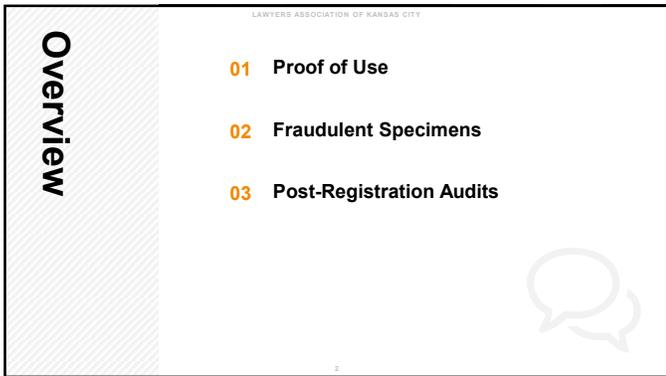




1



2



3

Use in Commerce

- All trademark rights in the U.S. are rooted in the concept of "use in commerce."
- Trademark applicants must prove use before the PTO can issue a registration.
 - Not required when filing through the Madrid protocol or using an earlier-filed foreign application or registration as basis for registration.
- Trademark registrants must periodically prove to the PTO that the mark is still in use on the registered goods and services.
 - Including Madrid and foreign priority filings.

4

Maintaining the Integrity of the Register

- The PTO as the "steward of the trademark register."
 - Prevent registration based on inauthentic claims of use in commerce.
 - Clear "dead wood" from the register by requiring further proof of use.
- Modern day issues are stretching PTO procedures and policies in various ways.
- Electronic Filing Requirements – effective Feb. 15, 2020.
 - All filings must be submitted electronically, including new applications, maintenance filings, and all specimens.

5

TABLE 16: TRADEMARK APPLICATIONS FILED FOR REGISTRATION AND RENEWAL AND TRADEMARK AFFIDAVITS FILED (FY 1999-FY 2019)

Year	For Registration	For Renewal	Section 8 Affidavit
1999	295,165	7,844	33,104
2000	375,428	24,435	28,920
2001	296,388	24,174	33,947
2002	258,873	35,325	39,484
2003	267,218	35,210	43,151
2004	298,489	32,352	41,157
2005	323,926	39,364	47,762
2006	354,775	36,939	48,444
2007	364,368	40,786	49,251
2008	403,320	42,388	48,470
2009	362,051	43,953	65,322
2010	368,939	48,214	61,499
2011	398,667	49,000	68,771
2012	415,026	63,636	76,646
2013	433,854	74,289	93,174
2014	450,019	67,865	107,823
2015	503,889	63,981	98,488
2016	530,270	72,744	87,447
2017	586,109	79,557	92,138
2018	638,847	85,563	96,091
2019	673,231	86,526	98,234

*Renewal of registration term changed on November 16, 1989 (FY 1990) with the implementation of the Trademark Law Reform Act (Pub. L. No. 100-667).

Source: 2019 USPTO Performance and Accountability Report (PAR)

6

2

Fraudulent Specimens

7

LAWYERS ASSOCIATION OF KANSAS CITY

Use in Commerce

- Specimens showing the mark being used in connection with the goods or services must be accepted prior to registration.
- For goods, acceptable specimens include:
 - The mark appearing on the goods or on commercial packaging for the goods displaying the mark; or
 - The mark shown in a display associated with the goods.
- For services, acceptable specimens include:
 - Advertising or promotional materials or in-store and vehicle signage; or
 - Webpage screenshots showing the mark in actual use offering the services.

8

LAWYERS ASSOCIATION OF KANSAS CITY

Use in Commerce

- Mandatory electronic filing for trademark applications.
 - Controversial new rule requiring e-mail address for the mark owner.
- The electronic filing rule changes also include new specimen requirements.
 - Photographs of labels and tags must have context "clearly showing use of the goods" in commerce.
 - The goods must be visible, or the label must have other information that "normally appears on labels for this particular good," e.g. weight, nutritional info, etc.
 - Webpage screenshots must show the URL and the date accessed.
 - The date and URL can appear in the specimen itself, or this data can be provided in the description of the specimen.

9

LAWYERS ASSOCIATION OF KANSAS CITY

Specimen Examination

- Mandatory electronic filing forces the PTO to rethink their specimen policies and evaluation criteria.
- Five prong approach to tackling the issue of specimen fraud:

Training

Technology

Policy

Personnel

Public Involvement

10

10

LAWYERS ASSOCIATION OF KANSAS CITY

Training

- Trademark Examining Attorneys now undergo additional training aimed at improvement in detecting fraudulent specimens.
 - New training focuses on digitally created, digitally altered, and mock-up specimens.
 - List of characteristics of digital fakes appears in Exam Guide 3-19.
- If the specimen is suspected of being digitally created or altered, the specimen is rejected under Sections 1 and 45 of the Trademark Act for failure to show actual use in commerce.
 - TMEP § 904.04(a)

11

11

COMPANY + SHOOK



STEALTH BRAND GOLF SHOES
7115 W. North Ave #272,
Oak Park, IL 60302

Mark: STEALTH
Goods: Golf shoes
Serial No. 77/424,372

What mockup specimens used to look like circa 2010



Mark: WINPOK
Goods: Plush toys; clothing
Ser. No. 88/276,027 &
88/276,083

Issue: Image digitally altered to include mark.



