Effective as of June 21, 2012, the U.S. Patent and Trademark Office (USPTO) is instituting both a policy change in its examination of specimens in use-based applications and declarations maintaining registrations; and issuing an additional requirement to submit additional specimens in the examination of certain randomly selected post-registration declarations during the next two years. The USPTO reported its implementation of these final rules and responded to various comments from members of the public about the proposed rules in the May 22, 2012 issue of the Federal Register. Specifically, the Federal Register states that the Trademark Rules of Practice are being amended to allow the USPTO to:

1) Upon request, require any specimens, information, exhibits, and affidavits or declarations deemed reasonably necessary to examine a post-registration affidavit or declaration of continued use in trademark cases, and assess the accuracy and integrity of the register; and

2) Upon request, require more than one specimen in connection with a use-based trademark application, an allegation of use, or an amendment to a registered mark.”

Unlike many countries in which trademark rights can be established simply by applying to register a mark with the trademark or industrial property office of that country, the U.S. requires use of a mark in interstate or foreign commerce (as defined in U.S. statutes and hereinafter referred to as “U.S. Commerce” or “Commerce”) in order to establish and maintain rights in the mark, as well as to register the mark. Consequently, unless the mark is the subject of a pending application based upon “intent-to-use” (ITU) or the mark is owned by a non-U.S. entity with a registration for the same mark from its home country, any U.S. registered mark not in use in U.S. Commerce may be subject to cancellation or at least partial cancellation for any goods/services listed in the registration that are not being offered in Commerce with the mark. Likewise, the ITU application to register a mark cannot mature into registration without the submission of evidence of use of the mark in Commerce to the USPTO and a registered mark obtained based upon a foreign
registration needs to be used in Commerce in order to remain validly registered. Thus, while the mere use of a mark in Commerce confers trademark rights in the U.S. (limited to the actual market where the mark is used), a U.S. trademark registration is relied upon by the U.S. public to accurately reflect proper usage of the mark in Commerce when granting nationwide rights in the mark to its owner. If a business discovers a registered mark similar to its desired mark which claims use on goods or services related to that business and upon which the mark is not actually used, then that business could inevitably incur unnecessary costs to further investigate the availability of the registered mark or to alter its plans to adopt another mark. For much of the last decade, there has been widespread speculation that many validly registered marks are not presently being used by the registrant, or not being used by the registrant on all of the goods/services listed in the registration, thereby jeopardizing the integrity of the Register.

Post-registration declarations of use and their accompanying specimens (evidence of actual use of the mark in the form of images of packaging or sample advertisements or the like) required to be filed in the USPTO under Trademark Act Section 8 by the sixth anniversary of the registration and every tenth anniversary thereafter (at renewal) demonstrate the trademark owner's continued use of the registered mark in Commerce and naturally is important for preventing the existence of “deadwood” registrations for marks not in use. The Trademark Practice Rules have always required that only one specimen per International Class of goods/services be submitted to the USPTO to prove use of the registered mark and this same rule generally applies in ITU applications to prove that the mark is currently used in Commerce and therefore entitled to register.

The first rule change is establishing a two-year pilot program, until June 21, 2014, in which the USPTO will randomly select approximately 500 registrations of any type or filing basis for which the requisite Section 8 declaration of use is being filed in order to “assess the accuracy and integrity” of the stated use in that registration and presumably of the entire USPTO Register based upon this representative sample. In these 500 registrations, which the USPTO estimates is about 1% of the total number of Section 8 declarations typically filed in a six-month period, the USPTO will issue an office action requiring the
submission of specimens for two more items of goods/services in each International Class (for a total of 3 goods per Class) and registrants will have the usual six month response period (or until the end of the filing period for the Section 8 Declaration, whichever is later) in order to submit the additional specimens and supporting declaration. Senior USPTO attorneys (likely experienced USPTO trademark examiners) are expected to review the pilot examination responses and determine their sufficiency. The standard of review and required form of submission also remain unchanged from the current specimen submission rules. If the response fails to include the required evidence, the USPTO will remove the goods and/or services in question from the registry and may require further proof of use as to the remaining goods and services pursuant to the second rule change discussed below. However, if no response to this office action is filed within the response period, the registration will be cancelled in its entirety. The USPTO had originally wanted to impose this rule change on a permanent basis but subsequently decided to include a sunset provision to first determine the actual necessity of this rule change.

The second rule change is not really a change in the Trademark Rules but merely a codification of a policy change in the implementation of existing USPTO Rule 2.61(b) (37 CFR § 2.61(b)) which permits examiners relatively wide discretion to request the submission of “additional information and exhibits deemed reasonably necessary to examine the application.” The USPTO examiners have traditionally employed this rule to inquire about the particular meaning of a mark or term therein and the nature, channel of trade and target market of any goods/services not clearly specified in the application. Often, the rule helps examiners gather evidence from the applicant that could support a registration refusal or assists the examiner to propose a proper amendment to an allegedly indefinite description of goods/services. The USPTO is now expanding the use of this rule by encouraging examiners to issue information requirements for additional specimens and evidence or affidavits of use of the mark when such use appears suspect based upon the application or registration record. The language in Section 2.61(b) of the Code of Federal Regulations is being expanded to read, “...information, exhibits, affidavits or declarations, and such additional specimens as may be deemed reasonably necessary....” Use of a mark has typically been considered suspect when the application or registration would
contain a large and/or disparate listing of goods/services, goods/services that seem obsolete and any goods/services which otherwise seem unlikely to be offered in Commerce because of particular market conditions in the relevant industry.

In conclusion, with the implementation of this final rule, the USPTO hopes (1) to accurately determine the true nature and extent of deadwood registrations on its Register; and (2) that these changes in the requirements for and examination of specimens will eliminate many unused registrations, if any, and ensure greater reliability of the trademark register as an accurate reflection of marks that are in use within the United States. Also, we believe it is important that our clients are aware of these potential additional requirements and the likely greater scrutiny of use evidence submitted to the USPTO in their pending applications and registrations.