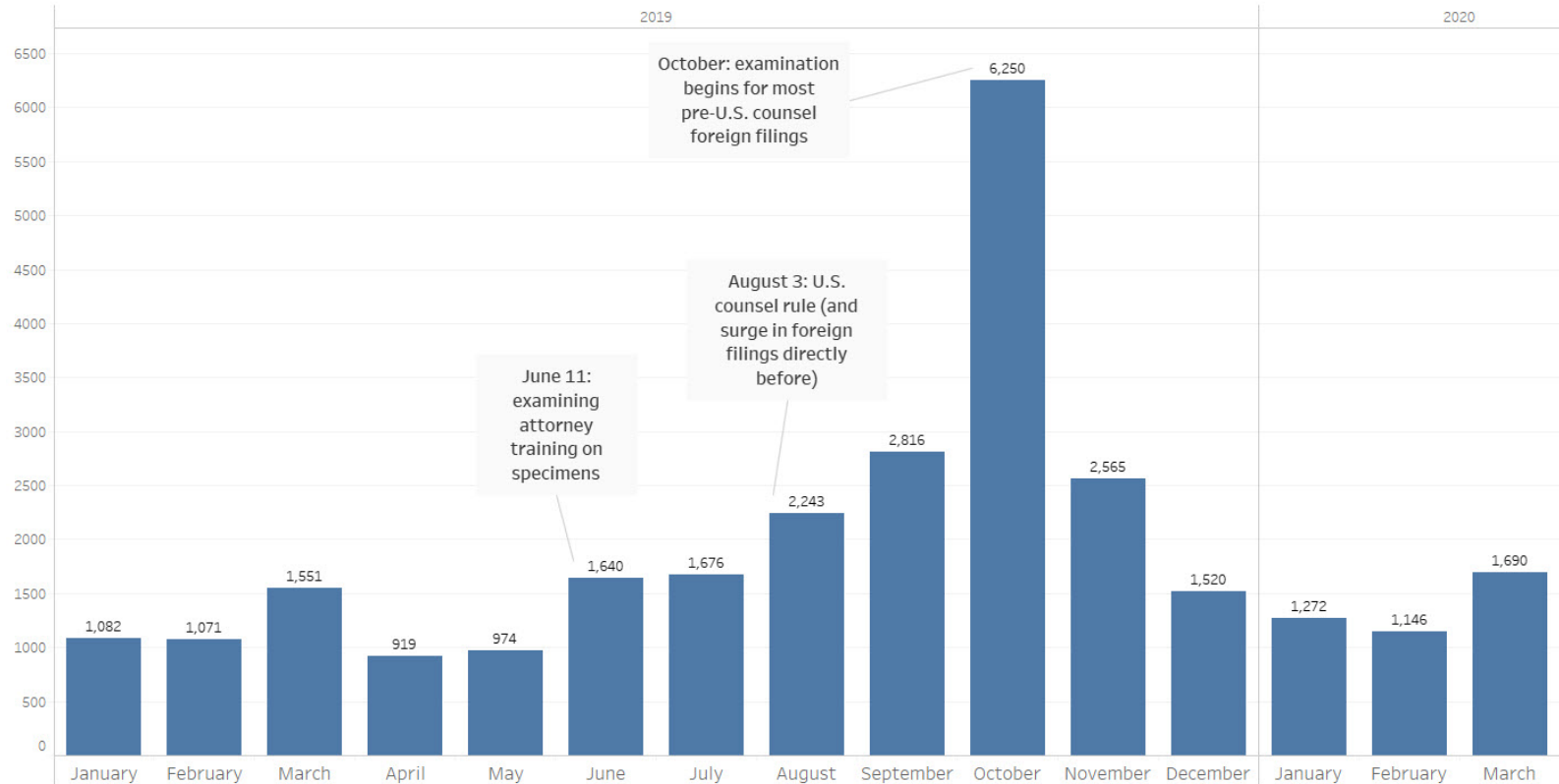
U.S. Counsel Rule: Anti-circumvention

- To date, we have issued 283 show cause orders
- Types of unauthorized/improper activities
 - Unauthorized changes to records
 - For guidance, search “unauthorized changes” on www.uspto.gov
 - Improperly signed submissions
 - Use of a “mail drop” address or address of a commercial mail receiving agency
 - Use of fictitious attorney names or the name/signature of U.S. attorneys without consent
- Special task force
 - Reviews weekly data analytics reports to identify suspicious surges in foreign representation and receives information from examining attorneys regarding suspicious applications

