

# Trademark Cancellations

## International Practice and Procedures

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### UNITED STATES

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This material is only intended to provide an introduction to and simplified profile of this jurisdiction's local practice and procedure relevant to trademark cancellation. This material does not take the place of professional advice given with full knowledge of the specific circumstances of each case and proficiency in the laws of this jurisdiction such as might be provided by a local trademark attorney.

For more information about particular areas of practice, please see INTA's companion online publications: [International Opposition Guide](#).

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#### I. AVAILABILITY

- Cancellation of a trademark is available for:
  - national marks;
  - international marks.
  - This jurisdiction is not a member of the European Community; we have no Community trade marks.
- "Cancellation" is not defined by legislation. The term "cancellation" is used throughout the Trademark Act, 15 U.S.C. § 1051 et seq., but not expressly defined. It refers to an inter partes proceeding that can be initiated under 15 U.S.C. § 1064 with respect to a registration on the Principal Register, or under 15 U.S.C. § 1092 with respect to a registration on the Supplemental Register.
- Cancellation actions can be filed online at the following URL: <http://estta.uspto.gov/>.

#### II. GROUNDS

##### A. Absolute Grounds

- The following absolute grounds may be raised in cancellation proceedings:
  - the mark is descriptive;
  - the mark is misleading and/or deceptive;
  - the mark lacks distinctiveness;
  - the mark is generic;
  - the mark consists of a geographical indication;
  - the mark is functional;
  - the mark is against public policy or principles of morality (The mark consists of or comprises immoral, deceptive, or scandalous matter. 15 U.S.C. § 1052(a));
  - the mark includes a badge or emblem of particular public interest (The mark consists of or comprises the flag or coat of arms or other insignia of the United

States, or of any State or municipality, or of any foreign nation, or any simulation thereof. 15 U.S.C. § 1052(b));

- the mark is used in a misleading and/or deceptive manner;
- the mark is prohibited in this jurisdiction;
- the application for or registration of the mark was made in bad faith;
- other absolute grounds, i.e., grounds that relate to the inherent registrability of a mark:
  1. The mark consists of or comprises matter which may disparage or falsely suggest a connection with persons, living or dead, institutions, beliefs, or national symbols, or bring them into contempt, or disrepute. 15 U.S.C. § 1052(a).
  2. The mark consists of or comprises a name, portrait, or signature identifying a particular living individual except by his written consent, or the name, signature, or portrait of a deceased President of the United States during the life of his widow, if any, except by the written consent of the widow. 15 U.S.C. § 1052(c).
  3. The mark is deceptively misdescriptive. 15 U.S.C. § 1052(e)
  4. The mark is geographically deceptively misdescriptive.
  5. The mark is primarily merely a surname. 15 U.S.C. § 1052(e).
  6. The mark was obtained fraudulently. 15 U.S.C. § 1064(3).
  7. Respondent's certification mark was used so as to represent falsely that the owner or a user thereof makes or sells the goods or performs the services on or in connection with which such mark is used. 15 U.S.C. § 1054.
  8. The respondent has not exercised control with respect to the nature and quality of the goods or services offered or sold by a licensee or related company under a licensed mark. 15 U.S.C. § 1055.
  9. There was no bona fide use of respondent's mark in commerce prior to the filing of the use-based application for its registration under 15 U.S.C. § 1051(a).
  10. Respondent did not have a bona fide intent to use the mark in connection with the identified goods/services as of the filing date of the application filed under 15 U.S.C. § 1052(b).
  11. Respondent's mark is a mere background design that does not function as a mark separate and apart from the words displayed thereon.
  12. Respondent is not (and was not, at the time of the filing of its application for registration) the rightful owner of the registered mark.
  13. Respondent's mark, consisting of a particular color combination applied to its goods, is ornamental and has not become distinctive as an indication of the source of defendant's goods, or that respondent's mark, consisting of a particular sound applied to its goods, is not inherently distinctive and has not acquired distinctiveness.
  14. The term for which registration has been obtained has not been used as a trademark or service mark.
  15. Respondent's mark represents multiple marks in a single registration ("phantom mark").

16. Respondent has misused the federal registration symbol with intent to deceive the purchasing public or others in the trade into believing that the mark is registered.

17. Respondent's mark is the title of a single creative work and not considered a trademark or service mark.

18. Respondent has not established a commercial presence in the country from which its underlying foreign registration issued where such foreign registration forms the basis of the U.S. registration or application for registration.

## **B. Relative Grounds**

- The following relative grounds may be raised in cancellation proceedings:
  - there is an earlier application or registered mark;
  - there are earlier use-based rights in an unregistered mark;
  - the application for or registration of the mark was made in bad faith;
  - the mark is a company name;
  - the mark is a trade or business name;
  - other relative grounds, i.e., grounds that are based on another party's proprietary rights:
    1. The mark is likely to cause dilution by blurring or dilution by tarnishment. 15 U.S.C. § 1064.
    2. Respondent's registered mark interferes with the registration of a foreign owner's mark under Article 8 of the General Inter-American Convention for Trademark and Commercial Protection of Washington, 1929 ("Pan American Convention"), 46 Stat. 2907.

## **C. Grounds Other than Absolute, Relative or Non-Use**

- Other than the absolute or relative grounds listed above and/or the non-use grounds listed below, there are no other grounds that may be raised in cancellation proceedings.

## **D. Non-Use Grounds**

- Non-use may be raised as a ground in cancellation proceedings. Under 15 U.S.C. § 1064(3), a petition to cancel can be filed at any time if the mark has been "abandoned."
- In relation to cancellation for non-use, "use" is defined as: Under 15 U.S.C. § 1127, "For purposes of this chapter, a mark shall be deemed to be in use in commerce-- (1) on goods when-- (A) it is placed in any manner on the goods or their containers or the displays associated therewith or on the tags or labels affixed thereto, or if the nature of the goods makes such placement impracticable, then on documents associated with the goods or their sale, and (B) the goods are sold or transported in commerce, and (2) on services when it is used or displayed in the sale or advertising of services and the services are rendered in commerce, or the services are rendered in more than one State or in the United States and a foreign country and the person rendering the services is engaged in commerce in connection with the services." The Trademark Act speaks of "abandonment" rather than cancellation for "non-use." Under 15 U.S.C. § 1127, "A mark is deemed to be abandoned if either of the following occurs: (1) When its use has been discontinued with intent not to resume such use. Intent not to resume may be inferred from circumstances. Nonuse for 3 consecutive years shall be prima

facie evidence of abandonment. 'Use' of a mark means the bona fide use of such mark made in the ordinary course of trade, and not made merely to reserve a right in a mark. (2) When any course of conduct of the owner, including acts of omission as well as commission, causes the mark to become the generic name for the goods or services on or in connection with which it is used or otherwise to lose its significance as a mark. Purchaser motivation shall not be a test for determining abandonment under this paragraph."

