

## PATENT & TRADEMARK POLICY REPORT DECEMBER 6, 2019



### I. Congressional Developments:

- On Friday, Senate Judiciary IP Subcommittee Chairman Thom Tillis (R-NC) and Ranking Member Chris Coons (D-DE) joined their colleagues Sens. Bill Cassidy, M.D. (R-LA) and Mazie Hirono (D-HI) to introduce the *Counterfeit Goods Seizure Act of 2019*. This bipartisan legislation seeks to stem the flow of counterfeit goods entering the U.S. by authorizing the U.S. Customs and Border Protection to seize imported merchandise that infringes a design patent. A press release announcing the bill's introduction cites a recent study that found that the value of international and domestic trade in counterfeit and pirate goods was over \$1 trillion in 2013, and projects that this figure could reach nearly \$2 trillion in 2022. This legislation is supported by many industry and legal groups, including the Intellectual Property Owners Association, the American Intellectual Property Law Association, and the International Trademark Association. Read more [here](#).
- On Tuesday, the Senate Judiciary IP Subcommittee held a hearing titled "Fraudulent Trademarks: How They Undermine the Trademark System and Harm American Consumers and Businesses." The following witnesses provided testimony: [Professor Barton Beebe](#) (New York University School of Law); [Mr. Douglas A. Rettew](#) (Finnegan, Henderson, Farabow, Garrett & Dunner, LLP); [Ms. Megan K. Bannigan](#) (Debevoise & Plimpton); [Mr. Thomas Williams](#) (Duke Law School); and [Mr. Stephen Lee](#) (Target Corporation). Panelists and members on the Subcommittee seemed to agree that clutter in the register and the prevalence of fraudulent or frivolous trademark applications originating from China is a problem. Furthermore, there appeared to be a consensus that, although the recent actions from the USPTO have helped combat fraud in the U.S. trademark system, legislative action is needed as well. Chairman Thom

### Headlines and Highlights:

- Senate Judiciary IP Subcommittee considers fraudulent trademark applications and register clutter in hearing.
- Sens. Tillis, Coons, Cassidy, and Hirono introduce legislation to authorize the CBP to seize imported merchandise that infringes a design patent.
- In an editorial, Sen. Tillis and Rep. Stivers call for the passage of the *STRONGER Patents Act*.
- USPTO extends deadline for public comments on AI to Jan. 10<sup>th</sup>, 2020.
- U.S. Supreme Court to hear oral arguments in *Thryv, Inc. v. Click-To-Call Technologies, LP* next Monday, Dec. 9<sup>th</sup>.
- GIPC to host 13<sup>th</sup> annual USPTO IP Attaché roundtable next Tuesday, Dec. 10<sup>th</sup>.

Tillis asked witnesses for feedback on the legislative solutions that have been [floated](#) by his colleagues in the House Judiciary Committee after its IP subpanel held a [hearing](#) on this topic last July. As Ranking Member Chris Coons (D-DE) noted during the Q&A session, the two ideas that seem to enjoy the most support include giving the USPTO Director the authority to reexamine registered trademarks on his/her own initiative, and to have expungement proceedings to eliminate registrations for works that have never been used or seem visibly fraudulent. Stephen Lee interjected that Target has concerns about the current expungement language, because it allows the extension of time to prove the actual use of commerce from the time of registration all the way up to the time of the filing of the expungement. Professor Beebe later said that he shares Target's concerns with this language. More info. [here](#).

- This week, *The Hill* published an editorial by Sen. Coons and Rep. Steve Stivers (R-OH) calling for the passage of the *STRONGER Patents Act* ([S.2082/H.R.3666](#)), which would “restore much needed balance to the U.S. patent system and predictability for American innovators and entrepreneurs.” Referencing feedback provided by witnesses at a recent Senate IP Subcommittee [hearing](#) to consider the bill, the lawmakers raise concern that the U.S. patent system has “fallen into a crisis” over the last decade as U.S. patents have become too difficult to enforce and too unreliable to justify critical investments in emerging technologies. Sen. Tillis and Rep. Stivers reason that the *STRONGER Patents Act* would help restore balance to the patent system by requiring courts to recognize the property rights established by our Founders, while empowering the Federal Trade Commission to crack down on frivolous infringement claims. Read more [here](#).

