



Combating Misrepresentations in Trademark Prosecution and Maintenance Practice: The Trademark Modernization Act and Beyond

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Background and History

Use in commerce is a critical aspect of United States trademark law:

- Section 1 registrations must be:
 - supported by a sworn averment that the applied-for mark is used in commerce for all the goods and services listed in the application, as well as specimens documenting that use; and
 - maintained with periodic Section 8 filings accompanied by specimens of use; and
- even though non-U.S. domiciliaries can register their marks under Sections 44(e) and 66(a) without use in commerce in the first instance, they nevertheless must maintain their registrations with periodic Section 8 or Section 71 filings accompanied by specimens of use.

Background and History

Before and after the TMA, the grounds for the cancellation of registrations on the Principal Register include the following:

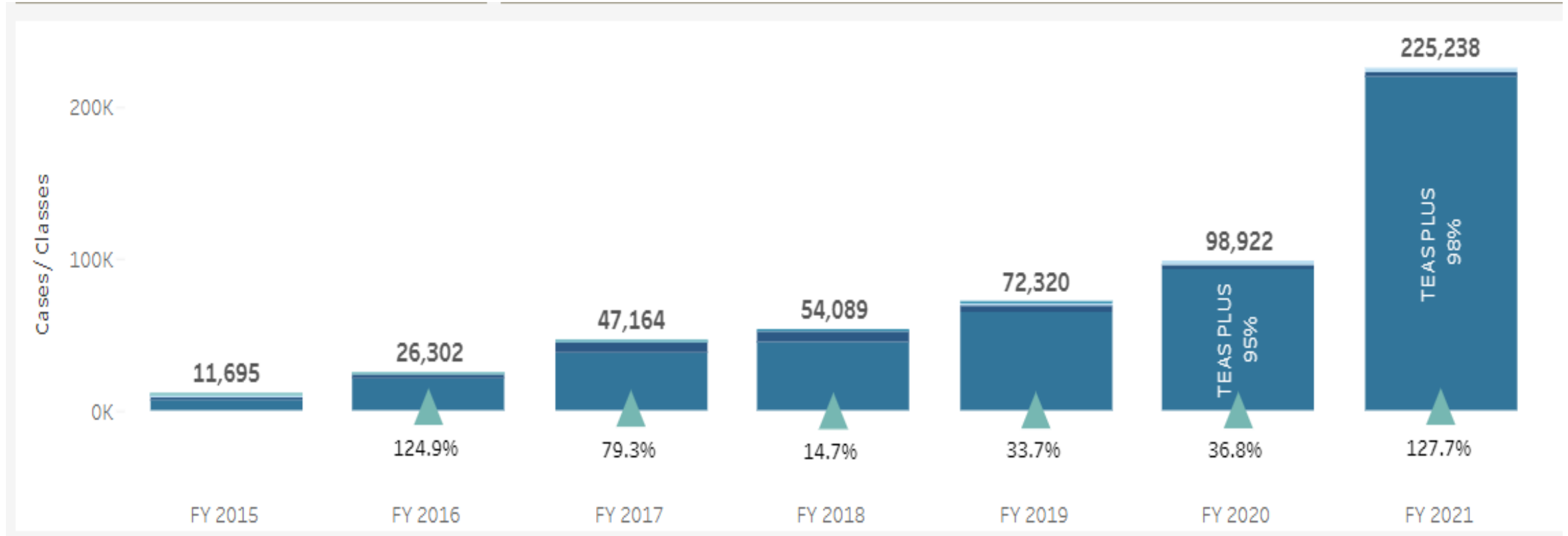
- lack of use in commerce of a mark as of the filing date of a Section 1 application or as of the expiration of the deadline for the filing date of a statement of use, but only before a registration's fifth anniversary;
- abandonment, but only after the third anniversary of a Section 44(e) or 66(a) registration; and
- fraudulent claims of use either in the application or maintenance contexts.