Fake or altered specimens: Refusals timeline

Form Paragraph Usage

S32-0-0/S32-0-2 (Digital Specimen Refusals -1a Basis)



Masking owner email addresses: Update

- Mandatory electronic filing (MEF) implemented on February 15, 2020
- Requires owner email address in addition to U.S. attorney email, if represented
- We heard your concerns about misuse of owner email addresses by third parties
- We are taking steps to address your concerns while working through technological challenges
- In the upcoming weeks, we plan to mask the owner email address field in TEAS and TEASi documents viewable in TSDR. This includes submissions viewable in the documents tab, all application programming interfaces (APIs), and PDF downloads.
- After the deployment, you'll see XXXX in the owner email address field when you open a TEAS or TEASi document in TSDR.

NAME	Do Outdoors, LLC
MAILING ADDRESS	3031 N. Martin Ave.
CITY	Springfield
STATE	Missouri
STATE/COUNTRY/REGION/JURISDICTION/U.S. TERRITORY	United States
ZIP/POSTAL CODE	65803
EMAIL	XXXX

Initiatives

CARES Act 2020

- Extends deadlines for certain Trademark- and TTAB-related deadlines
- FAQs are on the USPTO website at:
 - www.uspto.gov/trademark/laws-regulations/cares-act-faqs

Proof-of-use audit program results

- 9,357 first actions issued by examiners on project
- 6,622 responses received
- 3,380 of responses received deleted goods/services/classes in response to audit
- 80% of respondents represented by an attorney; 20% of respondents pro se

Basis for registration	Nov 2017-Mar 2020 8,276 registrations % unable to verify previously-averred use	FY18	FY19	FY20 through Q2
Use Section 1(a)	46%	42%	44%	46%
Paris convention Section 44(e)	66%	67%	65%	66%
Madrid Section 66(a)	65%	62%	63%	65%
Combined use and Paris Sections 1(a) and 44(e)	63%	64%	59%	63%

International collaboration

TM5

- The five largest trademark offices:
 - China National Intellectual Property Administration (CNIPA)
 - European Union Intellectual Property Office (EUIPO)
 - Japan Patent Office (JPO)
 - Korean Intellectual Property Office (KIPO)
 - USPTO
- Focus:
 - Exchange of information
 - Collaboration and
 - Harmonization projects regarding trademark matters to benefit users
- Projects include (among others):
 - Combatting bad faith filings
 - Common status descriptors
 - ID list
 - Non-traditional marks
 - Image searching
 - Anti-counterfeiting
 - Misleading (fraudulent) solicitations
- **USPTO will be Secretariat (host) for the TM5 Annual Meeting in late 2020**



Economic picture

USPTO budget update

Jay Hoffman

April 17, 2020

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Agenda

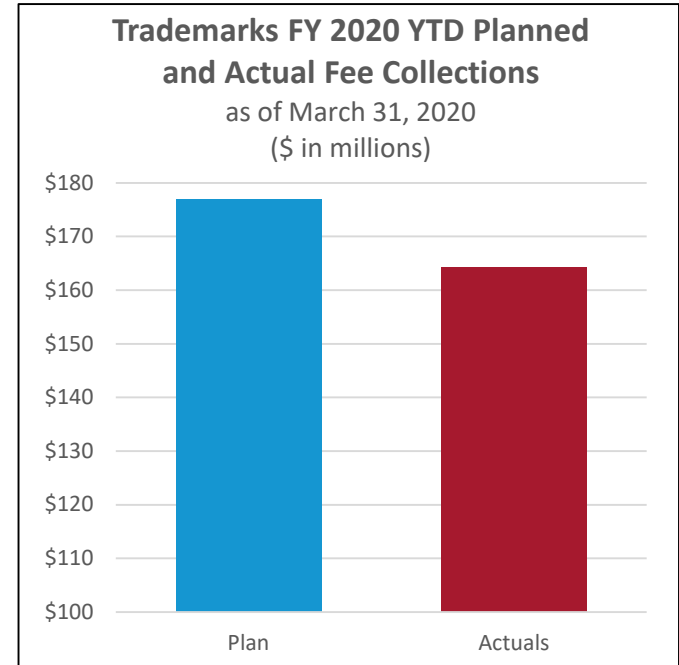
- FY 2020 status
- FY 2021 status
- FY 2022 budget
- Fee rulemaking