## II. Administration Updates:

- Speaking to reporters in London on Tuesday, President Trump signaled that he might prefer to wait until after the 2020 presidential election to strike a deal with China. The President stated, “I have no deadline. In some ways I like the idea of waiting until after the election for the China deal.” The Trump Administration has asked China to offer more concessions to protect intellectual property and open its markets to American companies, while China is demanding more relief from President Trump's tariffs in return for such concessions. U.S. and Chinese officials have been cautiously optimistic that negotiators can reach a deal before the U.S. hits the imports of more than \$100 billion worth of Chinese goods with tariffs on December 15<sup>th</sup>, but the final decision remains with President Trump and President Xi Jinping. Read more [here](#).

## III. USPTO Updates:

- The USPTO has extended the deadline for public comments on the impact of artificial intelligence (AI) technologies on intellectual property law and policy from December 16<sup>th</sup>, 2019 to January 10<sup>th</sup>, 2020. More info. [here](#).
- On December 21<sup>st</sup>, trademark applicants and registrants will need to file trademark applications and related documents using TEAS. The USPTO is hosting a free webinar on December 10<sup>th</sup> from 3:00-4:00 p.m. ET to educate participants about the new requirements, how this change affects filings, the petition process, outage procedures, Madrid protocol applications, and TEAS forms. Register [here](#).

#### **IV. Judicial Updates:**

- Next Monday, December 9<sup>th</sup>, the U.S. Supreme Court will hear oral arguments in *Thryv, Inc. v. Click-To-Call Technologies, LP*. Justices will consider whether 35 U.S.C. § 314(d) permits appeal of the Patent Trial and Appeal Board’s decision to institute an IPR upon finding that 35 U.S.C. § 315(b)’s time bar did not apply. More info. [here](#) and [here](#).

#### **V. International Updates:**

- On Sunday, a new Patent Prosecution Highway (PPH) agreement between the USPTO and Brazil’s National Institute for Industrial Property (INPI) took effect. Under this pilot program, which is scheduled to terminate on November 30<sup>th</sup>, 2024, an applicant who receives a positive ruling on a patent claim(s) from either the INPI or the USPTO may request accelerated prosecution of corresponding claim(s) in the other office. The PPH allows the applicant to obtain a patentability decision in the office of later examination (OLE) more quickly. More info. [here](#).
- On Wednesday, Japan’s Diet ratified the two trade deals recently brokered with the U.S., clearing the way for the agreements to take effect on January 1<sup>st</sup>, 2020. Under the first mini-deal, Japan agreed to cut tariffs and provide more market access for a wide array of U.S. agricultural goods, providing the U.S. nearly the same level of access it had granted under the Trans-Pacific Partnership (TPP) before President Trump withdrew from the accord in his early days in office. Second, the two nations reached an agreement on a “high-standard” and “comprehensive” set of provisions addressing areas in digital trade. The pacts do not require congressional ratification in the U.S., and USTR Lighthizer explained in a statement that President Trump is expected to sign an implementing proclamation next week. Read more [here](#) and [here](#).

#### **VI. Industry Updates:**

- Next Tuesday, December 10<sup>th</sup>, from 9:00 a.m.—12:00 p.m., the U.S. Chamber of Commerce’s Global Innovation Policy Center (GIPC) is hosting its 13<sup>th</sup> annual USPTO Attaché Roundtable. Participants will have the unique opportunity to engage with assembled IP Attachés for a discussion about recent trends and challenges in IP protection and enforcement in regions around the world. Learn more and register online [here](#).