Background and History

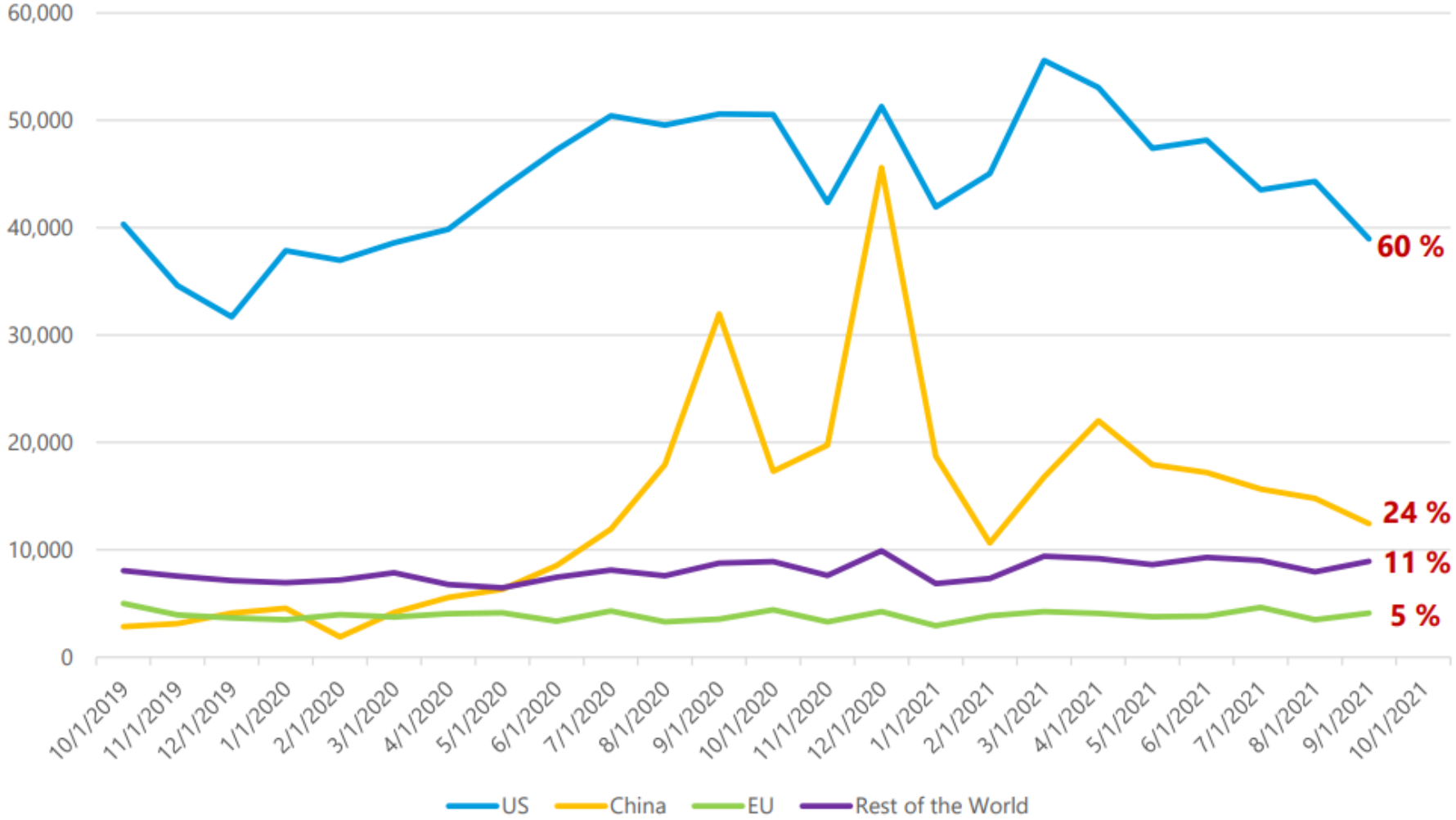
The lead up to the TMA:

- beginning in 2011, “non-market” factors lead to large increases in the numbers of applications by Chinese domiciliaries to register marks in the USPTO;