FY 2020 status: Trademark financial outlook

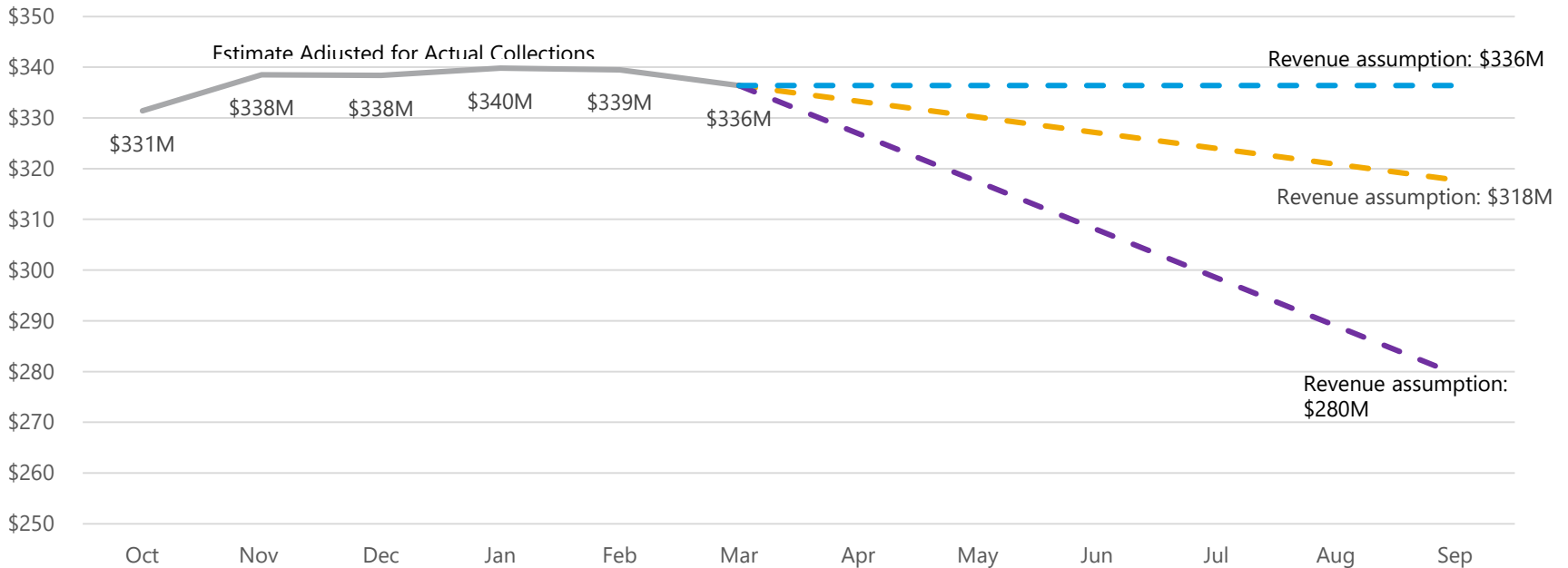
- Fee Collection Revenues
 - USPTO fee collection revenues are highly correlated with gross domestic product.
 - FY 2020 Q2 estimates GDP contraction of -14% to -30% and diminished expectations for the remainder of FY 2020.
 - Trademark revenues forecasts are between \$280M to \$336M.
- Expenses
 - Trademark expenses are \$429M in FY 2020 and \$420M in FY 2021
 - The Agency is reviewing requirements to reduce Trademark expenses in response to revenue risks
- Trademark Reserve
 - The Trademark reserve is currently \$92M and declining ~\$1M per week at current spending levels.