Mark: Bai and Design
Goods: Coffee
Serial No. 87/294,473

Issue: Image of third-party goods (right) digitally altered to show mark (left).

12

12

COMPANY + BROOK

Technology

- Last fall, the PTO issued a call for public comment on the applicability of artificial intelligence solutions to intellectual property issues.
- The PTO is investigating and testing the use of AI image searching to catalogue and create a searchable specimen database using the voluminous specimen collection at the PTO – so far called the Automated Specimens Analysis Program (ASAP).
 - Currently in beta testing phase.

13

13

COMPANY + BROOK

Policy

- The PTO has revised multiple policies in the last 2 years aimed at detecting fraudulent specimens.
- As of last year, applicants domiciled outside the U.S. are required to appoint a U.S. attorney as the Attorney of Record on new applications.
 - Addresses some of the issues surrounding *pro se* applications filed by foreign entities, including use of fake specimens.
- U.S. attorneys are subject to U.S. disciplinary requirements, so the rule change increases the enforceability of all other policies and rules.

14

14

COMPANY + BROOK

Personnel

- Creation of a “Special Task Force” focused on improper behavior related to trademark applications and registrations.
- The Special Task Force consists of personnel with IT and trademark examination expertise and is tasked with:
 - developing and implementing policies, procedures, and technology solutions to effectively address fake specimens, false use claims, unauthorized electronic submissions, and other efforts to circumvent the USPTO’s Rules of Practice in Trademark Cases.

15

15

Public Involvement

- The PTO will gladly accept help from the trademark bar and the public at large in identifying irregular specimens.
- To report an improper specimen: Send an email to TMSpecimenProtest@uspto.gov.
 - Must be submitted before the close of the publication period.
- The subject line of the email should include the serial number of the application being protested and the body should include objective evidence showing the specimen is fraudulent, showing that the image has been doctored, or the specimens were previously used in filings for other applications.

16

3

Post-Registration Audits

17

Trademark Registration Maintenance

- The PTO requires periodic proof of use in order to maintain trademark registrations.
 - Proof of use and a verified statement affirming use must be filed on the 6th and every 10th anniversary of registration using a Section 8 or 71 Declaration of Use form.
 - Declarations of Use currently only require proof of use of one item in each class.
- Periodic maintenance filings are designed to clear unused marks and eliminate "dead wood" from existing registrations on the Trademark Register.

18

Post-Registration Proof of Use Program

- The Post-Registration Proof of Use program was introduced as a pilot in 2012 as a way to give the PTO audit and review capabilities regarding Declarations of Use.
 - 500 6th year Declarations of Use were randomly selected for additional proof of use.
 - 51% of total audited registrations could not verify previously claimed use.
 - 45% of audited § 1(a) registrations could not verify previously claimed use.
 - 65% of § 44(e) registrations and 71% of § 66(a) registrations could not verify previously claimed use.
- Results illustrated need for an audit procedure regarding the accuracy of Declarations of Use.

19

Audit Results

- Permanent audit program operational as of November 2017.
 - Since 2012, the PTO has conducted over 5,500 audits.
- No improvement in results since the 2012 pilot program.
 - 2012-2017 – 50% of audited registrations deleted some goods/services
 - ~45% of § 1(a) registrations that responded to the audit deleted some items.
 - ~65% of § 44(e) and § 66(a) registrations deleted some items in response to audit request.
- The PTO expects the program to grow and states their audit goal to be 10% of Declarations of Use filed annually (over 5,000 per year).

20

Representation by an Attorney

- The high deletion rates exist despite representation by an attorney.
 - 79% of respondents to audits 2012-2017 were represented by an attorney.
 - PTO can refer attorneys to the Office of Enrollment and Discipline on misconduct grounds if the situation is particularly worrisome.
- Whoever signs the Declaration certifies that the factual contentions have evidentiary support (1) to the best of the their knowledge (2) after reasonable inquiry into the facts.

21

LAWYERS ASSOCIATION OF KANSAS CITY

Declarations of Use at the USPTO

Electronic Signature

To electronically sign this document, enter an Alpha numeric character (letter number) of your choosing, preceded and followed by the forward slash (/) symbol. Most signatures enter their name between the two forward slashes; examples of acceptable signatures include: john.doe_01 or 123.4567.