- The definition of "use" provided above is derived from statute, regulation or administrative rule: 15 U.S.C. § 1127.
- Use by a licensee or with the consent of the proprietor constitutes use by the proprietor. Use by "related companies," under 15 U.S.C. § 1055: "Where a registered mark sought to be registered is or may be used legitimately by related companies, such use shall inure to the benefit of the registrant or applicant for registration, and such use shall not affect the validity of such mark or of its registration, provided such mark is not used in such manner as to deceive the public. If first use of a mark by a person is controlled by the registrant or applicant for registration of the mark with respect to the nature and quality of the goods or services, such first use shall inure to the benefit of the registrant or applicant, as the case may be." The USPTO accepts applications by parties who claim to be owners of marks through use by controlled licensees, pursuant to a contract or agreement. *Pneutek, Inc. v. Scherr*, 211 U.S.P.Q. 824, 833 (TTAB 1981). A controlled license agreement may be recognized whether oral or in writing. *In re Raven Marine, Inc.*, 217 U.S.P.Q. 68, 69 (TTAB 1983). Stores that are operating under franchise agreements from another party are considered "related companies" of that party, and use of the mark by the franchisee/store inures to the benefit of the franchisor. *Mr. Rooter Corp. v. Morris*, 188 U.S.P.Q. 392, 394 (E.D. La. 1975); *Southland Corp. v. Schubert*, 297 F. Supp. 477, 160 U.S.P.Q. 375, 381 (C.D. Cal. 1968). A trademark owner who fails to exercise sufficient control over licensees or franchisees may be found to have abandoned its rights in the mark. See *Hurricane Fence Co. v. A-1 Hurricane Fence Co.*, 468 F. Supp. 975, 208 U.S.P.Q. 314, 325-27 (S.D. Ala. 1979).
- The time frame within which a mark must be used in order to avoid cancellation runs from: No time frame is set. A petition to cancel can be filed at any time after a registration has become "abandoned" per 15 U.S.C. § 1064(3). For a registration on the Supplemental Register, under 15 U.S.C. § 1092, a petition to cancel can be filed whenever ". . . any person believes that such person is or will be damaged by the registration of a mark on the supplemental register." Finally, under 15 U.S.C. § 1127, "non-use for 3 consecutive years shall be prima facie evidence of abandonment."
- Counting from the above date, to avoid cancellation for non-use, the mark must be used within: There is no set period of non-use that establishes abandonment. The petitioner must show that the registrant has discontinued use and has no intent to resume use. Discontinuation of use for three years or more gives rise to a presumption of abandonment, but this can be overcome by the registrant by showing that he or she intends to resume use, and/or has taken steps or made plans to resume use.
- The consequences of use being interrupted are: Interruption of use (or discontinuation) does not suffice in and of itself to show abandonment. Proving abandonment becomes more difficult when interruption is due to causes beyond the registrant's control, or when it extends for a period of less than three years, or when the registrant can show that once the causes of the interruption no longer exist, use will resume. When maintaining a registration under 15 U.S.C. § 1058(b)(1), one can seek to excuse non-use by filing "an affidavit setting forth those goods or services recited in the registration on or in connection with which the mark is not in use in commerce and showing that any such non-use is due to special circumstances which excuse such non-use and is not due to any intention to abandon the mark."

## E. Multiple Grounds

- An application for cancellation may be based on multiple grounds (i.e., on a combination of absolute, relative and non-use grounds). The Trademark Act expressly recognizes that several grounds may be asserted. The available grounds, however, are divided into those that may be asserted only within five years of the date of registration (under 15 U.S.C. §§ 1064(1) and (2)) and those that may be asserted at any time (under 15 U.S.C. §§ 1064(3), (4) and (5)).
- The advantages of filing an action based on multiple grounds are as follows: Success on any one ground will result in cancellation.
- If an action is based on multiple grounds and the action could be disposed of on one ground, the other grounds will nevertheless be considered. The Panel in a cancellation action before the TTAB, or the Judge in a U.S. district court action in which a cancellation claim has been asserted, is not necessarily required to consider and decide all grounds. It is common, if a determination as to one ground will be dispositive as to others, to truncate or even forgo consideration of the other grounds.

#### **F. International Registrations and Community Trade Marks**

- Grounds for cancellation are the same in respect of international marks as they are for national marks. The grounds are the same, subject to another time limitation. For the first five years, an international registration is completely dependent on the U.S. basic application or registration. This means that, during the first five years of the life of the international registration, if the U.S. basic application or registration is refused, withdrawn, canceled or restricted, in whole or in part, then the International Bureau will cancel the international registration. A refusal or cancellation of a basic application or registration after the end of the five-year period will also result in the cancellation of the international registration if the action that caused the refusal or cancellation began within that five-year period. However, after the five-year period has ended, the international registration becomes independent of the basic application or registration.

#### **G. Introduced Later in Proceedings**

- Additional grounds for cancellation may be introduced at a later stage in the proceedings. The deadline for introducing additional grounds is: Under 37 CFR § 2.115 and FRCP 15, pleadings in a cancellation proceeding may be amended in the same manner and to the same extent as in a civil action in a United States district court.

Under FRCP 15, a party in a TTAB cancellation proceeding or in a district court action may amend its initial pleading once as a matter of course within 21 days after serving it. If the pleading is one to which no responsive pleading is permitted, it may be amended once as a matter of course at any time within 21 days after it is served, or 21 days after service of a motion under FRCP Rule 12(b), (e), or (f), whichever is earlier.

Thereafter, a party may amend its pleading only by written consent of every adverse party or by leave of the TTAB or the court; and leave must be freely given when justice so requires. As a result, the TTAB and the courts liberally grant leave to amend pleadings at any stage of a proceeding when justice so requires, unless entry of the proposed amendment would violate settled law or be prejudicial to the rights of the adverse party or parties.

### **III. FORUM**

- The forum for cancellation proceedings varies depending on the grounds on which the proceedings are brought.
  - Cancellation proceedings based on absolute grounds may be brought before the following court or other judicial tribunal: a U.S. district court.

- Cancellation proceedings based on absolute grounds may be brought before the following administrative body: the TTAB.
- Cancellation proceedings based on relative grounds may be brought before the following court or other judicial tribunal: a U.S. district court.
- Cancellation proceedings based on relative grounds may be brought before the following administrative body: the TTAB.
- Cancellation proceedings based on non-use grounds may be brought before the following court or other judicial tribunal: a U.S. district court.
- Cancellation proceedings based on non-use grounds may be brought before the following administrative body: the TTAB.
- Cancellation proceedings based on grounds other than absolute, relative and non-use grounds may be brought before the following court or other judicial tribunal: a U.S. district court.
- Cancellation proceedings based on grounds other than absolute, relative and non-use grounds brought before the following administrative body: the TTAB.
- The administrative bodies listed above are independent of the trademark registry. The trademark registry and the TTAB are different divisions within the USPTO; however, they are functionally separate. The TTAB has different offices, staff, rules, jurisdiction, databases, mailboxes, etc. An application or registration file that is in the hands of the TTAB is out of the jurisdiction of the trademark registry side of the USPTO. The TTAB may issue orders that the trademark registry must follow, but the decisions of the trademark registry are generally not binding upon the TTAB.

## IV. STANDING

### A. On Basis of Grounds

- The following parties have legal standing to apply for cancellation, regardless of the grounds for cancellation:
  - any interested person. Legal interest is required. Under 15 U.S.C. § 1064, a cancellation proceeding may be filed "by any person who believes that he is or will be damaged . . . by the registration of a mark on the principal register established by this chapter." The parallel standing provision for a registration on the Supplemental Register appears in 15 U.S.C. § 1092.

### B. "Person"/"Interested Person" Defined

- For purposes of standing, a "person" is defined as:
  - both natural and juridical persons. "Person" is defined under 15 U.S.C. § 1127 as follows: "The term 'person' and any other word or term used to designate the applicant or other entitled to a benefit or privilege or rendered liable under the provisions of this Act includes a juristic person as well as a natural person. The term 'juristic person' includes a firm, corporation, union, association, or other organization capable of suing and being sued in a court of law.

The term 'person' also includes the United States, any agency or instrumentality thereof, or any individual, firm, or corporation acting for the United States and with the authorization and consent of the United States. The United States, any agency or instrumentality thereof, and any individual, firm, or corporation acting for the United States and with the authorization and consent of the United States, shall be subject to the provisions of this chapter in the same manner and to the same extent as any nongovernmental entity.

The term 'person' also includes any State, any instrumentality of a State, and any officer or employee of a State or instrumentality of a State acting in his or her official capacity. Any State, and any such instrumentality, officer, or employee,



shall be subject to the provisions of this chapter in the same manner and to the same extent as any non-governmental entity."