FY 2020 status: year to date fee collections

- Trademark collections through March 31th are \$164.3M
 - This is 7.9% or \$14.0M below the year to date planned collections of \$176.9M based off the estimate in the FY 2021 PB



FY 2020 status: Trademark fee estimate



FY 2020 status: USPTO fee relief – options and constraints

- The President signed the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) on March 27, 2020.
- CARES Act provides the USPTO Director authority to defer deadlines and fee payments.
- USPTO implemented targeted relief for Patents and Trademarks.
- Trademarks Current Relief (issued March 31):
 - Limited relief for all entities. This excludes application filing relief.
 - With 100% participation, relief would be up to \$2.4M/week (\$11.0M through April 30)



FY 2020 status: Trademark CARES Act Fee Relief Analysis

- Anticipated impact of the targeted relief on fee revenue is a revenue reduction of up to \$2.4M per week.
 - Application filings: no impact
 - Maintaining exclusive rights: up to \$1.1M/week
 - Intent to Use/Use: up to \$1.1M/week
 - Madrid Protocol: up to \$43.4K/week
 - Trademark Trial and Appeal Board: up to \$139.2K/week

FY 2020 status: spending

- USPTO is conducting a thorough spending review of its FY 2020 requirements. The objective is to:
 - Evaluate Agency priorities
 - Ensure operating reserve balance are sufficient to mitigate revenue reduction risks
- The Agency is:
 - Assessing where spending reduction and delays could occur
 - Closely monitoring daily fee collections and spending

FY 2021 status

- **Requirements**
 - FY 2020 spending reductions and deferrals, as well as revisions to anticipated fee collections, may require USPTO to review and update budget assumptions for FY 2021
- **Appropriation process for FY 2021**
 - The House and Senate CJS subcommittee appropriation hearings occurred on March 4, 2020 and March 5, 2020 respectively
 - Both hearings focused on other bureaus within the Department of Commerce

FY 2022 budget

- The USPTO is in the planning stages for the FY 2022 OMB budget submission.
 - The process will consider the impacts of fee and budget changes to FY 2020 and how it will impact FY 2021, FY 2022, and outyear requirements.
- The PACs and DOC will receive a draft to review in late August 2020.
- The final document is scheduled to be submitted to OMB in early September 2020.

Fee rulemaking

- Next Step: Publish an NPRM in the Federal Register for public comments.
- Possible release of final rule adjusting trademark-related fees later this year, subject to public comments.



Thank you!

Jay Hoffman

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www.uspto.gov

Legislative/governmental affairs update

Branden Ritchie

April 17, 2020

Trademark Public Advisory Committee quarterly meeting

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Legislative activity

116th Congress

- The Coronavirus Aid, Relief and Economic Security (CARES) Act (P.L. 116-136)
 - Provides the Director with the temporary authority to “toll, waive, adjust, or modify, any timing deadline established by title 35, United States Code, the Trademark Act, section 18 of the Leahy-Smith America Invents Act (35 U.S.C. 321 note), or regulations promulgated thereunder”
 - Requires public notice of such action
 - Requires statement to Congress if the period is greater than 120 days, consecutively or cumulatively
 - Expires 60 days after the national emergency is rescinded or two years from date of enactment, whichever is shorter

Legislative activity

116th Congress

- Trademark Modernization Act of 2020 (H.R. 6196/S. 3449)
 - Creates two new expedited *ex parte* cancellation procedures, expungement and *ex parte* reexamination, to request cancellation of a trademark registration when the mark was never used or was not used before the relevant date
 - Codifies trademark examination procedures that allow third parties to submit evidence, giving the USPTO flexibility and additional authority to gather evidence during examination
 - Gives the USPTO the flexibility to set response periods by regulation
 - Creates a rebuttable presumption that irreparable harm exists when trademark infringement is shown
 - Requires a GAO study and report on USPTO's efforts within two years after the date of enactment



The 116th Congress



- IP-related hearings
 - Senate Judiciary Subcommittee on Intellectual Property: The Digital Millennium Copyright Act at 22: What is it, why was it enacted, and where are we now (February 11, 2019)
 - Senate Judiciary Subcommittee on Intellectual Property: Copyright Law in Foreign Jurisdictions: How are other countries handling digital piracy? (March 10, 2020)

Legislative activity

116th Congress

- USPTO's legislative priorities
 - Continuity of service issues
 - Elevate IP attaché rank
 - TEAPP



Thank you!

