

PTO Proposes Requiring Foreign Trademark Owners to Obtain U.S. Counsel

February 26, 2019 – *The TMCA*

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On the heels of launching its expedited cancellation program to clear deadwood from the Trademark Register, the U.S. Patent and Trademark Office has now pivoted to a related area: deadwood prevention. The PTO has issued a Notice of Proposed Rulemaking that, with one exception, would require foreign-domiciled trademark applicants, registrants and parties to a Trademark Trial and Appeal Board proceeding to be represented by licensed U.S. attorneys.

The PTO justified this proposal based on the growing number of applications filed by foreign individuals and entities with fraudulent or inaccurate information. In particular, the PTO called out both the submission of mocked-up or digitally-altered specimens to support false claims of use of the mark in the United States and the foreign advisors who promote such a practice. As the number of foreign applicants surges, especially foreign applicants without U.S. counsel of record, current rules give the PTO no effective means of preventing this misconduct. The PTO called the scale of the problem “massive” and estimated the number of “total tainted applications” to be in the “tens of thousands.” Such tainted applications drive up the cost of clearing and registering marks for other trademark owners, impede prosecution of legitimate applications and reduce the value of registered marks to consumers.



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The PTO hopes to improve the integrity of the Trademark Register by involving practitioners who are familiar with its requirements and who can be disciplined if they engage in tactics designed to circumvent such requirements. Perhaps to ward off charges of favoritism, the PTO pointed out that many countries, including Brazil, Chile, China, Israel, Japan, Jordan, Morocco, South Korea, and the European Union's Intellectual Property Office, already impose a similar counsel requirement.

For applications filed that do not comply with the rule, the PTO seeks comments on whether it should (1) defer examination until the applicant appoints U.S. counsel who can then review the application for conformity to U.S. law or (2) conduct a complete examination and include the requirement for U.S. counsel among other issues in the office action.

The only exception to the U.S. representation rule would be for countries that have reached an official understanding with the PTO to allow substantially reciprocal privileges to U.S. practitioners representing U.S. entities in their trademark office. Currently only the United States and Canada have such an understanding. Should the new rulemaking be implemented, its practical impact would be to prevent Canadian patent agents from representing Canadian owners in new trademark matters at the PTO. However, Canadian trademark agents and attorneys could continue to do so. Canadian patent agents could also complete handling pending U.S. trademark matters.

For Madrid applications, implementation of the rule may be delayed until such time as the system of the International Bureau of the World Intellectual Property Office, where such applications are first made, can be updated to allow U.S. attorneys to be designated.

The PTO has issued a warning that foreign filers are already trying to circumvent the proposed rulemaking by sending email solicitations to U.S. attorneys offering to pay to use their contact information. The PTO may have to add security measures to its filing system to ensure that U.S. attorney information is not used fraudulently. The new rulemaking is one component of a larger effort by the PTO to ensure the accuracy of the Trademark Register. Besides the expedited cancellation pilot program mentioned above, other PTO initiatives include revisions to the language of the post-registration declaration of use forms to highlight the ongoing use requirement and the random audits of post-registration maintenance filings.

The comment period is open until March 18, 2019. Watch the TMCA for updates regarding this rulemaking and related PTO deadwood-clearing initiatives.