- For purposes of standing, an "interested person" is defined as:
  - someone who believes he is being damaged by the registration. This supported by the express language of 15 U.S.C. §§ 1064 and 1092.
  - someone who has filed an earlier pending application to register a conflicting trademark. This could be true as a matter of fact or law, but no statutory provision makes it necessarily true.
  - someone who owns an earlier conflicting trademark registration. This could be true as a matter of fact or law, but no statutory definition makes it necessarily true.
  - someone who owns rights to a conflicting trademark acquired through use. This could be true as a matter of fact or law, but no statutory definition makes it necessarily true.
  - someone who is a licensee of any conflicting trademark or other intellectual property right. This could be true as a matter of fact or law, but no statutory definition makes it necessarily true. In general only exclusive licensees have standing to enforce rights in licensed marks.
  - someone who owns a company name conflicting with the subject of the trademark application. This could be true as a matter of fact or law, but no statutory definition makes it necessarily true. Trade names or company names are protected under the Trademark Act.

### **C. Domestic/Foreign Applicant**

- The legal standing criteria for domestic and foreign applicants differ in that: Standing can be affected by the geographic location of the party seeking cancellation. A foreign petitioner that has no cognizable rights in the United States (based on use, registrations, or applicable treaties) may not have the requisite harm to achieve standing.

### **D. Multiple Applicants**

- More than one applicant may apply jointly for a cancellation regardless of the grounds for cancellation. Two or more parties may file a petition for cancellation jointly. However, the required fee must be submitted for each party joined as petitioner for each class in the registration for which cancellation is sought.

### **E. Infringement Defendant as Applicant**

- In a court action for trademark infringement, cancellation may be sought by a defendant. The defendant can assert a cancellation counterclaim in an existing civil court action, or file a new civil court action seeking cancellation, or apply for cancellation in the TTAB. A U.S. district court action involving the same parties and same issues may be consolidated, and a cancellation proceeding in the TTAB under such circumstances could be suspended pending resolution of the civil court action.

## **V. REPRESENTATION**

### **A. Qualifications**

- The applicant is required to appoint a representative in cancellation proceedings in the following circumstances: A party may represent itself in a cancellation before the TTAB, or it may be represented by an attorney. A partnership may act through an individual who is a partner. A corporation or other association electing to represent itself may do so through an officer who is in fact authorized to represent it. In a U.S. district court, a private person may represent himself or herself, but it may not be

possible under applicable court rules for a partnership, corporation or other association to do so.

- The representative (attorney, agent or other legal representative) must be domestic, e.g., with an office in the jurisdiction. If a party is represented by an attorney in the TTAB, the attorney must be domestic, in that he or she must be a member in good standing of the highest court of any State of the United States. However, under certain circumstances, Canadian attorneys who are registered in good standing in the Canada Intellectual Property Office may represent Canadian parties in cancellation proceedings in the TTAB. This requires, among other things, that the Canadian attorney successfully apply to the Director of the Office of Enrollment and Discipline at the USPTO for recognition and permission to act in USPTO matters.
- There are no additional professional qualifications that are required of a representative in cancellation proceedings. In contrast to patent matters, there is no separate licensing procedure on the trademark side of the USPTO for domestic or qualifying foreign attorneys or agents to handle trademark matters in the USPTO.

### **B. Power of Attorney/Notarization/Legalization**

- A signed power of attorney need not be provided to a representative by an applicant to cancellation proceedings.
- There are no notarization/legalization requirements for a power of attorney form in cancellation proceedings.

## **VI. COMMENCEMENT**

### **A. Timing**

- Cancellation proceedings that are independent of opposition proceedings may never be commenced before a mark is registered.

### **B. Deadline**

- The deadline for bringing cancellation proceedings varies, depending on the grounds.
  - For proceedings based on absolute grounds, the deadline is: There is no deadline for grounds under 15 U.S.C. § 1064(3), (4) or (5), but otherwise the deadline is five years from registration of a mark on the Principal Register. There is no deadline for bringing proceedings against a registration of a mark on the Supplemental Register.
  - For proceedings based on relative grounds, the deadline is: Not applicable.
  - For proceedings based on non-use grounds, the deadline is: Not applicable.
  - For proceedings based on grounds other than absolute, relative and non-use grounds, the deadline is: Not applicable.

### **C. Statute of Limitations**

- The following statute of limitations or acquiescence provisions will prevent cancellation, regardless of the grounds for cancellation: Subject to the five-year limitations period as it applies to certain grounds for cancellation under 15 U.S.C. § 1064, the Trademark Act does not contain a statute of limitations. Some courts apply an analogous state statute of limitations based upon the nature of the underlying claims (e.g., an unfair competition claim under the Trademark Act might be deemed analogous to a claim under a state statute on unfair competition, and the limitations period for the latter statute might then be applied). Other courts eschew this approach, and instead apply the equitable doctrine of laches. "In determining when a plaintiff's suit should be barred under the Act, courts have consistently used principles of laches as developed by courts of equity." *Tandy Corp. v. Malone & Hyde, Inc.*, 769 F.2d 362,



365 (6th Cir. 1985). To invoke the equitable doctrine of laches, a party must show "(1) lack of diligence by the party against whom the defense is asserted, and (2) prejudice to the party asserting it." *Herman Miller, Inc. v. Palazzetti Imports & Exports, Inc.*, 270 F.3d 298, 320 (6th Cir. 2001).

## VII. PARTIAL CANCELLATION

- Partial cancellation of a registration is possible, regardless of the grounds. Under 15 U.S.C. § 1068, the TTAB has the authority to cancel registrations in whole or in part, to restrict the goods or services identified in a registration, or to "otherwise restrict or rectify . . . the registration of a registered mark." Federal courts would have powers to issue orders to the USPTO to do the same.
- For a multiclass registration, it is possible to apply for cancellation of some of the goods within a given class, without applying for cancellation of all of the goods within that class. In the context of a cancellation claim premised upon confusing similarity, a plaintiff may seek to partially cancel a registration as to specific items in the identification of goods or services, or only to the extent of restricting the goods or services in a particular manner in terms of type, use, customers, trade channels, etc.

A petition to partially cancel a registration by restricting the goods or services in a particular manner in terms of type, use, channels of trade, etc., in order to avoid confusing similarity, can be made at any time because such a claim is in the nature of an equitable remedy and does not constitute an attack on the validity of a registration. *Eurostar Inc. v. "Euro-Star" Reitmoden GmbH & Co. KG*, 34 U.S.P.Q.2d 1266, 1271 (TTAB 1994).

## VIII. LENGTH OF PROCEEDINGS

- The average duration of cancellation proceedings is: There is no period fixed by statute or regulation. The TTAB's standard trial schedule extends approximately eighteen months between institution of the proceeding and the close of briefing. Suspension of proceedings, or extension and resetting of dates, whether for settlement talks or because of motion practice, can significantly increase the pendency of a proceeding. The parties can deviate from the TTAB schedule by agreement, or with TTAB approval, either to shorten, suspend or lengthen the proceedings. Accelerated Case Resolution (or ACR) is also available. According to the TTAB: "ACR is intended as an alternative to a traditional Trademark Trial and Appeal Board (TTAB) inter partes proceeding that involves full discovery, trial and briefing. Its form can vary but the process is generally thought of as approximating a summary bench trial, see *Acuff-Rose Music, Inc. v. Jostens, Inc.*, 47 USPQ2d 1953, 1954-55 (2d Cir. 1998) and cases cited therein, or cross-motions for summary judgment and accompanying evidentiary submissions that the parties wish to substitute for a trial record and traditional briefs at final hearing. There are, however, other approaches that have been adopted by parties that realize the efficiencies sought through the ACR process and which should, therefore, be considered as falling under the ACR umbrella. See, e.g., *Target Brands, Inc. v. Shaun N.G. Hughes*, 85 USPQ2d 1676 (TTAB 2007), in which the parties stipulated to 13 paragraphs of facts, including applicant's dates of first use, channels of trade for applicant, extent and manner of applicant's use, recognition by others of applicant's use, as well as the dates, nature and extent of descriptive use by the opposer's parent; and the parties stipulated to the admissibility of business records, government documents, marketing materials and internet printouts." Accelerated Case Resolution (ACR) FAQ Updates 122211.
- After final arguments have been made and/or oral hearings have taken place, a decision will be rendered within the following time frame: In the second quarter of fiscal year 2015, the TTAB rendered final decisions an average of 10.2 weeks after a given case was ready for decision.