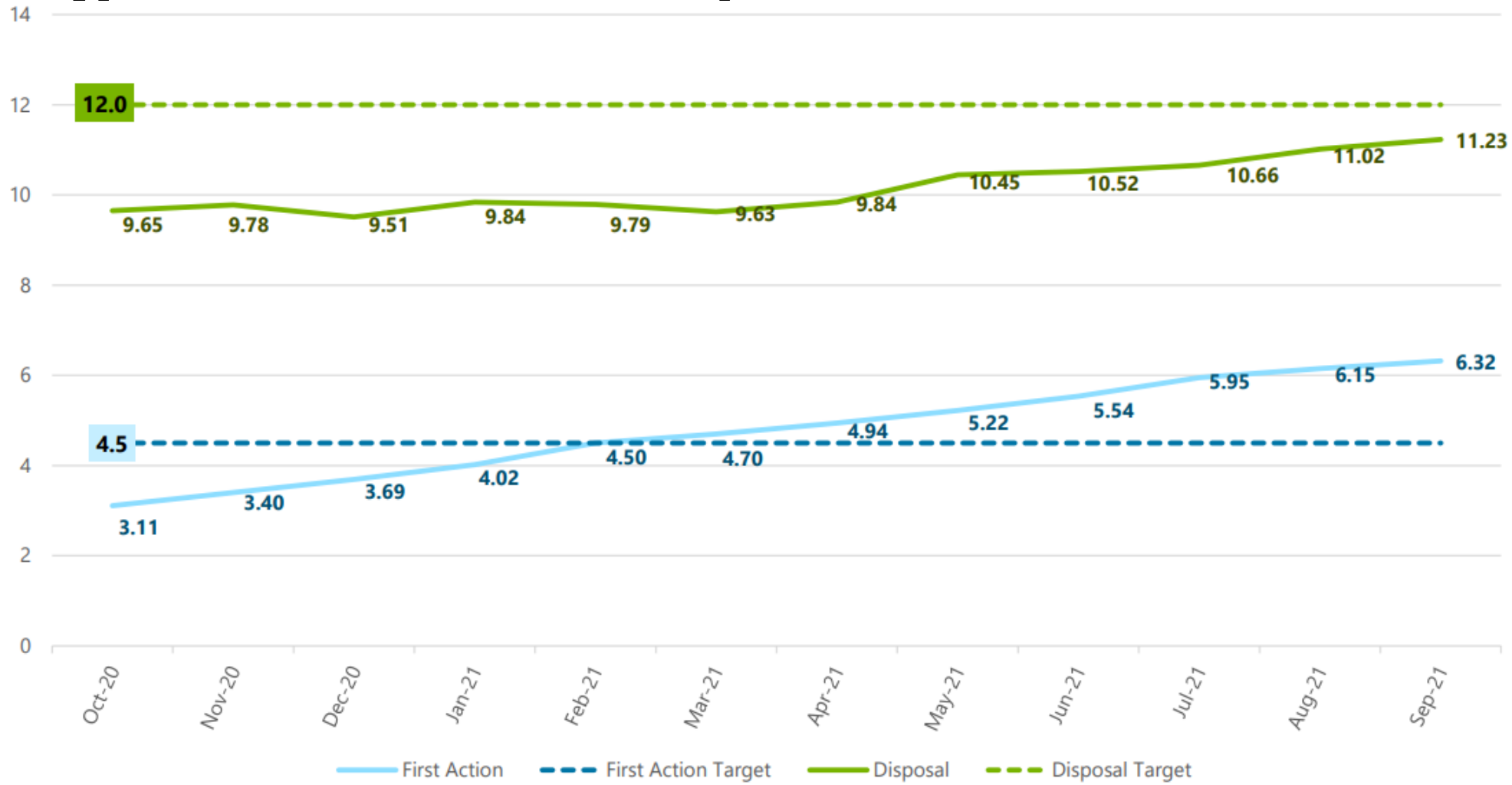
Background and History



Background and History

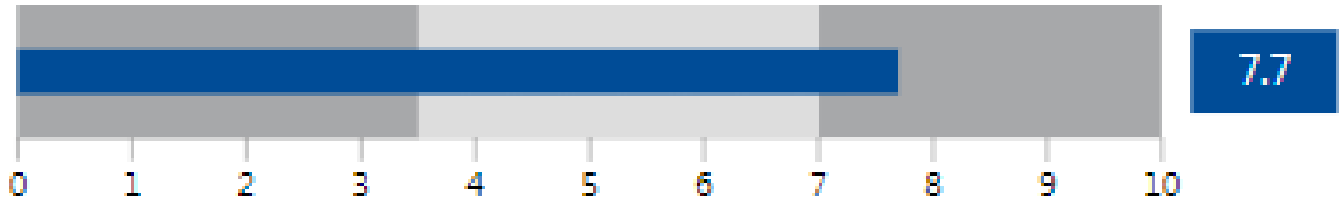


Background and History



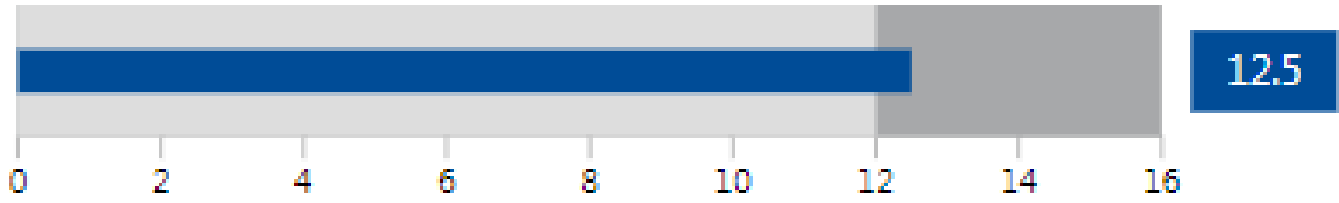
Background and History

First Action Pendency [?]



- Current
- On Target
- Off Target

Total Pendency [?]



Background and History



Background and History



Background and History



Background and History

TSDR

ASSIGN Status

TTAB Status

(Use the "Back" button of the Internet Browser to return to TESS)

BGY

Word Mark	BGY
Translations	The wording BGY has no meaning in a foreign language.
Goods and Services	(ABANDONED) IC 009. US 021 023 026 036 038. G & S: Cables, electric; Calculators; Camera handles; Camera tripods; Cameras; Cell phone cases; Keyboards; Loud speakers; Computer mouse; Display screen protectors for providing shade and privacy specially adapted to electronic devices, namely, cell phones; Earphones and headphones; Mouse pads; Wireless computer mice. FIRST USE: 20180818. FIRST USE IN COMMERCE: 20180818
Standard Characters Claimed	
Mark Drawing Code	(4) STANDARD CHARACTER MARK
Serial Number	88325503
Filing Date	March 5, 2019
Current Basis	1A
Original Filing Basis	1A
Owner	(APPLICANT) Lin,MeiQin INDIVIDUAL CHINA No43 xiaxingtou hezhai lingchuan Town putian CHINA 351162
Type of Mark	TRADEMARK
Register	PRINCIPAL
Live/Dead Indicator	DEAD

Background and History

The lead up to the TMA:

- the USPTO pilots the post-registration maintenance filing audit program beginning in 2012;

Background and History

Proof of use pilot results

Deletions/Cancellations/Acceptances/Inaccurate Use Claims by Basis for Registration				
Basis for Registration	Percentage of Registrations Selected for the Pilot Deleting Goods/Services Queried Under the Pilot	Percentage of Registrations Selected for the Pilot Receiving Notices of Cancellation	Percentage of Registrations Selected for the Pilot Receiving Notices of Acceptance (Including for a Narrowed Scope of Goods/Services)	Percentage of Registrations Selected for the Pilot Unable to Verify Previously Claimed Use in Section 8 or 71 Declarations
Section 1(a)	28%	17%	83%	45%
Section 44(e)	58%	7%	93%	65%
Section 66(a)	57%	14%	86%	71%
Combined Section 1(a) and 44(e)	56%	12.5%	87.5%	69%

uspto

Background and History

The lead up to the TMA:

- in 2016, the Trademark Trial and Appeal Board circulates proposals for a Canadian-style expungement mechanism;
- the USPTO amends the Trademark Rules of Practice on March 21, 2017, and November 1, 2017, to give the audit program extra teeth and to make it permanent;
- beginning in 2018, the Board pilots a voluntary streamlined procedure for abandonment-based cancellation actions;
- the USPTO adopts various mechanisms and examination guides to identify manufactured specimens;

Background and History

The lead up to the TMA:

- the USPTO announces a final rule, effective August 3, 2019, requiring non-U.S. domiciliaries to have U.S. counsel;
- the TMA is signed into law on December 27, 2020, with, for the most part, an effective date of December 27, 2021; and
- the USPTO announces implementing regulations for the TMA on November 17, 2021, with most (but not all) of them effective December 18, 2021.

