

# USPTO Proposes Streamlined Cancellation Procedures

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In its latest effort to clear deadwood from the Trademark Register, the United States Patent and Trademark Office (“PTO”) has issued a [Notice of Proposed Rulemaking](#) that proposes an expedited version of a cancellation proceeding known as a “Streamlined Proceeding.” As described below, the proceedings have the potential for substantial savings to practitioners and trademark owners in terms of both time and money.

Current cancellation proceedings have these features:

- Multiple grounds for cancellation
- Counterclaims allowed;
- Separate phases for pleadings, evidence gathering and briefing;
- Multiple rounds of discovery possible;
- Depositions taken in evidentiary and testimony phases;
- Multiple extensions of time possible;
- Suspensions frequently granted;
- Oral hearings available on request.

Given this relatively flexible, multi-phase approach, the time from filing until a decision on the merits can be several years at best.

In contrast, Streamlined Proceedings are proposed to have:

- Only abandonment and nonuse as grounds;
- No counterclaims;

## Related Capabilities

- Trademark, Copyright + Advertising
- Intellectual Property Litigation

- A combined pleadings/evidence/briefing phase;
- Additional discovery limited to challenges to the petitioner's standing;
- No depositions;
- One extension request per party;
- Suspensions only if there is similar district court litigation;
- No oral hearings.

Given this fast-track, single-phase approach and assuming no extensions, the Notice contemplates a time frame of 70 days until a decision if the respondent defaults and 170 days until a decision if the respondent answers.

To initiate a Streamlined Proceeding, the petitioner would be required to present facts that establish its standing and set forth the factual basis for the abandonment or nonuse. This could include providing a declaration outlining a search for use of the mark, or any other evidence of abandonment or nonuse of the mark at issue.

After this initial filing, the Respondent would have 40 days to answer the petition. When answering, the respondent must state any defenses if applicable and provide proof of use or other evidence to counter the abandonment or nonuse grounds.

Following receipt of the respondent's answer, the petitioner would have 40 days to: (1) take no further action and await a decision, (2) file a reply with rebuttal evidence, (3) withdraw its petition for cancellation without prejudice to its right to file another cancellation on grounds that were not raised in the streamlined proceedings, or (4) file a notice of conversion to a full cancellation and add any new grounds to its pleading. Because the respondent typically has all the relevant use evidence it needs, the PTO decided not to give the respondent the same ability to convert a Streamlined Proceeding into a full cancellation.

Similar to how the PTO hopes that its Streamlined Proceedings would be efficient time-wise, it also believes the proceedings will be cost-effective for trademark owners. According to its Notice, the PTO expects that the filing fee for a streamlined proceeding would be \$300 per class, or \$400 per class if filed by paper. The current cost of filing a petition to cancel is \$400 per class, or \$500 per class if filed by paper. While the difference in filing fees is slight, the real savings will be in the streamlined production of evidence and the complete elimination of depositions, briefs and oral hearings -- and the accompanying attorney's fees for these items.

If this proposed proceeding seems familiar, that is because similar proceedings have been used in Canada. The Canadian Intellectual Property Office's Section 45 proceedings were developed in an effort to increase timeliness and clearing out of its Register. According to the Canadian Intellectual Property Office's FAQ on Section 45 Proceedings, however, these proceedings can still take between two to four years to complete.

With this rule-making the PTO has chosen its own streamlined approach. At a panel presentation during the recent International Trademark Association annual meeting, PTO

officials confirmed that they chose the abandonment and nonuse grounds because the PTO already has the statutory authority to implement these changes and would not need Congress to amend federal trademark law to proceed. Given the current challenging political environment, this seems to be a most practical decision.

The comment period is open until August 14, 2017. Watch this blog for progress reports on the PTO's streamlined cancellation process.