



August 3, 2020

Commissioner for Trademarks
U.S. Patent and Trademark Office
P.O. Box 1451
Alexandria, VA 22313-1451

Via email: TMFRNotices@uspto.gov

Dear Commissioner,

Intellectual Property Owners Association (IPO) submits the following comments and suggestions in response to the USPTO's notice of proposed rulemaking entitled "Trademark Fee Adjustment," published in 85 Fed. Reg. 37040 (June 19, 2020).

IPO is an international trade association representing companies and individuals in all industries and fields of technology who own, or are interested in, intellectual property rights. IPO's membership includes 175 companies and close to 12,000 individuals who are involved in the association either through their companies or as inventor, author, law firm, or attorney members. IPO advocates for effective and affordable IP ownership rights and provides a wide array of services to members, including supporting member interests relating to legislative and international issues; analyzing current intellectual property issues; information and educational services; and disseminating information to the general public on the importance of intellectual property rights.

IPO previously provided testimony to the Trademark Public Advisory Committee (TPAC) at its public hearing on September 23, 2019, during which some of the fee proposals contained in the NPRM were initially considered. IPO thanks the USPTO for being responsive to stakeholder feedback. Specifically, IPO thanks the USPTO for withdrawing the proposals to impose a fee for filing a summary judgment motion and to impose a fee for deletion of goods and services as a consequence of a TTAB proceeding.

We appreciate the opportunity to provide additional feedback on this revised fee schedule. Note that the dollar amounts below correspond to electronic filings through TEAS.

I. Proposed increase in application filing fees.

IPO understands the need for an increase in application filing fees. However, some IPO members consider the increase in the proposed TEAS Standard per-class fee (from \$275 to \$350) to be excessive and would support a smaller increase for this category of applications.

II. Proposal to increase Section 8 and Section 71 Declaration of Use fees from \$125/class to \$225/class.

We recognize that the Office has assumed a greater financial obligation due to decluttering initiatives such as the post-registration audit. However, the fee for filing a Section 8/71 Declaration of Use increased by \$25 (from \$100 per class to \$125 per class) only four years ago,

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IPO does not support the proposed increase of \$100 per class but could support a smaller increase.

III. Waiver of fee for a Section 7 amendment that deletes goods/services/classes, if filed while a Section 8 or 71 is not pending.

IPO generally supports this proposal and hopes that this measure will achieve its purpose of incentivizing registrants to amend their registrations to ensure an accurate register. However, we have some concern that until the Office discontinues issuing paper registration certificates, this proposal will generate an expense on the part of the Office to print and mail an amended Certification of Registration for which no offsetting fee is collected.

IV. New \$250 fee to delete goods/services/classes during pendency of examination of a Section 8 or 71 Declaration.

IPO appreciates the Office's clarification in response to its TPAC testimony that the proposed new fee will be assessed on a class basis and not per product and service. Some members support the imposition of a fee for deleting goods/services during this period, which is shortly after the owner has signed a declaration claiming use for all goods/services in the registration other than those deleted at the time of the filing. Some others do not or believe that the proposed fee of \$250 per class is too high. There is some concern that such a high fee will discourage honest behavior. If a fee is imposed, it might be more reasonable to set it at \$100/class, which is in line with the current fee of \$100 to delete goods/services/classes by means of a Section 7 amendment.

V. TTAB. Increase fees for opposition or cancellation from \$400/class to \$600/class.

IPO does not support the proposed fee increase. The fees were just raised to the current rate in 2017. This proposed increase is quite steep.

VI. TTAB. Partial refund of filing fee for petitions to cancel in cases involving only a nonuse or abandonment claim, when default judgment is entered, there is no appearance by a defendant, and no filings were made other than the petition to cancel.

We would appreciate clarification of the logistics of such a proposal. Would the refund be \$200 per class, or just \$200? Will the refund issue automatically, or must the petitioner take action to trigger the refund? How long after issuance of the default will the refund issue? What will happen if a motion to reopen the judgment is filed many months or years later?

On the substance of the proposal, we oppose eligibility for the refund being restricted to cases that claim only a nonuse or abandonment claim. If a default judgment were entered and the other conditions are met, it would be inconsequential if additional claims had been stated. This would make no difference to the Board's activities of instituting the proceeding, issuing the notice of default, and issuing the default judgment. As presently proposed, parties would be forced to weigh the likelihood that the party might default, qualifying the party for a refund, versus the risk that the registrant will defend and that the petitioner will be prejudiced by not raising an additional claim at the outset.