The New Ex Parte Mechanisms for Challenging Registrations of Marks Not Used in Commerce

The TMA has enacted two new ex parte mechanisms:

- ex parte reexamination, which allows the invalidation (or partial invalidation) of registrations covering marks not used in commerce either when their owners averred the marks were so used or before the expiration of the deadline for such an averment in an SOU; and
- ex parte expungement, which allows the invalidation (or partial invalidation) of registrations covering marks never used in commerce; but
- the two new mechanisms are not mutually exclusive, and both can be used against the same goods and services in a registration.

The New Ex Parte Mechanisms for Challenging Registrations of Marks Not Used in Commerce

How ex parte reexaminations and ex parte expungements are initiated:

- any party (regardless of standing) can petition the Director of the USPTO to initiate either or both types of proceedings; and
- the Director of the USPTO may also initiate both types of proceedings using evidence either assembled by the USPTO itself or submitted by an unsuccessful petitioner.

The New Ex Parte Mechanisms for Challenging Registrations of Marks Not Used in Commerce

A successful petition must include:

- a filing fee of US \$400 per class of goods or services targeted by the petition;
- evidence (complete with an index) establishing a prima facie case of nonuse of the registered mark in connection with at least some goods or services covered by the registration; and
- a sworn description of the investigation undertaken by the petitioner.

The New Ex Parte Mechanisms for Challenging Registrations of Marks Not Used in Commerce

A reasonable investigation is an appropriately comprehensive search, which may vary depending on the circumstances but is calculated to return information about the underlying inquiry from reasonably accessible sources where evidence concerning use of the mark during the relevant time period on or in connection with the relevant goods and/or services would normally be found.

37 C.F.R. § 2.91(d)(1).

The New Ex Parte Mechanisms for Challenging Registrations of Marks Not Used in Commerce

How ex parte reexaminations and ex parte expungements proceed:

- if a prima facie case of nonuse exists, the USPTO forwards the evidence to the registrant and requires the registrant to rebut that case through evidence beyond that already contained in the registration's file-wrapper history; but
- if a registration targeted by an ex parte expungement proceeding is based on Section 44(e) or 66(a) of the Lanham Act, the registrant has the option of demonstrating excusable nonuse; and

The New Ex Parte Mechanisms for Challenging Registrations of Marks Not Used in Commerce

How ex parte reexaminations and ex parte expungements proceed:

- If the registrant either fails to rebut the prima facie case of nonuse or to demonstrate excusable nonuse, the USPTO will delete the targeted goods from the registration, rather than necessarily invalidate the entire registration.

The New Ex Parte Mechanisms for Challenging Registrations of Marks Not Used in Commerce

Under the implementing regulations, evidence supporting a prima facie case of nonuse may include, but is not limited to:

- verified statements;
- excerpts from USPTO electronic records in applications or registrations;
- screenshots from relevant web pages, including the uniform resource locator (URL) and access or print date;
- excerpts from press releases, news articles, journals, magazines, or other publications, identifying the publication name and date of publication; and
- evidence suggesting that the verification accompanying a relevant allegation of use was improperly signed.

The New Ex Parte Mechanisms for Challenging Registrations of Marks Not Used in Commerce

[A]ny party practicing before the USPTO, including those filing petitions to request institution of these ex parte proceedings, is bound by all ethical rules involving candor toward the USPTO as the adjudicating tribunal.

86 Fed. Reg. at 64303.

The New Ex Parte Mechanisms for Challenging Registrations of Marks Not Used in Commerce

Other aspects of the proceedings:

- a petitioner doesn't need to *prove* nonuse as part of its petition; but

The New Ex Parte Mechanisms for Challenging Registrations of Marks Not Used in Commerce

[A] prima facie case requires only that a reasonable predicate concerning nonuse be established. Thus, with respect to these proceedings, a prima facie case includes sufficient notice of the claimed nonuse to allow the registrant to respond to and potentially rebut the claim with competent evidence, which the USPTO must then consider before making a determination as to whether the registration should be cancelled in whole or in part, as appropriate.

37 C.F.R. § 2.6(a)(26).

The New Ex Parte Mechanisms for Challenging Registrations of Marks Not Used in Commerce

Other aspects of the proceedings:

- a petitioner doesn't need to *prove* nonuse as part of its petition; but
- a registrant apparently likewise doesn't need to *prove* use as part of its responsive showing.

The New Ex Parte Mechanisms for Challenging Registrations of Marks Not Used in Commerce

While institution necessitates a response from the registrant that includes evidence rebutting the prima facie case, the ultimate burden of proving nonuse by a preponderance of the evidence remains with the Office.