Branden Ritchie

Office of Government
Affairs and Oversight

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www.uspto.gov

Office of Policy and International Affairs Update

Shira Perlmutter

April 17, 2020

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Coronavirus response

Generally, 2 models:

1. Automatic extension of all deadlines
2. By request
 - a. Case by case evaluation; or
 - b. Generally provided with impact statement

Offices' COVID19 response

USPTO

- Extension for 30 days by request for deadlines between March 27 and April 30 with statement that COVID19 materially interfered with filing doc/fee

EUIPO

- Automatically extended until May 1

JPO

- Extension by request (time limits apply)

KIPO

- Automatically extended to April 30, except for statutory time periods and period for possible disputes between parties

CNIPA

- Extension by request; must be affected by coronavirus and extension must be requested within 2 months after end of emergency

UKIPO

- Automatically extended until May 1 for deadlines expiring after March 24

CIPO

- Automatically extended until May 1 for deadlines expiring between March 16 – April 31 (extended from April 1)

IPAustralia

- Extension by request; statutory deadlines are non-extendable

Offices' COVID19 response

IMPI - Mexico

- Automatically extended until April 20 for deadlines expiring between March 24 – April 19

INPI - Brazil

- Automatically extended until April 30 for deadlines expiring between March 16- April 29

INAPI - Chile

- Extension by request

India

- Automatically extended until May 4

IPOS - Singapore

- Automatically extended until May 8 for deadlines expiring between April 7 – May 7

Thailand

- Extension by request; must be shown that COVID-19 has directly affected the ability to handle IP prosecution

Jordan

- Automatically extended to April 30 for deadlines expiring between March 18 and April 29

Israel

- Extension by request with evidence

South Africa

- Automatically extended to May 4 for deadlines between before May 1

USPTO – Madrid incoming

CARES extensions available for incoming Madrid application filings:

- Response to provisional refusal or other non-final office action
- Request for reconsideration or appeal to TTAB
- Priority claims
- Opposition against Section 66(a) application
- Transformation

CARES extensions available for Madrid maintenance filings:

- Section 71 maintenance
 - Responses to post-registration office actions on deficient Section 71 filings

USPTO – Madrid outgoing

CARES extensions NOT available for outgoing Madrid international application filings:

- Priority claim in international application based on an earlier filed US base
- Petition for denial of certification of international application
- Response to irregularity notice from IB

International collaboration

Ongoing conversation with WIPO to discuss ideas such as:

- WIPO as a clearinghouse for information on national offices' COVID-19 response information
- Seeking convergence in deadline practices, where possible
- How to address growing calls for IP flexibilities to respond to public health concerns
- Providing interpretative guidance for national offices on any flexibility for interpreting deadlines related to treaty obligations, i.e., priority claims, Madrid

TM5

- Share information



National emergency

- Exhaustion of trademark rights
- No compulsory licensing of trademarks (TRIPS Article 21)

OPIA distance learning

- Our Global Intellectual Property Academy (GIPA) has converted their in-person meetings to offer virtual programs that provide education, training, and capacity building on IP protection, commercialization, and enforcement.

Trademark Trial and Appeal Board Update – FY2020 Report

TTAB Chief Judge Gerard Rogers
April 17, 2020

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FY 2020 TTAB Incoming Filings

FY 2020 TTAB incoming filings	FY 2019 EOY results	FY 2020 actual, target or projected	FY 2020 Through Mid-Year	Rate of Change
TYPE OF FILING Notices of Appeal Extensions of Time to Oppose Notices of Opposition Petitions to Cancel	3,333 20,502 6,955 2,426		1,666 9,694 3,480 1,286	N.A. -5.4% N.A. +6%

Cumulative increases FY17-FY19

- Ex Parte Appeals Up 6.8%
- Extensions to Oppose Up 7.6%
- Oppositions Up 18.3%
- Petitions to Cancel Up 31.3%

Trends in new filings

Type of filing	FY18 (% +/- FY17)	FY19 (% +/- FY17)	By Quarters in FY19	By Quarters in FY20	FY20 Mid-Year (rate of change +/- FY19)
Appeals	3,223 (+1.2%)	3,333 (+3.4%)	866; 747; 871; 849	863; 803	1,666 (no change)
Extensions of time to oppose	19,208 (+3.9%)	20,502 (+6.7%)	4,672; 4,673; 5,564; 5,593	5,025; 4,669	9,694 (-5.4%)
Oppositions	6,496 (+5.5%)	6,955 (+7.1%)	1,599; 1,632; 1,780; 1,944	1,841; 1,639	3,480 (no change)
Cancellations	2,253 (+7.2%)	2,426 (+7.7%)	565; 599; 609; 653	632; 654	1,286 (+6%)