DECLARATION

Read the following statements before signing. Acknowledge the statements by checking the boxes and entering dates.

- Unless the owner has specifically claimed reasonable cause, the mark is in use in commerce on or in connection with the goods/services or to indicate membership in the collective membership organization identified above, as claimed in the attached specimens.
- Unless the owner has specifically claimed reasonable cause, the specimen(s) above the mark is currently used in commerce on or in connection with the goods/services/collective membership organization.
- The mark has been in continuous use in commerce for five consecutive years after the date of registration, or the date of publication under 15 U.S.C. § 1062(c), and is still in use in commerce on or in connection with all goods/services, or to indicate membership in the collective membership organization, listed in the existing registration.
- There has been no final decision adverse to the owner's claim of ownership of such mark for such goods/services, or to indicate membership in the collective membership organization, or to the owner's right to register the same or to keep the same on the register.
- There is no proceeding pending and rightly pending and not finally disposed of either in the United States Patent and Trademark Office or in a court.
- To the best of the signatory's knowledge, information, and belief, formed after an inquiry reasonable under the circumstances, the allegations and other factual contentions made above have evidentiary support.
- The signatory being verified that willful false statements and the like are punishable by fine or imprisonment, or both, under 18 U.S.C. § 1001, and that such willful false statements and the like may jeopardize the validity of this submission and the registration, declares that all statements made of his/her own knowledge are true and all statements made on information and belief are believed to be true.

* Signatory: _____	* Date Signed: _____ (MM/DD/YYYY)
* Signatory's Name: _____	
<small>NOTE: The signatory must provide their first and last names. Use the following format: Last Name, First Name Middle Initial or Name, if applicable.</small>	
* Signatory's Position: _____	
<small>Enter appropriate title or nature of relationship to the owner/holder.</small>	

22

22

LAWYERS ASSOCIATION OF KANSAS CITY

Audit Procedure

- If your registration is selected for an audit, you will receive a Post-Registration Office Action in response to your Declaration of Use filing.
 - The Office Action will identify two additional goods or services for each audited class, and you will be required to furnish proof of use for those two items.
 - You have 6 months (or until the end of the statutory filing period for the Declaration of Use, whichever is later) to respond by either furnishing proof of use for the identified goods or services or deleting them from the registration.

23

23

LAWYERS ASSOCIATION OF KANSAS CITY

Audit Procedure

- If you file specimens in response to the Office Action, and the PTO accepts the specimens, you will receive a Notice of Acceptance and your registration will be maintained in its entirety.
- If your response does not include acceptable proof of use, or merely deletes the audited goods or services in a particular class, the PTO will issue a second office action requiring proof of use for all of the remaining goods or services in your registration.
- If you do not respond at all, the registration will be cancelled.

24

24

Audit Procedure

- For the Second Office Action,
 - If you provide acceptable specimens for all of the registered goods and services, or you delete all items for which there is no proof, the PTO will issue a Notice of Acceptance and no further inquiry will follow.
 - If you provide only partial proof, or your proof is only partially accepted, or only partially delete the unused goods and services, a Third and Final Office Action will issue.
- If no response is filed to the Second Office Action, the registration will be cancelled in its' entirety.

25

Audit Procedure

- For the Third and Final Office Action, you can:
 - File a Petition to the Director, or
 - Submit a request to the PTO to delete the goods or services without acceptable proof of use.
- If no response or petition is filed, at the close of the statutory filing period, the PTO will automatically:
 - Issue a Notice of Acceptance for all goods and services for which acceptable proof of use has been filed; and
 - Delete the remainder of the goods and services.

26

Anticipating Audits

- When considering potential goods and service descriptions on new applications, keep potential post-registration audits in mind.
 - Single-class registrations with less than four goods or services will avoid audits under the current program.
- When gathering specimens for Declarations of Use, gather and preserve evidence of use of all goods and/or services, and delete any goods or services for which there is no current use on initial filing.

27

Anticipating Audits

- File your Declaration of Use early in the filing window, and if an Office Action issues, you could have a longer period of time to gather the required evidence, i.e. until the end of the one-year statutory filing window.
 - If you are still within the statutory filing period, you can use all specimens in current use. If the filing period has lapsed, the specimens must have been in use as of the last day to file.
- If you receive the Post-Registration Office Action requesting additional proof of use, consider and fully dispose of each good and/service in the registration to avoid further costs and delays.

28

Conclusion

- Use in commerce is the bedrock of trademark rights in the United States.
- Trademark owners should:
 - Carefully craft their goods and services description in applications; and
 - Make independent decisions about whether to keep or delete each good or service in the registration when maintenance filings are due.
- The PTO will continue to seek solutions and policies designed to ensure an accurate review of proof of use, both at the application phase and post-registration filings.

29



Patrick Koncel
Associate | Kansas City
pkoncel@shb.com

SHOOK
LAW FIRM

30