87 Fed. Reg. at 64304.

The New Ex Parte Mechanisms for Challenging Registrations of Marks Not Used in Commerce

Other aspects of the proceedings:

- the decision by the Director of the USPTO either to initiate or not to initiate a proceeding cannot be appealed;
- if a registrant successfully rebuts a prima facie case of nonuse, its registration will be immune from a subsequent ex parte challenge, at least with respect to the goods or services targeted by the first petition; but

The New Ex Parte Mechanisms for Challenging Registrations of Marks Not Used in Commerce

Other aspects of the proceedings:

- the rebuttal of a prima facie case of nonuse during an ex parte proceeding won't preclude a subsequent conventional cancellation action before the Trademark Trial and Appeal Board on the same ground or grounds asserted in the unsuccessful petition; and
- neither the TMA itself nor its implementing regulations address the question of whether an unsuccessful petition for cancellation before the Board (or a failed request for cancellation in a federal district court action) will have preclusive or estoppel effect in a later ex parte proceeding.

The New Ex Parte Mechanisms for Challenging Registrations of Marks Not Used in Commerce

A dissatisfied registrant whose registration is invalidated in whole or in part can request reconsideration, appeal the decision to the Trademark Trial and Appeal Board, or take both actions; but

- a request for reconsideration doesn't toll the appeal deadline; and
- the standard of review for either action is undefined.

The New Ex Parte Mechanisms for Challenging Registrations of Marks Not Used in Commerce

Other aspects of the proceedings:

- the implementing regulations authorize the Board to suspend its own proceedings if it learns of a pending ex parte expungement or reexamination proceeding;
- the Director will consider suspending an ex parte proceeding in light of a pending cancellation action before the Board involving the same registration; but
- it isn't yet apparent whether federal district courts will suspend the proceedings before them pending disposition of an ex parte proceeding.

The New Ex Parte Mechanisms for Challenging Registrations of Marks Not Used in Commerce

The deadlines for bringing the new proceedings differ depending on the proceeding:

- a reexamination proceeding must be brought before the targeted registration's fifth anniversary; and
- an expungement proceeding generally must be brought between the targeted registration's third and fifth anniversaries; but
- before December 27, 2023, an expungement proceeding can be brought at any time after a targeted registration's third anniversary.

The New Ex Parte Mechanisms for Challenging Registrations of Marks Not Used in Commerce

As of July 1, 2022, 116 registrations had been targeted through the new ex parte mechanisms:

- petitions and their dispositions can be accessed at <https://www.uspto.gov/trademarks/apply/expungement-and-reexamination-petitions-received>;
- most challenges have been brought by private petitioners; but
- the Director has instituted at least three proceedings, all apparently in part in response to evidence accompanying petitions.

The New Ex Parte Mechanisms for Challenging Registrations of Marks Not Used in Commerce

Evidence establishing prima facie cases of nonuse to date includes:

- digitally altered specimens;
- multiple archived pages from the registrant's website (apparently without the need for authentication by Internet Archive);
- specimens comprising handwritten peel-and-stick labels bearing the registered mark;
- securities filings by the registrant failing to mention particular goods covered by the registration;
- the apparent absence of necessary licenses to sell the registrant's goods or services;

The New Ex Parte Mechanisms for Challenging Registrations of Marks Not Used in Commerce

Evidence establishing prima facie cases of nonuse to date includes:

- the availability of information on the registrant's services only in a foreign language;
- the availability of the registrant's goods only on a website not accessible by United States residents;
- the sale by the registrant of a good covered by the registration in packaging not bearing the registered mark; and
- unsuccessful searches for the registrant's goods on Amazon, Walmart, and similar platforms.

The New Ex Parte Mechanisms for Challenging Registrations of Marks Not Used in Commerce

To: Shenzhenshi Gebei Electronics Co.,Ltd. (jiteteam@outlook.com)
Subject: Proceeding No. 2021-100001E in U.S. Trademark Registration No. 5513424
Sent: February 11, 2022 12:41:22 PM EST
Sent As: tmng.notices@uspto.gov

Attachments

United States Patent and Trademark Office (USPTO)
Office Action (Official Letter) About Expungement and/or Reexamination Proceeding

Proceeding No. 2021-100001E

U.S. Registration No. 5513424

Mark: GALAVAVA

Correspondence Address:
XIAO SUQING
401 NORTH TRYON ST #1132
CHARLOTTE NC 28202 UNITED STATES

Registrant: Shenzhenshi Gebei Electronics Co.,Ltd.

The New Ex Parte Mechanisms for Challenging Registrations of Marks Not Used in Commerce

COMBINED NOTICE OF INSTITUTION AND NONFINAL OFFICE ACTION

The USPTO must receive a response or a request for a one-month extension of time to respond within three months of the issue date below or the registration will be cancelled in whole or in part based on the goods and/or services involved in the proceeding. Respond using the Trademark Electronic System (TEAS). Links to the appropriate TEAS forms appear in this Office action.

Issue date: February 11, 2022

NOTICE OF INSTITUTION OF PROCEEDING

The United States Patent and Trademark Office (USPTO) has instituted an expungement proceeding for U.S. Registration No. 5513424. The Director's authority to make determinations and issue notices and decisions related to this matter has been delegated to the undersigned. 35 U.S.C. §3(a)-(b).