## IX. COSTS AND FEES TO INITIATE

- The following costs and fees are associated with initiating cancellation proceedings:
  - attorney fees, and statutory or regulatory fees. Attorney fees will likely be incurred whenever an attorney is engaged to represent a party before the TTAB or a court.
- No official fees are refundable if an application for cancellation is withdrawn, regardless of the grounds for cancellation.
- If an application for cancellation is based on multiple grounds, no additional official fees are due.

## X. DOCUMENTATION / NOTARIZATION / LEGALIZATION REQUIREMENTS

- No documents need be notarized or legalized in cancellation proceedings.
- The documentation that must be submitted and the procedures necessary to initiate cancellation proceedings are the same regardless of the grounds for cancellation and are as follows: To initiate a cancellation proceeding in the TTAB, one must: (a) file a petition to cancel with the TTAB either by mail, or online via the TTAB's ESTTA portal (i.e., Electronic System for Trademark Trials and Appeals) at <http://estta.uspto.gov/filing-type.jsp>; (b) pay the necessary fee of US \$300 per class of goods or services within the subject registration; and (c) serve a copy of the petition to cancel on the respondent and include proof of service with the petition.

## XI. DISCOVERY

### A. Interrogatories

- Any party may request that any other party answer written questions, under oath ("Interrogatories").
- The general rules concerning the timing, number and scope of Interrogatories are as follows: Shortly after a petition to cancel is filed, the TTAB issues a scheduling notice specifying deadlines for the parties to conduct a discovery conference and make disclosures as required under the Federal Rules of Civil Procedure ("FRCP") Rule 26, and opening and closing dates for discovery. In the discovery conference, the parties are supposed to discuss settlement, develop disclosure and discovery plans, and set the scope, timing and sequence of discovery, etc. 37 C.F.R. § 2.210. The parties can stipulate to shorten the period for discovery, or stipulate to extend the period for discovery, but the latter is subject to TTAB approval.

Interrogatories may be served on an adversary at any time from the date when discovery opens to the date when it closes. The number and scope of Interrogatories are governed by FRCP 26(b)(1), which provides in part: "Parties may obtain discovery regarding any matter, not privileged, that is relevant to the claim or defense of any party, including the existence, description, nature, custody, condition, and location of any books, documents, or other tangible things and the identity and location of persons having knowledge of any discoverable matter. For good cause, the court may order discovery of any matter relevant to the subject matter involved in the action. Relevant information need not be admissible at the trial if the discovery appears reasonably calculated to lead to the discovery of admissible evidence. . . . A party may serve interrogatories not only as to matters specifically addressed in the pleadings, but also as to any matter that might serve as a basis for an additional claim, counterclaim or defense."

Under FRCP 33 the total number of Interrogatories that a party may serve on the other party may not exceed 25, including subparts, except that the TTAB may enlarge this number upon a showing of good cause by motion of one of the parties, or by

stipulation of the parties. Responses to Interrogatories are due 30 days from the "date of service." If service is by First-Class Mail, Express Mail or overnight courier, the date when the Interrogatories are mailed or given to the courier is considered the "date of service," but five additional days are allowed for responding to the Interrogatories.

If a party fails to respond to Interrogatories on a timely basis, and is unable to show, in response to a Motion to Compel, that the failure to respond is due to excusable neglect, the right to object to the Interrogatories on their merits may be deemed forfeited. Or, the defaulting party may be compelled to fully answer the Interrogatories without the possibility of interposing any objections.

- If the requested party fails to provide answers to Interrogatories, in whole or in part, the procedure by which the requesting party can compel compliance is as follows: If a party fails to answer Interrogatories, the party seeking discovery may file a Motion to Compel with the TTAB. Before doing so, however, the party seeking discovery must attempt to secure the other party's cooperation, or, failing that, seek consent to the Motion to Compel, and otherwise persuade the TTAB in the Motion that one or more attempts to resolve the discovery issue were made before the Motion was filed.
- If the requested party fails to provide answers to Interrogatories, in whole or in part, the consequences are as follows: In addition to forfeiture of the right to object to the Interrogatories on their merits, the sanctions that can be entered by the TTAB for failure to provide discovery include, inter alia: (a) striking all or part of the pleadings of the disobedient party; (b) refusing to allow the disobedient party to support or defend certain claims or defenses; (c) drawing adverse inferences against the disobedient party; (d) preventing the disobedient party from introducing evidence on the subject; and (e) entering judgment in favor of the party seeking discovery. The TTAB cannot hold any party in contempt, or award attorney fees to any party.
- The grounds upon which a party may justify its refusal to respond to Interrogatories, in whole or in part, and the circumstances in which these grounds are applicable are as follows: The refusal may be based upon any of the grounds recognized in the FRCP, inter alia, attorney-client communication privilege, undue burden and lack of relevance, that the information being sought is confidential or trade secret information, or that the information being sought is attorney work product.
- Answers to Interrogatories may be used as evidence in the action.

## **B. Document Requests**

- Any party may request that any other party produce documents in response to written document requests ("Document Requests"). The TTAB specifies the dates when the discovery period will open and close. Requests to produce documents may be served by one party on the other party at any time during the discovery period.
- The general rules concerning the timing, number and scope of Document Requests are: Requests must be served within the discovery period, although responses may be due after the period has expired. There is no limit on the number of requests or the number of documents that may be requested. The scope, however, is limited to, in essence, "anything that is discoverable" under FRCP 26(b)(1) and that is in the possession, custody or control of the party on whom the requests were served. Generally, a party does not have an obligation during discovery to locate or produce documents that are not in its possession, custody or control. Requests to produce may also be served on non-parties by means of a subpoena duces tecum, or with the cooperation of such non-party.
- If the requested party fails to provide documents in response to Document Requests, in whole or in part, the procedure by which the requesting party can compel compliance is as follows: The requesting party may file a Motion to Compel with the TTAB. Before filing the Motion, consent from the other party must be sought, but need not be obtained. The TTAB will require the movant to demonstrate that it took reasonable steps to elicit the cooperation of the other party.

- If the requested party fails to provide documents in response to Document Requests, in whole or in part, the consequences are as follows: In addition to forfeiture of the right to object to the requests on their merits, the sanctions that can be entered by the TTAB for failure to provide discovery include, inter alia: (a) striking all or part of the pleadings of the disobedient party; (b) refusing to allow the disobedient party to support or defend certain claims or defenses; (c) drawing adverse inferences against the disobedient party; (d) preventing the disobedient party from introducing evidence on the subject; and (e) entering judgment in favor of the party seeking discovery.
- The grounds upon which a party may justify its refusal to respond to Document Requests, in whole or in part, and the circumstances in which these grounds are applicable are as follows: The refusal may be based upon any of the grounds recognized in the FRCP, inter alia, attorney-client communication privilege, undue burden and lack of relevance, that the information being sought is confidential or trade secret information, or that the information being sought is attorney work product.
- Documents obtained in response to Document Requests may be used as evidence in the action. Under 37 CFR § 2.122(e), if the documents obtained consist of "[p]rinted publications, such as books and periodicals, available to the general public in libraries or of general circulation among members of the public or that segment of the public which is relevant under an issue in a proceeding, and official records, if the publication or official record is competent evidence and relevant to an issue, . . ." they may be introduced in evidence during the offering party's testimony period by filing a notice of reliance on the material being offered.