Trends – cases ready for decision

Final decisions on merits appeals and trial cases	FY18 (% +/- FY17) (% trials)	FY19 (% +/- FY18) (% trials)	By Quarters in FY19	By Quarters in FY20	FY20 Mid-Year (rate of change +/- FY19)
Maturing to RFD (ready for decision) (appeals/trials) (percent trials)	650 (-4.3 %) (473/177) (27.2%)	744 (+14.5%) (514/230) (29.9%)	191; 185; 201; 167 (33%); (32%); (34.3%); (23.4%)	145; 176 (111/34); (127/49) (23.4%); (27.8%)	321 (-13.7%) (238/83) (25.9%)
Awaiting decision at end of period (appeals/trials) (percent trials)	130 (+39.8%) (74/56) (43.1%)	206 (+58.5%) (123/83) (40.3%)	197; 213; 267; 206 (33.5%); (39.4%); (40.8%); (40.3%)	235; 211 (153/82); (143/68) (34.9%); (32.2%)	211 (+2.4%) (143/68) (32.2%)

A trial case heavy docket?

- Appeals maturing to RFD Up 8.7%
- Trials maturing to RFD Up 29.9%
- Appeals decided Up 1.6%
- Trials decided Up 41%
- Inventory split (143/68) 32.2 trials%

FY 2020 TTAB performance: Contested motions

FY 2020 TTAB performance: Contested Motions	FY 2019 EOY results	FY 2020 Actual, Target or Projected	FY 2020 Through Mid-Year	Variance
<p>PENDENCY – Contested motions</p> <p>(1) Measured from ready-for decision until mailing; average of orders on contested motions, excluding precedents, issued during reporting period</p>	11.5 weeks	8-12 weeks (target)	12.2 weeks	slightly above target range
<p>INVENTORY – Contested motions ready for decision</p> <p>The number of cases with contested motions in which briefing was completed, becoming ready for decision, as of the end of the reporting period</p>	242		206	14.9% decrease

Trends – motions ready for decision

Contested Motions	FY17 (% +/- FY16)	FY18 (% +/- FY17)	FY19 (% +/- FY18)	By Quarters in FY19	FY20 (rate of change +/- FY19)
Maturing to RFD (ready for decision)	1212 (+4.4%)	1287 (+6.2%)	1284 (-0.2%)	341; 301; 304; 338	319 (-0.6%) ; compared to 25% of FY19 total (-6.5%) ; compared to 341 maturing to RFD Q1 FY19)
No. of Motions Resolved by Issued Decisions (No. of Decisions Issued)	1,238 (-9.4%) (991) (-3%)	1,318 (+6.5%) (1,082) (+9.2%)	1,231 (-9.4%) (1,002) (-7.4%)	248; 376; 270; 337 (208; 304; 216; 274)	675 (+9.7%)* (535) (+6.8%)* *each compared to 50% of FY19 total
No. of Cases with Motions Awaiting Decision at end of period	147 (+25.6%)	165 (+12.2%)	242 (+46.7%)	197; 213; 267; 242	206 (-14.9%)

FY 2020 TTAB performance: Final Decisions

FY 2020 TTAB performance: Final Decisions	FY 2019 EOY results	FY 2020 actual, target or projected	FY 2020 Through Mid-Year	Variance
<p>PENDENCY – Final decisions in ex parte appeals Average time to issuance, measured from ready for decision date until mailing for final decisions, excluding precedents, in appeal cases decided during reporting period</p>	12.7 weeks	10-12 weeks (target)	15.7 weeks	above target range
<p>PENDENCY – Final decisions in trial cases Average time to issuance, measured from ready for decision date until mailing for final decisions, excluding precedents, in trial cases decided during reporting period</p>	15.3 weeks	12-15 weeks (target)	20.4 weeks	above target range

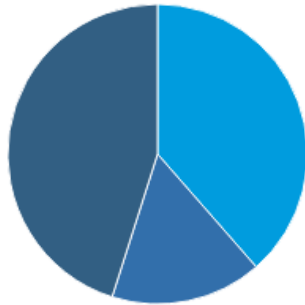
FY 2020 TTAB performance: Final Decisions inventory

FY 2020 TTAB performance: Final Decisions	FY 2019 EOY results	FY 2020 actual, target or projected	FY 2020 Through Mid-Year	Variance
<p>INVENTORY – Cases ready for final decision The number of pending appeals and trial cases in which briefing was completed, or in which briefing and arguments were completed, thus becoming ready for decision on the merits, as of the end of the reporting period</p>	<p>Ex parte appeals 123 Oppositions 57 Cancellations 24 Concurrent Use 2 <u>Total:</u> 206</p>		<p>Ex parte appeals 143 Oppositions 47 Cancellations 21 Concurrent Use 0 <u>Total:</u> 211</p>	<p>appeal balance up but trial balances down</p>