Likewise, if such a refund is implemented, there is no reason that a refund should not be offered in opposition proceedings when the same conditions are met (default judgment, no appearance by defendant, no filings other than the initial notice). In our members' experience, default judgments issue just as frequently in opposition proceedings as in cancellation proceedings, so it does not make sense that only cancellation proceedings would qualify for a refund.

VII. TTAB. Increase in fees for requesting an extension of time to oppose.

IPO does not support the proposed fee increases, which would double the fees that were first imposed only in 2017. This would be a large increase in a very short period of time. There is concern that settlement could be discouraged in some cases, with an applicant deliberately refusing to engage in settlement discussions in order to force a less-well-funded potential opposer to put up a fair amount of money to keep the opposition period open for negotiations.

VIII. Increase fee to file petition to revive abandoned applications from \$100 to \$150.

IPO does not oppose this proposal.

IX. Increase fee for petitions to the Commissioner under §2.146 or §2.147 from \$100 to \$250.

IPO generally supports or is neutral about this proposal. The current fee of \$100 has not been increased in decades.

X. New fee of \$50 for filing a Letter of Protest.

IPO concurs that the proposed new fee is a reasonable balancing of the equities.

XI. New \$400 Fee for filing requests for reconsideration in last three months of response period.

As expressed in its TPAC testimony, IPO does not support the imposition of a new \$400 fee for filing a request for reconsideration. Section 12 of the Lanham Act establishes the procedure for examination of applications and sets a six-month response period. IPO appreciates that given the uniformly negative reaction that was expressed to such a proposed fee at the TPAC hearing, the NPRM does not propose a \$400 fee to be imposed for the filing of any request for reconsideration. However, the NPRM has divided the response period in half and proposes to impose no fee for requests for reconsideration filed within the first three months of the statutorily-established six-month response period, and a \$400 fee for Requests for Reconsideration filed during the last three months of the six-month response period. The NPRM states that "the proposed fee is intended to recover costs associated with requests for reconsideration and encourage applicants to submit these filings earlier in the response period for the final action."

IPO continues to strongly oppose imposition of any fee for filing a Request for reconsideration.

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The NPRM does not identify any additional burden or expense on the Office to examine a request for reconsideration filed in the last three months versus in the first three months of the six-month response period. By contrast, there are substantive reasons why applicants might delay filing a request for reconsideration. These include but are not limited to circumstances such as awaiting disposition of a prior pending application to see if it will be abandoned during the statutorily-set six month grace period, requesting suspension of the application because a blocking registration has entered the six-month grace period for maintenance, or for activities such as negotiating a coexistence agreement or marshalling evidence to overcome a mere descriptiveness refusal. To the extent that the proposed fee “is intended to recover costs associated with requests for reconsideration,” it seems arbitrary to impose the fee based on when the document is filed. It also seems punitive given that filing in the last three months of the response period is necessary in some instances due to circumstances outside the applicant’s control. Imposing the new fee would make examination much more expensive for applicants who have done nothing wrong or improper in prosecuting their trademark applications.

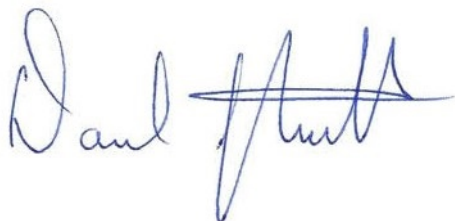
The issues in a final refusal Office action sometimes are resolved by email or telephone discussion with the examining attorney, leading to issuance of an Examiner’s Amendment. It appears that responding to a final refusal Office action in this way would not incur the proposed fee, but this also involves work by the examining attorney. Imposing a fee might create an incentive for applicants to try to work out more issues by email/phone with the examining attorney, rather than by filing a response in order to avoid the high fee, when it might be more efficient for everyone for the applicant to use the TEAS response form that provides “check the box” functionality for such routine issues as entering disclaimers, entering 2(f) claims, and entering translations.

IPO encourages the USPTO to reconsider and withdraw a proposal to impose a fee for filing a request for reconsideration.

* * *

Thank you for considering these comments. Although IPO understands the need for and generally supports these trademark fee adjustments, we feel that some of the increases are too overly burdensome. We welcome further dialogue or opportunity to provide additional information to assist your efforts.

Sincerely,

A handwritten signature in blue ink that reads "Daniel J. Staudt". The signature is written in a cursive style with a large, sweeping flourish at the end.

Daniel J. Staudt
President