Unless the documents otherwise qualify under 37 CFR § 2.122(e) as discussed above, documents obtained in response to Document Requests served on the adverse party may not be introduced into evidence by notice of reliance alone. Rather, the parties must stipulate to introduction of such documents, or one of several circumstances must apply, including: the party seeking to introduce the documents may serve requests for admission attaching such documents as exhibits on the other party, then file a notice of reliance with copies of the requests for admission, the exhibits, and the responses thereto; by offering the documents as exhibits when taking the adversary's discovery deposition; by offering the documents as exhibits during the cross-examination of a witness for the adversary in his or her testimony deposition; or, during its own testimony period, by offering the documents as exhibits during the direct examination of an adverse witness.

### C. Depositions

- Any party may request that one or more witnesses for any other party appear in person to be cross-examined under oath ("Depositions"). As above, the TTAB sets the dates for the discovery period to begin and end. Any party can serve a deposition notice on the other party (or upon a non-party, by means of subpoena) within the discovery period. Unlike responses to Interrogatories and Document Requests, discovery depositions must occur within the discovery period, unless the parties stipulate to such depositions' taking place after the expiration of the discovery period.
- The rules concerning the timing, location, subject, and permitted scope of inquiry of a Deposition are as follows: Discovery depositions must be both noticed and taken prior to the expiration of the discovery period (unless the parties stipulate that the deposition may be taken outside of the period).

Under FRCP 30(a), a party may depose any person, except that the court or the TTAB must grant leave "(A) if the parties have not stipulated to the deposition and (i) the deposition would result in more than 10 depositions being taken . . . by the [requesting party]; [and] (ii) the deponent has already been deposed in the case; or (B) if the deponent is confined in prison."

The discovery deposition of a person residing in the United States must be taken in the federal judicial district where the person resides or is regularly employed or at any

place on which the parties agree by stipulation.

The discovery deposition of a natural person who resides in a foreign country, and who is a party, or who, at the time set for the taking of the deposition, is an officer, director, or managing agent of a party, or a person designated under FRCP 30(b)(6) or 31(a)(3) to testify on behalf of a party, must be taken on written questions, in the manner described in 37 CFR § 2.124, unless the TTAB, on motion for good cause, orders, or the parties stipulate, that the deposition be taken by oral examination. Some countries prohibit the taking of testimony within their boundaries for use in any other country, including the United States, even though the witness is willing; or may permit the taking of testimony only if certain procedures are followed. The TTAB will not order a natural person residing in a foreign country to come to the United States for the taking of his or her discovery deposition.

The discovery deposition of a natural person who resides in a foreign country but who is not a party or a FRCP 30(b)(6) or 31(a)(3) witness for a party, and who is willing to be deposed, must be taken on written questions in the manner described in 37 CFR § 2.124, unless the TTAB, on motion for good cause, orders, or the parties stipulate, that the deposition be taken by oral examination.

The discovery deposition of an foreign, unwilling non-party must be taken by the letter rogatory procedure under the Hague Convention.

A live or telephonic deposition is limited to one day of seven hours unless stipulated by the parties or otherwise authorized by TTAB order.

The permitted scope of a discovery deposition is determined under the FRCP. Objections regarding a discovery deposition may include errors and irregularities to the notice of deposition, the manner of taking the deposition, the form of a question or answer, the oath or affirmation or a party's conduct, and the disqualification of an officer. Objections may also be directed to the competency of a witness or to the competency, relevancy, or materiality of discovery deposition testimony.

- If the requested party fails to provide a requested witness for a Deposition or to answer certain questions during a Deposition, the procedure by which the requesting party can compel compliance is as follows: A Motion to Compel may be filed with the TTAB if a requested witness is not provided for a deposition. If a witness refuses to answer certain questions during a deposition, the party taking the deposition may seek a ruling under the FRCP from a local court with suitable jurisdiction, or, again, file a Motion to Compel with the TTAB.
- If the requested party fails to provide a requested witness or fails to answer certain questions during a Deposition, the consequences are as follows: A Motion to Compel may be filed. The sanctions that can be entered by the TTAB for failure to provide discovery include, inter alia: (a) striking all or part of the pleadings of the disobedient party; (b) refusing to allow the disobedient party to support or defend certain claims or defenses; (c) drawing adverse inferences against the disobedient party; (d) preventing the disobedient party from introducing evidence on the subject; and (e) entering judgment in favor of the party seeking discovery.
- The grounds upon which a party may justify its refusal to appear for or to answer questions in a Deposition, in whole or in part, and the circumstances in which these grounds are applicable are as follows: One may not simply refuse to appear in response to a properly served deposition notice or subpoena. Rather, one must seek leave of the court in a court action or of the TTAB to not appear. One can refuse to answer questions on the grounds of attorney-client privilege, attorney work product, or an invocation of the right to avoid self-incrimination under the Fifth Amendment of the U.S. Constitution.
- Answers provided during Depositions may be used as evidence in the action. Answers given during testimony depositions (i.e., depositions taken during the testimony period by either party in a TTAB proceeding) may be freely submitted as evidence.



Under 37 CFR § 2.120(j)(1), the discovery deposition of a party or of anyone who at the time of taking the deposition was an officer, director or managing agent of a party, or a person designated by a party pursuant to FRCP 30(b)(6) or 31(a), may be offered in evidence by an adverse party. Otherwise, under subsection (2) of 37 CFR § 2.120 (j), ". . . the discovery deposition of a witness, whether or not a party, shall not be offered in evidence unless the person whose deposition was taken is, during the testimony period of the party offering the deposition, dead; or out of the United States (unless it appears that the absence of the witness was procured by the party offering the deposition); or unable to testify because of age, illness, infirmity, or imprisonment; or cannot be served with a subpoena to compel attendance at a testimonial deposition; or there is a stipulation by the parties; or upon a showing that such exceptional circumstances exist as to make it desirable, in the interest of justice, to allow the deposition to be used."

## **XII. BURDEN OF PROOF**

- The burden of proof can shift to the other party during the course of cancellation proceedings under the following circumstances: In TTAB cancellation proceedings, the petitioner stands in the position of the plaintiff and bears the burden of proof. In general, the burden of proof provisions under Federal Rules of Evidence 301 apply ("In all civil actions and proceedings not otherwise provided for by Act of Congress or by these rules, a presumption imposes on the party against whom it is directed the burden of going forward with evidence to rebut or meet the presumption, but does not shift to such party the burden of proof in the sense of the risk of non-persuasion, which remains throughout the trial upon the party on whom it was originally cast." Fed. R. Evid. 301 (prior to 2011 amendment)).

## **XIII. WRITTEN ARGUMENTS**

### **A. Requirement/Deadline**

- Written arguments are optional. While optional, written arguments are suggested and indeed expected by the TTAB or any court.
- The deadline for submitting written arguments is determined by scheduling order or ruling of the court, other judicial tribunal or administrative body and is: more predictable in the TTAB. Under 37 CFR § 2.128, the trial brief of the plaintiff in the TTAB is due not later than 60 days after the date set for the close of rebuttal testimony, and the defendant's trial brief is due 30 days after the due date of the first brief. The plaintiff may file a reply brief within 15 days after the due day of the defendant's brief.

### **B. Extensions to File**

- Extensions of time are available to the applicant to file written arguments.
  - The duration of the extension is: Extensions of time may be requested by stipulation of both parties, or one party may request an extension for good cause, but neither the TTAB nor a court is required to grant such extensions.
  - The following number of extensions are available: Not applicable.
- Extensions of time are available to the respondent to file written arguments.
  - The duration of the extension is: Extensions of time may be requested by stipulation of both parties, or one party may request an extension for good cause, but neither the TTAB nor a court is required to grant such extensions.
  - The following number of extensions are available: Not applicable.



