

# USPTO Announces Expedited Cancellation Pilot Program

February 5, 2019 – *The TMCA*

by Elizabeth C. Buckingham and Alison Jarzyna

Back in July 2017, the United States Patent and Trademark Office proposed a Streamlined Cancellation Proceeding (“SCP”) to expedite cancellation proceedings for challenges to registrations of allegedly unused marks. Following public comments, the PTO shelved the SCP. Instead of the SCP, the Trademark Trial and Appeal Board will study the effectiveness of a future SCP through an expedited cancellation pilot program (“ECPP”) that combines the current cancellation process with existing Accelerated Case Resolution (“ACR”) procedures.



## Related Capabilities

- Trademark, Copyright + Advertising
- Intellectual Property Litigation

We covered the SCP when it was first proposed by the PTO. The SCP would have:

- Only abandonment and nonuse as grounds;
- No counterclaims;
- A combined pleadings/evidence/briefing phase;
- Additional discovery limited to challenge to the petitioner’s standing;
- No depositions;
- One extension request per party;
- Suspensions only if there is similar district court litigation;
- No oral hearings.

Public comments revealed that stakeholders such as the American Bar Association, the American Intellectual Property Law Association, and the International Trademark Association, generally applauded the PTO’s attempts to expedite processes and to improve the accuracy of the Register. Despite this interest, the comments generally requested clarification of the SCPs, particularly related to adequate evidence and the availability of partial cancellations. Commenters also expressed inquired whether an unsuccessful SCP would preclude later cancellation of the registration on the same or

new grounds. One key critique of the SCP was whether such a new procedure was necessary when the registrant was likely to default. Stated differently, why would a petitioner elect the SCP, which requires it to submit evidence with its cancellation petition, when it could pursue the traditional cancellation path to a default judgment without submitting such evidence?

Given these concerns, the PTO chose to delay the SCP's launch and instead study how pre-existing ACR mechanisms can streamline cancellations via the pilot program. The ECPP will have:

- Only abandonment and nonuse as grounds;
- No counterclaims;
- Separate pleadings phase;
- Streamlined discovery phase through participation of a TTAB judge (who will not decide the merits of the case) and an interlocutory attorney at the discovery conference and encouragement to adopt ACR procedures for case;
- Streamlined briefing phase through encouragement of use of summary judgment to decide the case on the merits, which will be discussed at the discovery conference.

While ACR is not mandatory, by adding a TTAB judge and an interlocutory attorney to the discovery conference and instructing the parties to come prepared to discuss ACR procedures, the PTO clearly hopes to persuade parties to agree to ACR. If ACR procedures are agreed upon, the TTAB will attempt to issue the final decision within 50 days from when the parties are ready to receive a decision — as it does with other *inter partes* proceedings using ACR procedures.

While the TTAB has been identifying eligible cancellations since March 2018, interested parties who have recently filed cancellations on nonuse or abandonment grounds now can take advantage of the pilot. In these instances, interested parties must receive consent from their opponents to participate in an ACR case, and arrange a discovery conference with their Interlocutory Attorney and opponent.

The PTO has not given a definitive duration for the ECPP, but has stated that it plans to offer this program until “sufficient information has been collected.” Once this happens, the PTO will share the results and likely request more feedback. Time will tell if certain ACR procedures prove to be so useful in the ECPP that the PTO is willing to require them in all similar proceedings.

The ECPP is one component of a larger effort by the PTO to clear deadwood from the Trademark Register. Other actions 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.

Watch the TMCA for updates regarding the expedited cancellation pilot program and related PTO deadwood-clearing initiatives.