Upon consideration of Petition No. 2021-100001 filed on December 21, 2021, the petition and accompanying evidence set forth a prima facie case that the mark was never in use in commerce with some of the goods in the registration. Specifically, those goods are:

- Coverings for existing floors;
- Floor coverings;
- Floor coverings made of PVC, rubber, plastic, textiles; and
- Rugs, mats and matting for covering existing floors.

See 37 C.F.R. §§2.92(f)(2), 2.93(a).

The petition and accompanying evidence may be reviewed by using the [Trademark Status and Document Retrieval](#) (TSDR) system. Enter the registration number and click on "Documents."

The New Ex Parte Mechanisms for Challenging Registrations of Marks Not Used in Commerce

Evidence rebutting prima facie cases of nonuse to date includes:

- declaration testimony from a consumer averring his purchase of a good bearing the registered mark;
- regulatory approvals from the federal government for the goods covered by the registration;
- a date- and time-stamped photograph showing goods bearing the registered mark on a grocery store shelf;
- declaration testimony from the registrant's principal providing additional context for, and an explanation of, the rebuttal evidence;

The New Ex Parte Mechanisms for Challenging Registrations of Marks Not Used in Commerce

Evidence rebutting prima facie cases of nonuse to date includes:

- license agreements between the foreign registrant and companies in the United States and elsewhere;
- invoices for online and direct sales of goods bearing the registered mark;
- reports showing advertising by the registrant in the United States; and
- an email chain showing online orders in the United States.

The New Cause of Action for the Cancellation of Registrations

The TMA has enacted a cause of action in the new Section 14(6) of the Lanham Act, 15 U.S.C. § 1064(6) (Supp. III 2021), which:

- authorizes the Trademark Trial and Appeal Board to cancel (or partially cancel) the registration of a mark that has never been used in commerce;
- can be brought “at any time,” *i.e.*, after the registration’s fifth anniversary; and
- in response to which a Section 44(e) or 66(a) registrant can make a showing of excusable nonuse; but
- it isn’t yet apparent whether such a showing is a classic affirmative defense as to which the registrant bears the burden of proof.

Codification of the Letter-of-Protest Mechanism

The TMA has for the first time provided statutory authorization for the USPTO's long-standing practice of accepting letters of protest:

- the USPTO must act on a letter of protest within two months of its submission;
- a decision whether to forward evidence submitted under cover of a letter of protest to an examiner is not reviewable; but
- a decision not to forward that evidence will not prejudice the submitting party later in any other proceeding;
- letters must be accompanied by a \$50 filing fee;

Codification of the Letter-of-Protest Mechanism

The TMA has for the first time provided statutory authorization for the USPTO's long-standing practice of accepting letters of protest:

- the USPTO now requires an index of evidence for all letters of protest, not just for those exceeding 75 pages;
- submissions are now limited to ten items of evidence for each proposed ground for refusal; and
- each piece of evidence must be submitted on its own page(s).

Shortened Response Deadlines for Office Actions

Effective December 1, 2022, the USPTO will exercise its authority under the TMA to shorten the response deadlines for certain office actions:

- applicants for registration under Section 1 or Section 44 of the Act will have three months in which to respond to office actions; but
- those applicants can secure a three-month extension upon payment of a \$125 filing fee; and
- the same rules will apply to deadlines to respond to post-registration office actions; but
- applicants for registration under Section 66(a) will continue to have six-month response deadlines.

Irreparable Harm in Litigation Under the Lanham Act

The test for irreparable harm has evolved over the past 15 years:

- prior to 2006, most courts held that a demonstration of likely confusion, likely dilution, or false advertising created a presumption of irreparable harm; but
- in *eBay Inc. v. MercExchange, LLC*, 547 U.S. 388 (2006), and *Winter v. Natural Resources Defense Council, Inc.*, 555 U.S. 7 (2008), the Supreme Court disapproved of similar presumptions in other contexts; and
- some (but not all) circuits responded to *eBay* and *Winter* by abrogating the presumption of irreparable harm in trademark actions; and now

Irreparable Harm in Litigation Under the Lanham Act

The test for irreparable harm has evolved over the past 15 years:

- the Trademark Modernization Act has either restored or confirmed (depending on the jurisdiction) the presumption of irreparable harm where a violation of the Lanham Act has been shown.

Irreparable Harm in Litigation Under the Lanham Act

The following language now appears in Section 34(a) of the Lanham Act and has an effective date of December 27, 2020:

A plaintiff seeking [an] injunction shall be entitled to a rebuttable presumption of irreparable harm upon a finding of a violation [of the Lanham Act] in the case of a motion for a permanent injunction or upon a finding of likelihood of success on the merits for a violation identified in this subsection in the case of a motion for a preliminary injunction or temporary restraining order.

15 U.S.C. § 1116(a) (Supp. III 2021).

Irreparable Harm in Litigation Under the Lanham Act

Courts were slow to catch on to the amended Section 34(a):

- some failed to recognize the change and continued to require plaintiffs to demonstrate irreparable harm as a factual matter, *see, e.g., Glenn H. Curtiss Museum of Loc. Hist. v. Confederate Motors, Inc.*, No. 20-CV-6237 (CJS), 2021 WL 514229 (W.D.N.Y. Feb. 11, 2021); but
- over time, most others applied the presumption in light of the change. *See, e.g., AK Futures LLC v. Boyd St. Distro, LLC*, 35 F.4th 682 (9th Cir. 2022).