Age of appeals pending decision

Age of Pending Appeals, Measured from RFD
- End of Q1 2020

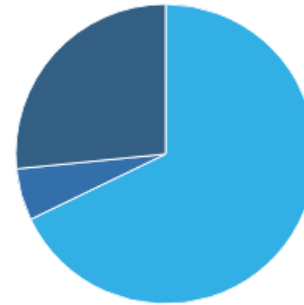
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■ < 10 weeks ■ 10-12 weeks ■ > 12 weeks

Age of Pending Appeals, Measured from RFD
- End of Q2 2020

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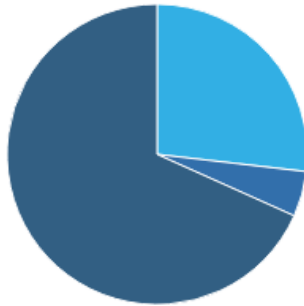
■ < 10 weeks ■ 10-12 weeks ■ > 12 weeks

These two graphs show the changing makeup of the age of appeal cases waiting to be decided on the merits, as of the end of the respective quarters.

Age of trials pending decision

Age of Pending Trial Cases, Measured from RFD - End of Q1 2020

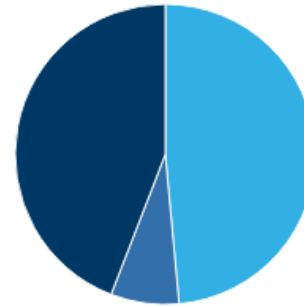
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■ < 12 weeks ■ 12-15 weeks ■ > 15 weeks

Age of Pending Trial Cases, Measured from RFD - End of Q2 2020

Save data



■ < 12 weeks ■ 12-15 weeks ■ > 15 weeks

These two graphs show the changing makeup of the age of trial cases waiting to be decided on the merits, as of the end of the respective quarters.

FY 2020 TTAB performance: End-to-End Processing Times

FY 2020 TTAB performance: End-to-End Processing Times	FY 2019 EOY results	FY 2020 actual, target or projected	FY 2020 Through Mid-Year	Variance
<p>TOTAL PENDENCY Average total pendency, commencement to completion, excluding precedents</p> <p>Appeals (448 in FY19; 204 decided FY20)</p> <p>Trial cases (203 in FY19 (+41%); 97 decided FY20)</p> <p>ACR trial cases (27 decided in FY19; 12 decided FY20)</p>				
	40.5 weeks		46.4 weeks	+14.6%
	160.6 weeks		156.9 weeks	-2.3%
	126.2 weeks		98.5 weeks	-21.9%

FY 2020 TTAB Staffing

FY 2020 TTAB staffing	As of October 1, 2019	As of Mid-Year FY2020	Projected
<p>JUDGES and ATTORNEYS</p> <p>Administrative Trademark Judges</p> <p>Interlocutory Attorneys</p>	<p>23</p> <p>14/1</p>	<p>25</p> <p>17/1</p>	<p>No further increases planned</p>

Pilot programs update

- Expedited Cancellation Pilot complete; data assessment underway
- New Pre-Trial Conference pilot program being explored
- Recent increases in trial case portion of docket
- Cases with larger records not necessarily better records
- Will consider broader use of stipulations, discussion of pre-trial disclosures, focusing parties on efficient presentation of evidence

Trademark IT update to TPAC

Eunice Wang

Trademark portfolio manager (acting)

April 17, 2020

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Activity since last TPAC

- Implemented system changes to comply with the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) signed on March 27, 2020
- Deployed system updates to support mandatory electronic filing (MEF) rule on February 15, 2020
- Gathered requirements for next TEAS release
- Continued work on specimen analysis capabilities (ASAP)
- Continued IT planning of new requirements and development of new capabilities as well as stabilization efforts

Road ahead in 2020

- Internal Trademark agile teams to continue to plan for major new capabilities
- Continue Stabilization of Trademark, TTAB, and ESTTA systems

Remarks

Laura Peter

Deputy Under Secretary of Commerce for
Intellectual Property and Deputy Director of the
USPTO

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