- Extensions do not require the consent of the adverse party. A party may still request an extension absent such consent, although the chances of succeeding are generally lower than with consent.
- Extensions require the approval of the court, other judicial tribunal or administrative body.
- No official fees are required to obtain extensions.

#### **XIV. ORAL HEARINGS**

- Oral hearings are permitted in cancellation proceedings. Under 37 CFR § 2.129(a), "If a party desires to have an oral argument at final hearing, the party shall request such argument by a separate notice filed not later than ten days after the due date for the filing of the last reply brief in the proceeding."
- The determination of whether oral hearings will take place is made by: The TTAB panel in a cancellation proceeding in the TTAB, or, in the case of an action in U.S. district court, by the court.

#### **XV. EVIDENCE**

##### **A. To Establish Absolute Grounds**

- The following types of evidence may be submitted to establish absolute grounds: Any evidence that would be admissible under the FRCP, which could be in the form of documents, affidavits, declarations, expert reports or testimony, survey evidence, government records or fact witness testimony.
- Evidence must be submitted to: the TTAB, or the court in a court action.
- Evidence must be submitted by the following deadline: in a TTAB proceeding, before the end of the submitting party's testimony period; in a court action, at trial.

##### **B. To Establish Relative Grounds**

- The following types of evidence may be submitted to establish relative grounds: Any evidence that would be admissible under the FRCP, which could be in the form of documents, affidavits, declarations, expert reports or testimony, survey evidence, government records or fact witness testimony.
- Evidence must be submitted to: the TTAB, or the court in a court action.
- Evidence must be submitted by the following deadline: in a TTAB proceeding, before the end of the submitting party's testimony period; in a court action, at trial.

##### **C. To Establish Non-Use Grounds**

- The following types of evidence may be submitted to establish non-use grounds: Any evidence that would be admissible under the FRCP, which could be in the form of documents, affidavits, declarations, expert reports or testimony, survey evidence, government records or fact witness testimony.
- Evidence must be submitted to: the TTAB, or the court in a court action.
- Evidence must be submitted by the following deadline: in a TTAB proceeding, before the end of the submitting party's testimony period; in a court action, at trial.

##### **D. To Establish Other Grounds**

- Not Applicable

##### **E. Applicant's Proof of Use**

- The applicant is not required to submit proof of use of the mark upon which the cancellation is based. Although there is no express requirement under statute or regulation, if the cancellation is contested by the respondent, the respondent will likely demand such proof of use during discovery or otherwise challenge plaintiff's assertion of such use in a motion or at trial.

#### **F. Applicant's Extensions of Time**

- Extensions of time available for the applicant's submission of evidence are the same regardless of the grounds on which the cancellation proceedings are based. Extension is possible for: any type of evidence, in theory. Extensions of time may be requested by stipulation of both parties, or one party may request an extension for good cause, but neither the TTAB nor a court is required to grant such extensions.
- No official fees are payable to obtain an extension for submitting evidence.

#### **G. Additional Evidence**

- Additional evidence may not be submitted at a later stage in the cancellation proceedings. In an appeal of a TTAB decision to the U.S. Court of Appeals for the Federal Circuit, the appeal proceeds on the closed administrative record and no new evidence is permitted. In contrast, an appeal to a federal district court is both an appeal and a new action, which allows the parties to submit new evidence and raise additional claims.

#### **H. Evidence in Reply/Deadline and Extensions**

- Evidence in reply is optional, but is highly recommended to avoid adverse inferences.
- Evidence in reply must be submitted by the following deadline: before the end of the respondent's testimony period, or, in a court action, at trial.
- The following extensions of time for the respondent's submissions are available: Per 37 CFR § 2.121(c), "[t]he periods may be extended by stipulation of the parties approved by the Trademark Trial and Appeal Board, or upon motion granted by the Board, or by order of the Board. If a motion for an extension is denied, the testimony periods may remain as set."
- No official fees are payable to obtain extensions.
- Petitioner can demand that respondent provide additional particulars relating to the respondent's proffered evidence, using the following procedure: Additional discovery requests may be served, or if the responses are deficient or non-responsive, a Motion to Compel more complete responses may be filed.

#### **I. Proof of Respondent's Use**

- The respondent may submit the following kind of evidence to prove use:
  - invoices;
  - catalogues;
  - evidence of turnover;
  - packaging;
  - labels;
  - price lists;
  - advertisements;
  - written statements;
  - market surveys;
  - use of the mark on the Internet;

- maintenance of a website (Interactivity of the website is but one factor that may be taken into account by the TTAB or in a civil court action. Interactivity is usually required when the question is whether the court has personal jurisdiction over the defendant that is premised upon the defendant's website. In order to prove use of a given mark with goods sold via a website, the USPTO usually requires that the website be interactive, with a visible means for purchasing the goods.);
- use of the mark on a social media site;
- The above list is non-exhaustive. The important thing is to find evidence to show that the respondent used the mark with the goods or services listed in the registration, in the United States.
- In assessing whether "use has been made," sufficient use is demonstrated by: The cases view "use" both in terms of whether a given use is a trademark use (as opposed to use of something that does not function as a trademark), and, for purposes of avoiding cancellation for non-use, in terms of whether the use is "use in commerce," which means the bona fide use of a mark in the ordinary course of trade, and not made merely to reserve a right in a mark. Token or nominal use will not suffice, but above this, there is no set threshold for demonstrating sufficient use.
- The following factors are considered when determining whether a mark has been sufficiently used:
  - the nature of the goods or services at issue;
  - market characteristics;
  - the scale and frequency of use of the mark (use in commerce anywhere in the U.S. suffices to show use of a registered mark throughout the U.S. In other words, it is not necessary to show use in all 50 states, or even in a majority of the states);
  - export use (goods sold in the United States for export may give rise to "use in commerce" in the United States; conversely, use of a mark in a foreign country does not give rise to rights in the United States if the goods or services are not sold or rendered in the United States. *Buti v. Impresa Perosa S.R.L.*, 139 F.3d 98, 45 U.S.P.Q.2d 1985 (2d Cir. 1998); *Mother's Restaurants Inc. v. Mother's Bakery, Inc.*, 498 F. Supp. 847, 210 U.S.P.Q. 207 (W.D.N.Y. 1980); *Linville v. Rivard*, 41 U.S.P.Q.2d 1731 (TTAB 1996), *aff'd*, 133 F.3d 1446, 45 U.S.P.Q.2d 1374 (Fed. Cir. 1998).).
  - Please note that the above list is non-exhaustive.
- Respondent can demand that petitioner provide additional particulars relating to the petitioner's proffered evidence, using the following procedure: Additional discovery requests may be served, or if the responses are deficient or non-responsive, a Motion to Compel more complete responses may be filed.

## **J. Consequences of Failure to Respond**

- The consequences if a respondent fails to file a response or answer to a petition for cancellation are as follows:
  - Upon request of the petitioner, the court, other judicial tribunal or administrative body may enter a default judgment in favor of the petitioner. In some courts and in the TTAB the petitioner may not need to request the entry of default judgment, because the court or the TTAB may do so.
  - The court, other judicial tribunal or administrative body may consider and decide the matter on the merits despite such failure.
  - Other likely consequences include: In a court action, the plaintiff may seek additional relief in the form of an injunction, an order instructing the USPTO, damages, attorney fees, costs, etc. The TTAB cannot grant injunctive relief or award damages or attorney fees to any party.