Irreparable Harm in Litigation Under the Lanham Act

Under federal law, a presumption can have one of two different burden-shifting effects:

- it can shift the burden of *proof* to the party against whom it is imposed; or
- it can shift only the burden of *production* to that party.

Irreparable Harm in Litigation Under the Lanham Act

In enacting the TMA, Congress did not expressly define the effect of the presumption of irreparable harm, which may mean that Federal Rule of Evidence 301 provides the default rule:

In all civil actions and proceedings not otherwise provided for by Act of Congress or by these rules, a presumption imposes on the party against whom it is directed the burden of going forward with evidence to rebut or meet the presumption, but does not shift to such party the burden of proof in the sense of the risk of nonpersuasion, which remains throughout the trial upon the party on whom it was originally cast.

Insulating the Trademark Trial and Appeal Board From Constitutional Attack

[The President] ... shall nominate, and by and with the Advice and Consent of the Senate, shall appoint ... Officers of the United States ...: but the Congress may by Law vest the Appointment of such inferior Officers, as they think proper, in the President alone ... or in the Heads of Departments.

U.S. Const. Art III, § 2, cl. 2.

Insulating the Trademark Trial and Appeal Board From Constitutional Attack

To insulate the Trademark Trial and Appeal Board from attack under the Appointments Clause of the Constitution after *Arthrex, Inc. v. Smith & Nephew, Inc.*, 941 F.3d 1320 (Fed. Cir. 2019), *aff'd in part and rev'd in part*, 141 S. Ct. 1970 (2021), the TMA:

- has amended Sections 18, 20, and 24 of the Lanham Act to make clear that the Director has the ability “to reconsider, and modify or set aside, a decision of the Trademark Trial and Appeal Board”; and also
- provides that the amendments “may not be construed to mean that the Director lacked the authority to reconsider, and modify or set aside, a decision of the Trademark Trial and Appeal Board before the date of the enactment of this Act.”

Pub. L. No. 116-260, § 228(a)-(b) (2020).

Insulating the Trademark Trial and Appeal Board From Constitutional Attack

[R]eview [of PTAB decisions] by the Director [will] follow the almost-universal model of adjudication in the Executive Branch and aligns the PTAB with the other adjudicative body in the PTO, the Trademark Trial and Appeal Board.

Arthrex, Inc. v. Smith & Nephew, Inc., 141 S. Ct. 1970, 1987 (2021).

Insulating the Trademark Trial and Appeal Board From Constitutional Attack

[T]he 2020 legislation confirms that the Director's authority to review TTAB decisions was the same before the legislation as afterwards. Thus, considering the Supreme Court's favorable reference to the constitutional status of [TTAB judges] as inferior officers of the United States, we reject [the appellant's] Appointments Clause challenge to the legitimacy of the TTAB panel that decided this case.

Piano Factory Grp. v. Schiedmayer Celesta GmbH, 11 F.4th 1363, 1374-75 (Fed. Cir. 2021).

Other Developments Targeting Bad Actors

The USPTO is cracking down on dubious filings and scammers independent of the Trademark Modernization Act:

- by sanctioning numerous applicants, registrants, and attorneys alike, see https://www.uspto.gov/trademarks/trademark-updates-and-announcements/orders-issued-commissioner-trademarks?utm_campaign=subscriptioncenter&utm_content=&utm_medium=email&utm_name=&utm_source=govdelivery&utm_term=; and
- by proposing new rulemaking to authorize the administrative sanctions process the Office already has in place. See *Trademarks Administrative Sanctions Process*, 87 Fed. Reg. 431 (Jan. 5, 2022).

Other Developments Targeting Bad Actors

How the administrative sanctions process is working/will work:

- the process begins “when the USPTO identifies or otherwise learns of a suspicious submission in connection with a trademark application or registration, based on information communicated by internal sources, such as examining attorneys and data analytics personnel, or through external sources, such as Letters of Protest, the TMScams@uspto.gov mailbox, law enforcement, or media,” *Trademarks Administrative Sanctions Process*, 87 Fed. Reg. 431, 432 (Jan. 5, 2022); and
- the Office will investigate suspicious submissions, “and any related submissions,” to determine whether they:
 - “appear to violate the USPTO rules and/or the USPTO website’s Terms of Use”; and
 - “are part of an improper filing scheme.” *Id.*

Other Developments Targeting Bad Actors

From: TMOfficialNotices@USPTO.GOV
Sent: Wednesday, January 26, 2022 06:14 PM
To: alexander.mcqueen@ustrademarkpros.com
Subject: OFFICIAL USPTO NOTICE TERMINATION FOLLOWING SANCTIONS

OFFICIAL USPTO NOTICE TERMINATION FOLLOWING SANCTIONS

U.S. Application Serial No. 97097455
Mark: NICODROPS
Owner: Christopher L. Calpito
Docket/Reference No. A98765432180

Issue Date: January 26, 2022

The above identified trademark application has been terminated following an Order for Sanctions issued by the United States Patent and Trademark Office (USPTO) on January 25, 2022.

In the Order for Sanctions, the USPTO determined that submission(s) made in connection with this application were in violation of the USPTO's trademark rules of practice and website terms of use and ordered the entry of sanctions, including termination of this application. Termination was ordered to deter and remedy the improper conduct at issue, which invalidated the entire application. The conduct involved a pattern of circumventing the USPTO's rules and/or submission of a verified document signed by someone other than the named signatory or by an unauthorized signatory rendering it invalid.

