

Highlights Part II of the Trademark Modernization Act of 2020: Ex Parte Expungement, Ex Parte Reexamination, and Non-Use Cancellation of Federal Trademark Registrations

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As we wrote in [Part 1](#) of this series, the Trademark Modernization Act of 2020 (“TMA”) was signed into law on December 27, 2020, and contained several significant amendments to the Lanham Act. This post will cover three of the legislative changes, all pertaining to the elimination of “deadwood” marks that clutter the register and create needless impediments to registration of new marks: (1) ex parte expungement; (2) ex parte reexamination; and (3) non-use

cancellation.

These new vehicles for challenging unused marks will not take effect until December 27, 2021, and implementing regulations and procedures, as well as the fees for these procedures, have not yet been established.

1. Ex Parte Expungement – For Marks That Have Never Been Used

What for – As a well-known *New Yorker* cartoon asked – “How about never – is never good for you?” If the answer is a mark has never been used, then ex parte expungement is the procedure for you to consider. Section 16A is added to the Lanham Act to allow any person—including the Director of the USPTO on the Director’s own initiative—to file a petition to expunge a trademark registration on the ground that the mark has never been used in commerce on or in connection with some or all of the goods or services

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covered by the registration.

Who can petition – The TMA provides that “any person” can file an expungement petition. So unless the implementing regulations specify a standing requirement or one is adapted from analogous opposition and cancellation proceedings through case law, it appears that anyone (plus the Director) can take advantage of this procedure.

How to petition – A petition for expungement must identify the specific goods or services alleged never to have been used in commerce in association with the mark. Further, the petitioner must include a verified statement that sets forth the details of its reasonable investigation into whether the goods or services have been offered and additional facts that support the allegations. The TMA indicates that the Director is to promulgate regulations regarding what constitutes a reasonable investigation and the type of evidence that could support a prima facie case that a mark has never been used in commerce.

How to respond – The TMA indicates that a registrant’s evidence of use in defense of an ex parte expungement proceeding is the type of evidence that is consistent with when a mark is deemed to be in use in commerce under Section 45 of the Lanham Act. The Director is also charged with establishing the procedures for ex parte expungement proceedings, including setting response times.

What about U.S. Marks Registered Based on a Foreign Registration? – For a mark registered solely on foreign registration basis (Section 44(e)) or as an extension of protection via the Madrid Protocol (Section 66), a registrant can offer evidence of special circumstances that provide a basis for excusable nonuse.

No duplicate proceedings – The TMA prohibits co-pending ex parte expungement proceedings against the same goods or services in a registration. Further, once ex parte expungement proceedings have been brought against a registration and the registration is upheld for the goods or services at issue, there is an estoppel provision in the Act providing that no later petitions with respect to those same goods or services can be filed, regardless of the identity of the petitioner.

When you can petition – Until December 27, 2023, ex parte expungement petitions can be filed against any registration at any time after the third anniversary of the registration. Beginning December 28, 2023, petitions can only be filed between the third and tenth anniversary of a registration.

Appeal Procedure – The TMA allows for appeal of decisions in ex parte expungement proceedings to the Trademark Trial and Appeal Board or to the Federal Circuit.

2. Ex Parte Reexamination – For Marks Not in Use When Use Was Alleged

What for – The TMA adds a new Section 16B to the Lanham Act to allow any party to petition for reexamination of a registration on the ground that the mark was not in use in commerce in connection with some or all of the goods covered by the registration on or

before the “relevant date.” As used in the statute, “relevant date” means: (1) for use-based applications that did not have any change in basis after filing, the date the application was initially filed; or (2) for intent-to-use applications, the date on which an amendment to allege use was filed.

What about U.S. Marks Registered Based on a Foreign Registration? – The ex parte reexamination procedure under Section 16B cannot be initiated against foreign-based registrations issued under Sections 44(e) or 66 of the Lanham Act.

Who can petition – As with expungement petitions under Section 16A, there is no standing requirement – a reexamination petition can be filed by any person.

How to petition and respond – Ex parte reexamination proceedings will share the following similarities with ex parte expungement proceedings:

- the Director can request ex parte reexamination on the Director’s own initiative;
- the petitioner must identify the challenged goods or services and include a verified statement that details the reasonable investigation into use the petitioner has conducted;
- the Director will establish the procedures for ex parte reexamination proceedings;
- the Director will identify the type of evidence that could support a prima facie case that a mark has never been used in commerce;
- a registrant’s evidence of use is the type of evidence that is consistent with when a mark is deemed to be in use in commerce under Section 45 of the Lanham Act;
- co-pending proceedings involving the same goods or services are not allowed;
- if a registration is upheld for certain goods or services, no further ex parte reexamination proceedings may be initiated against the registration for those goods or services; and
- decisions can be appealed to the Trademark Trial and Appeal Board or the Federal Circuit.

When you can petition – Petitions for ex parte reexamination may be commenced at any time before the fifth anniversary of a registration, except for registrations on the Supplemental Register, which are vulnerable to petition for reexamination at any time.

3. New Non-Use Cancellation Proceeding

What for – Section 14 of the Lanham Act is amended to allow a petition for cancellation on the ground that the registered mark has never been used in commerce on or in connection with some or all of the goods covered by the registration.

Who can petition – A party who believes it may be damaged by a trademark registration; thus, there is a standing requirement, as with other types of cancellation proceedings.

When you can petition – This new non-use cancellation petition can only be filed after the third anniversary of the registration.

How does this ground of cancellation for non-use differ from abandonment

claims? This new ground for cancellation based on non-use appears to differ from a claim for abandonment because it applies to marks that have never been used, as opposed to marks that were in use for some time but then discontinued. It also does not involve any requirement for a petitioner to establish a lack of intent to resume use by the registrant, a factor that comes into play when a mark has been used for a period of time and then discontinued.

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Look for Part 3 of our series on the TMA soon, which will discuss new Letter of Protest procedures and the discretion given to examining attorneys to set discretionary response deadlines.