## **XVI. DEFENSES**

## **A. Acquired Distinctiveness**

- Acquired distinctiveness can be a valid defense to cancellation proceedings based on absolute grounds. The following criteria are used to establish acquired distinctiveness: There are no fixed criteria. The kind and amount of evidence necessary to establish that a mark has acquired distinctiveness in relation to goods or services depend on the nature of the mark and the circumstances surrounding the use of the mark in each case. *Yamaha Int'l Corp. v. Hoshino Gakki Co. Ltd.*, 840 F.2d 1572, 6 U.S.P.Q.2d 1001 (Fed. Cir. 1988); *Roux Laboratories, Inc. v. Clairol Inc.*, 427 F.2d 823, 166 U.S.P.Q. 34 (C.C.P.A. 1970); *In re Hehr Mfg. Co.*, 279 F.2d 526, 126 U.S.P.Q. 381 (C.C.P.A. 1960); *In re Capital Formation Counselors*, 219 U.S.P.Q. 916 (TTAB 1983). Acquired distinctiveness can be proven by many types of evidence, including: (a) a showing of substantially exclusive and continuous use over an extended period of time; (b) expenditures in promoting and advertising goods or services under the mark; (c) sales of goods or services bearing the mark; (d) affidavits or declarations asserting recognition of the mark as a source indicator; and (e) survey evidence, market research and consumer reaction studies showing that the public views the mark as an indication of the source of the goods or services.

## **B. Excusable Non-use**

- Non-use can be excused, thereby avoiding cancellation, if: the respondent provides evidence to show that non-use is due to special circumstances that excuse the non-use, and is not due to an intention to abandon the mark. If respondent states its intention to resume use, respondent should also furnish evidence of the steps or measures taken towards resuming use.

## **XVII. MONETARY AWARDS/ATTORNEY FEES**

### **A. Basis/Amount of Award**

- A cancellation decision will not include a formal monetary award against the losing party regardless of the grounds for cancellation. This is true in TTAB proceedings. In civil court proceedings, cancellation claims or counterclaims may be asserted with other claims for which monetary awards are possible.

### **B. Attorney Fees**

- The successful party is not entitled to recover attorney fees, regardless of the grounds for cancellation. There is no provision that mandates or even authorizes the awarding of attorney fees to a successful party in a TTAB proceeding. It is only in connection with proven infringement or unfair competition violations under 15 U.S.C. § 1125(a) or (c) that a "court in exceptional cases may award reasonable attorney fees to the prevailing party." 15 U.S.C. § 1117(a).

## **XVIII. CONCLUSION OF PROCEEDINGS**

### **A. Effect of Decision**

- A decision in cancellation proceedings is valid against all third parties, regardless of the grounds on which the proceeding was brought. A decision granting cancellation will be valid as against third parties. In contrast, following a decision rejecting cancellation, third parties may seek cancellation of the same registration on any new grounds not adjudicated in the prior decision. Further, in subsequent related infringement proceedings, a cancellation decision is not binding on the court but may be taken into account. Courts generally do not grant preclusive effect to determinations of the TTAB. Courts may give greater or lesser weight to TTAB

decisions depending upon the circumstances (e.g., a litigated TTAB proceeding as opposed to a proceeding decided by default).

- A decision ordering cancellation of a mark takes effect: No time frames are set. When a decision of the TTAB granting a petition for cancellation becomes final, the subject registration is cancelled by separate order of the Director. When a decision of the TTAB dismissing a petition for cancellation becomes final, the file of the registration is returned to the USPTO warehouse, where "live" (subsisting) registrations are stored.

## **B. Withdrawal or Termination of Proceeding/Costs**

- Cancellation proceedings based on any grounds can be terminated by withdrawing the cancellation application regardless of the grounds for cancellation. If the application is withdrawn by the petitioner before the respondent has filed an answer to the petition in a TTAB proceeding, the withdrawal may be without prejudice as to refiling the petition at a later time. After an answer has been filed, withdrawal by the petitioner should be with the respondent's consent, and, if not, i.e., if the petitioner withdraws the proceeding without such consent, judgment will be entered in favor of the respondent by the TTAB. In contrast, in general, in a court proceeding, withdrawal by the plaintiff after an answer has been filed requires either consent of the defendant or leave of the court.
- Withdrawal of a cancellation application does not require the approval of the court, other judicial tribunal or administrative body; termination is automatic. A petitioner in a cancellation proceeding in the TTAB may withdraw the cancellation at any time. It may be withdrawn on a without prejudice basis at any time before an answer is filed. After the answer is filed, however, a petition for cancellation may not be withdrawn without prejudice except with the written consent of the registrant or the registrant's attorney. In any event, no leave of the TTAB is required in order to withdraw the petition. Similarly, under FRCP 41, in a U.S. district court action, a plaintiff may voluntarily dismiss its cancellation claim, or a defendant its cancellation counterclaim, without leave of the court at any time before a responsive pleading (answer or motion to dismiss) is filed, or at any time by stipulation of dismissal signed by all parties in the action. However, after a responsive pleading is filed, in the absence of a signed stipulation by all parties, a cancellation claim or counterclaim may only be dismissed by order of the court.
- Withdrawal of a cancellation application does not require the approval of the other party to the proceedings; termination is automatic regardless of the grounds for cancellation. See above.
- When cancellation applications are withdrawn, the cost of the proceedings is borne by: The general rule is that each party bears its own costs. This rule may be altered either by agreement of the parties or by the tribunal as a sanction against a party.

## **XIX. APPEALS**

### **A. Availability/Deadline**

- A cancellation decision may be appealed. A final decision by the TTAB may be appealed by the dissatisfied party by one of two (mutually exclusive) methods: (1) appeal to the United States Court of Appeals for the Federal Circuit, which will review the decision from which the appeal is taken on the record before the TTAB, or (2) appeal within a new civil action (in a U.S. district court), in which the court "may adjudge that an applicant is entitled to a registration upon the application involved, that a registration involved should be cancelled, or such other matter as the issues in the proceeding require, as the facts in the case may appear." See 15 U.S.C. § 1071 and 37 CFR § 2.145. See also *CAE Inc. v. Clean Air Engineering Inc.*, 60 U.S.P.Q.2d 1449, 1458 (7th Cir. 2001) (choice of appealing to Federal Circuit on closed record of Board proceedings or a federal district court with the option of presenting additional evidence and raising additional claims); *Spraying Systems Co. v. Delavan Inc.*, 975

F.2d 387, 24 U.S.P.Q.2d 1181, 1183 (7th Cir. 1992) (appeal to district court is in part an appeal and in part a new action).

- Appeals of cancellation decisions must be brought before the following deadline: within 60 days from the date of the decision of the TTAB. The time for filing a cross-appeal or a cross-complaint expires 14 days after service of the notice of appeal or the summons and complaint. If the last day of time specified for an appeal or commencing a civil action falls on a Saturday, Sunday or Federal holiday in the District of Columbia, the time is extended to the next day that is neither a Saturday, a Sunday nor a Federal holiday.

## **B. Forum**

- Regardless of the grounds for cancellations, appeals are heard by
  - the following court or other judicial tribunal: A final decision by the TTAB may be appealed by the dissatisfied party to the United States Court of Appeals for the Federal Circuit, by means of a new civil action in a U.S. district court. The decision of a U.S. district court in a civil action may be appealed as of right to a local Federal Circuit Court of Appeals. A decision of any Federal Circuit of Appeals, however, may be appealed only to the United States Supreme Court by grant of certiorari.

## **C. New Evidence**

- New evidence may be submitted on appeal. New evidence may be submitted in an appeal that is part of a new civil action before a U.S. district court. However, no new evidence may be submitted in an appeal before the U.S. Court of Appeals for the Federal Circuit.