Prior to this determination, the USPTO issued a Show Cause Order providing the entities and individuals responsible for making the improper submissions an opportunity to explain why the USPTO should not enter the proposed sanctions. Because the respondent(s) did not submit an adequate response to the Show Cause Order, the USPTO issued the Order for Sanctions.

In accordance with the Order for Sanctions, the application is terminated. No further action will be taken in this application. The USPTO will not refund any filing fees.

Other Developments Targeting Bad Actors

From: teas@uspto.gov
Sent: Wednesday, January 26, 2022 12:08:07 PM EST
To: town@aniimaltown.com; support@aniimaltown.com
Subject: U.S. Trademark Registration No. 6208820 - FINAL ORDER FOR SANCTIONS

OFFICIAL USPTO NOTICE
NOTICE OF FINAL ORDER FOR SANCTIONS – NO RESPONSE REQUIRED

REGISTRATION NUMBER: 6208820
ISSUE DATE: January 25, 2022

A FINAL ORDER FOR SANCTIONS WAS ISSUED ON THE DATE REFERENCED ABOVE THAT ORDERED SANCTIONS AFFECTING THIS REGISTRATION.

TO VIEW A COPY OF THE FINAL ORDER FOR SANCTIONS online, go to TSDR system at <https://tsdr.uspto.gov>. Enter the application serial number, click ‘Documents’, and click on the document with a ‘Create/Mail Date’ of the above listed “Issue Date”.

In the Final Order for Sanctions, the United States Patent and Trademark Office (USPTO) determined that one or more submissions made during the prosecution of this registration or in a post-registration filing violated the USPTO trademark rules of practice, including rules on signatures, certification and representation of others before the USPTO, and/or website terms of use. Sanctions are intended to remedy and deter the improper conduct at issue, and may impact the validity of this registration.

Other Developments Targeting Bad Actors

Affected registrants should note that findings made in the sanctions order may affect the underlying validity of the registration. In addition, the USPTO will consider a sanctions order that includes the sanction of termination to be a final decision adverse to the owner's right to keep a mark on the register under section 15 of the Trademark Act of 1946, 15 U.S.C. [§] 1065. Therefore, owners of such registrations may wish to file ... new application[s] for the mark[s].

87 Fed. Reg. at 432.

Other Developments Targeting Bad Actors

[A] trademark [registration] is obtained fraudulently under the Lanham Act only if the applicant or registrant knowingly makes a false, material representation with the intent to deceive the PTO.

Subjective intent to deceive, however difficult it may be to prove, is an indispensable element in the analysis.... [S]uch evidence must ... be clear and convincing, and inferences drawn from lesser evidence cannot satisfy the deceptive intent requirement.

In re Bose Corp., 580 F.3d 1240, 1244-45 (Fed. Cir. 2009).

Other Developments Targeting Bad Actors

The Trademark Trial and Appeal Board has suddenly become more receptive to claims of the fraudulent procurement or maintenance of registrations:

- unusually, the Board denied a motion to dismiss an allegation of fraudulent procurement through a false claim of secondary meaning in *DrDisabilityQuotes.com, LLC v. Krugh*, 2021 U.S.P.Q.2d 262 (T.T.A.B. 2021);
- more unusually, the Board found fraudulent procurement based on a false claim of mark ownership in *Fuji Med. Instruments Mfg. Co. v. Am. Crocodile Int'l Grp.*, 2021 U.S.P.Q.2d 831 (T.T.A.B. 2021); and
- more unusually still, the Board invalidated a registration for a false declaration of incontestability in *Chutter, Inc. v. Great Mgmt. Grp.*, 2021 U.S.P.Q.2d 1001 (T.T.A.B. 2021), *appeal docketed*, No. 22-1212 (Fed. Cir. Nov. 30, 2021).

Other Developments Targeting Bad Actors

Significant aspects of *Chutter's* finding of fraud:

- reckless disregard of the truth is the legal equivalent of a specific intent to deceive the Office;
- a failure to make an appropriate inquiry into the accuracy of a submission to the Office constitutes such a reckless disregard;
- ignorance of the legal requirements for a filing will not prevent a finding of fraud; and
- a failure to correct a false statement is evidence of a bad-faith intent to deceive the Office.

Other Developments Targeting Bad Actors

A declarant is charged with knowing what is in the declaration being signed, and by failing to make an appropriate inquiry into the accuracy of the statements the declarant acts with a reckless disregard for the truth....

To find otherwise could encourage declarants to conclude that such disregard carries no consequence and they can fail to read documents they are signing without penalty.

Chutter, 2021 U.S.P.Q.2d 1001, at *20.

Other Developments Targeting Bad Actors

[The signatory] paid little, or no, attention to the document he was signing under oath and thereby disregarded the significance of the benefits he was obtaining for his client. By failing to ascertain and understand the import of the document he was signing, far from conscientiously fulfilling his duties as counsel, [the signatory] acted in reckless disregard for the truth; nor did he take any action to remedy the error once it was brought to his attention.

Chutter, 2021 U.S.P.Q.2d 1001, at *19.

Other Developments Targeting Bad Actors

As of August 6, 2022, the USPTO will require identity verification for all USPTO.gov account holders, either through:

- a paper identity verification process available at <https://www.uspto.gov/trademarks/apply/identity-verification#paper>; or
- electronic verification through an outside vendor accessible at <https://www.id.me/about>.



Thank you!