## **D. Representation/Cost/Awards**

- The approximate cost range of official fees (in local currency) to file an appeal is: The official fee to file an appeal in the U.S. Court of Appeals for the Federal Circuit is US \$450 per party filing the notice of appeal. Filing fees in U.S. district courts may vary, but US \$350 is typical.
- Specialist counsel is neither required nor recommended for an appeal of a cancellation decision. Opinion varies widely on whether appellate specialists are more effective than counsel who do not specialize in appeals.
- An appeal decision can include a monetary award against the losing party, even if the earlier decision did not include a monetary award. The approximate award, in local currency, would be: An award is possible only in a decision appealed to a U.S. district court, and even then, such awards are uncommon. The amount would be determined based upon the evidence before the court, and is not set by statute, regulation or schedule.

## **E. Scope**

- An appeal consists of a complete rehearing of the matter. In an appeal to the U.S. Court of Appeals for the Federal Circuit, the case proceeds on the closed administrative record and no new evidence is permitted. In contrast, an appeal to a U.S. district court is both an appeal and a new action, which allows the parties to submit new evidence and raise additional claims. The district court sits as the appellate reviewer of facts found by the TTAB and as the fact-finder with respect to new evidence and additional claims. Both the Federal Circuit and the district court, in reviewing factual findings, will afford deference to those fact-findings. The Federal Circuit has held that the "substantial evidence" standard is the appropriate standard of review for TTAB findings of fact. While the TTAB's findings of fact are reviewed for



substantial evidence, conclusions of law are reviewed de novo, without deference to the TTAB.

## **F. Further Appeals/Alternatives to Appeal**

- Appeal decisions may be further appealed.
  - Appeal decisions may be further appealed to: The decision of a U.S. district court in a civil action may be appealed as of right to the U.S. Court of Appeals for the Federal Circuit. A decision of any Federal Circuit Court of Appeals, however, may be appealed only to the United States Supreme Court by grant of certiorari.
- In lieu of an appeal, the following procedure is available: The dissatisfied party in a U.S. district court action may seek a new trial or amendment of the judgment, or relief from the judgment under FRCP Rule 59 or 60, respectively.

## **XX. CONSEQUENCES**

### **A. Revocation or Invalidation**

- A mark that is revoked does not differ from a mark that is declared invalid following cancellation proceedings.

### **B. Licenses, Assignments, Other Transactions**

- Because a mark that is revoked does not differ from a mark that has been invalidated in cancellation proceedings, the consequences for licensing agreements are the same, and are: that the licensed rights under the license agreement may or may not be adversely affected by the cancellation. A licensee that can still rely upon rights in the underlying licensed mark will likely not be adversely affected. Cancellation of a U.S. registration does not invalidate state or federal rights in the trademark that do not flow from the registration. See, e.g., *Keebler Co. v. Rovira Biscuit Corp.*, 624 F.2d 366, 207 U.S.P.Q. 465, 470 (1st Cir. 1980) (“[F]ederal registration does not create the underlying right in a trademark. That right, which accrues from the use of a particular name or symbol, is essentially a common law property right.”).
- Because a mark that is revoked does not differ from a mark that has been invalidated in cancellation proceedings, the consequences for assignments are the same, and are: that the assigned rights under the assignment agreement may or may not be adversely affected by the cancellation. The assignee may still be able to rely upon assigned rights in the underlying mark. Cancellation of a U.S. registration does not invalidate state or federal rights in the trademark that do not flow from the registration. See, e.g., *Keebler Co. v. Rovira Biscuit Corp.*, 624 F.2d 366, 207 U.S.P.Q. 465, 470 (1st Cir. 1980) (“[F]ederal registration does not create the underlying right in a trademark. That right, which accrues from the use of a particular name or symbol, is essentially a common law property right.”).
- Because a mark that is revoked does not differ from a mark that has been invalidated in cancellation proceedings, the consequences for past transactions are the same, and are: that the trademark rights under the past transactions may or may not be adversely affected by the cancellation. Cancellation of a U.S. registration does not invalidate state or federal rights in the trademark that do not flow from the registration. See, e.g., *Keebler Co. v. Rovira Biscuit Corp.*, 624 F.2d 366, 207 U.S.P.Q. 465, 470 (1st Cir. 1980) (“[F]ederal registration does not create the underlying right in a trademark. That right, which accrues from the use of a particular name or symbol, is essentially a common law property right.”).

## **XXI. NOTIFICATION TO TM OFFICE**

- Following a decision to cancel a mark, the Trademark Office must be formally notified of the cancellation, regardless of the grounds on which the proceedings were brought.

- The following party has responsibility to notify the Office: The TTAB is required to notify the Trademark Office in the USPTO after a decision to cancel a mark. In a U.S. district court action, although the court may notify the Trademark Office, the prevailing party should monitor and assist in service of a copy of the applicable order or judgment on the Trademark Office if necessary.
- The deadline to make the notification is: No deadline is set.
- The consequences of failing to meet the deadline to notify the Trademark Office are: Not applicable.

## **XXII. REILING OF IDENTICAL MARK**

- There are limitations as to when an application to register the mark can be refiled depending on the grounds for the cancellation proceedings. Generally, an application may be refiled to register the mark, except by the petitioner when he or she withdrew the cancellation without the consent of the respondent after an answer was filed (37 C.F.R. § 2.114.(c)).
- There are no time limits for refiled following the cancellation of a mark.

## **XXIII. COLLECTIVE MARKS**

- Collective marks may be registered in this jurisdiction. Collective marks are defined as: Under 15 U.S.C. § 1127, "[t]he term 'collective mark' means a trademark or service mark-- (1) used by the members of a cooperative, an association, or other collective group or organization, or (2) which such cooperative, association, or other collective group or organization has a bona fide intention to use in commerce and applies to register on the principal register established by this chapter, and includes marks indicating membership in a union, an association, or other organization."
- The provisions discussed throughout this jurisdictional profile all apply to the cancellation of collective marks. There are no unique provisions for cancellation of a collective mark. Rather, any provision that applies to cancellation of a "mark" applies to cancellation of a collective mark. Under 15 U.S.C. § 1127, "[t]he term 'mark' includes any trademark, service mark, collective mark, or certification mark."

## **XXIV. CERTIFICATION MARKS**

- Certification marks may be registered in this jurisdiction. Certification marks are defined as: Under 15 U.S.C. § 1127, "[t]he term 'certification mark' means any word, name, symbol, or device, or any combination thereof-- (1) used by a person other than its owner, or (2) which its owner has a bona fide intention to permit a person other than the owner to use in commerce and files an application to register on the principal register established by this chapter, to certify regional or other origin, material, mode of manufacture, quality, accuracy, or other characteristics of such person's goods or services or that the work or labor on the goods or services was performed by members of a union or other organization."
- There are certain unique provisions in the law of this jurisdiction in relation to the cancellation of certification marks on absolute, relative, non-use or other grounds as follows: 15 U.S.C. § 1064(5) provides: "[A petition to cancel a registration may be filed] [a]t any time in the case of a certification mark on the ground that the registrant (A) does not control, or is not able legitimately to exercise control over, the use of such mark, or (B) engages in the production or marketing of any goods or services to which the certification mark is applied, or (C) permits the use of the certification mark for purposes other than to certify, or (D) discriminately refuses to certify or to continue to certify the goods or services of any person who maintains the standards or conditions which such mark certifies. . . . Nothing in paragraph (5) shall be deemed to prohibit the registrant from using its certification mark in advertising or promoting recognition of the certification program or of the goods or services meeting the certification standards of

the registrant. Such uses of the certification mark shall not be grounds for cancellation under paragraph (5), so long as the registrant does not itself produce, manufacture, or sell any of the certified goods or services to which its identical certification mark is applied." Further, a certification mark can be canceled under 15 U.S.C. § 1504 if the certification mark is "used so as to represent falsely that the owner or a user thereof makes or sells the goods or performs the services on or in connection with which such mark is used."

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