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## Clearing the Brush: The Best Solution for the Uspto's Continued "Deadwood" Problem

Leonard Robert Seifter III

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## CLEARING THE BRUSH: THE BEST SOLUTION FOR THE USPTO'S CONTINUED "DEADWOOD" PROBLEM

*Leonard Robert Seifter III\**

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\* J.D. Candidate, 2016, University of Georgia School of Law; Notes Editor, *Journal of Intellectual Property Law*. I would like to thank my wife Laura for her love and support during my time in law school. I would also like to thank my parents, Len and Betsy, my in-laws, Steve and Jayne, and all of my friends and family that have been there for me these past three years. Finally, I would like to thank Professor Christian Turner for his guidance on this Note and all of the members of the *Journal of Intellectual Property Law* that helped me make the Note what it is today.

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## I. INTRODUCTION

Due in large part to its common law roots, the United States requires that trademark registrants actually use the marks for which they seek legal protection.<sup>1</sup> When a trademark falls out of use in commerce, that mark can be stripped of its federal protection.<sup>2</sup> However, in the absence of a perfect monitoring system, it is possible that marks that are not actually being used by their owners can continue to receive federal protection. Marks that receive federal protection but are not actually being used in commerce are known as “deadwood.”<sup>3</sup> Deadwood also occurs when the owner uses the mark for some of its registered goods and services, but not for all.<sup>4</sup>

The presence of deadwood in the Federal Trademark Registry creates inaccuracies that harm the public. When an owner does not use his mark for all of the goods or services categories for which it is registered, parties wishing to use similar marks in those same categories are prevented from doing so. The desired mark’s unavailability can cause a party to incur a litany of costs, including costs to investigate the commercial use of the original mark, litigation to resolve a mark dispute, and investment of time and money to create a second-choice mark if necessary.<sup>5</sup>

The United States has historically taken steps to minimize the amount of deadwood in the Federal Registry. When it passed the Trademark Law Revision Act of 1988, Congress stated its goal to reduce the amount of deadwood in the Federal Registry.<sup>6</sup> Congress achieved this by shortening the registration period for a trademark from twenty years to ten.<sup>7</sup> More recently, the Federal Circuit’s decision in *In re Bose Corp.* has motivated the USPTO to improve the Federal Registry’s accuracy.<sup>8</sup> *Bose* clarified the high standard for fraud in trademark cases.<sup>9</sup> In May 2012, the USPTO announced the implementation of a two-year pilot program, which would assess the accuracy

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<sup>1</sup> 3 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 19:1.25 (4th ed. 2014).

<sup>2</sup> The Lanham Act, 15 U.S.C. § 1058 (2012).

<sup>3</sup> Daniel R. Bereskin & Aaron Sawchuk, *Crocker Revisited: The Protection of Trademarks of Foreign Nationals in the United States*, 93 TRADEMARK REP. 1199, 1200 n.9 (2003).

<sup>4</sup> *Id.*

<sup>5</sup> Changes in Requirements for Specimens and for Affidavits or Declarations of Continued Use or Excusable Nonuse in Trademark Cases, 77 Fed. Reg. 30,197 (May 22, 2012) (to be codified at 37 C.F.R. pts. 2 and 7) [hereinafter Final Rule].

<sup>6</sup> 1 MCCARTHY, *supra* note 1, § 5:9.

<sup>7</sup> 15 U.S.C. § 1058 (2010).

<sup>8</sup> *In re Bose Corp.*, 580 F.3d 1240 (Fed. Cir. 2009).

<sup>9</sup> Final Rule, *supra* note 5, at 30,197.

of the trademark registry.<sup>10</sup> The program allowed the Director of the USPTO to select a random sample of trademark owners filing “Section 8 or 71 Declarations of Continued Use” affidavits to submit evidence beyond what is normally required to prove actual use of their mark in commerce.<sup>11</sup> Applicants who were unable or unwilling to meet the higher evidentiary burden would have their registrations revoked.<sup>12</sup> In June of 2014, the results of the pilot program were summarized for the public in a report compiled by the USPTO.<sup>13</sup> The report revealed that of the 500 applicants chosen to participate in the program, 250 of them, or 50%, were not able to meet the evidentiary requirements to retain their federal registration.<sup>14</sup> This study has led to speculation that approximately half of the Federal Trademark Registry is made up of partially illegitimate marks—that is, deadwood.<sup>15</sup> The report strongly inferred that the USPTO plans to take action to correct the issue, outlining four possible solutions to the problem that had previously been discussed at a 2010 roundtable discussion at the George Washington University Law School.<sup>16</sup>

To increase the accuracy of the Federal Trademark Registry, the USPTO must act on the issues the pilot program brought to light. This Note argues that the USPTO can best reduce the amount of deadwood in the Federal Registry by requiring specimens for all goods and/or services listed in the registration when a mark owner submits both the initial Section 1(a) application and the first Section 8 or 71 Declaration of Continued Use affidavit. Although the pilot program only addressed Section 8 or 71 Declaration of Continued Use affidavits and not a mark owner’s initial Section 1(a) application, this Note

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<sup>10</sup> *Id.* (“The current Trademark Rules of Practice and Madrid Rules mandate the submission of one specimen per class in connection with use-related filings (37 CFR 2.34(a)(1)(iv), 2.56(a), 2.76(b)(2), 2.86(a)(3), 2.86(b), 2.88(b)(2), 2.161(g), 7.37(g)).”)

<sup>11</sup> *Id.*

<sup>12</sup> *Id.*

<sup>13</sup> UNITED STATES PATENT AND TRADEMARK OFFICE, POST REGISTRATION PROOF OF USE PILOT STATUS REPORT (June 30, 2014) [hereinafter REPORT], [http://www.uspto.gov/trademarks/notices/Post\\_Registration\\_Proof\\_of\\_Use.doc](http://www.uspto.gov/trademarks/notices/Post_Registration_Proof_of_Use.doc).

<sup>14</sup> *Id.* at 1 (of the 250 failed registrations, 172 of them involved “voluntary deletions of the goods and/or services queried under the pilot” and 78 “failed to respond to the requirements of the pilot . . . resulting in cancellation of the registration”).

<sup>15</sup> John B. Farmer, *Leading Edge Law: Half of U.S. trademark registrations are at least partially illegitimate*, RICHMOND TIMES-DISPATCH (Aug. 25, 2014), [http://www.timesdispatch.com/business/learning-center/leading-edge-law-half-of-u-s-trademark-registrations-are/article\\_94f82c3e-10fc-52ca-bfeb-d870c539f9e2.html](http://www.timesdispatch.com/business/learning-center/leading-edge-law-half-of-u-s-trademark-registrations-are/article_94f82c3e-10fc-52ca-bfeb-d870c539f9e2.html).

<sup>16</sup> REPORT, *supra* note 13, at 2–3. Part II of this Note discusses these four solutions in depth.

recommends requiring additional specimens earlier in the registration process in order to prevent deadwood from entering the Registry in the first place.<sup>17</sup>

This Note will examine the issues the pilot program has brought to the USPTO's attention and the possible solutions to these problems. Part II examines the concept of deadwood and why it is an issue. Additionally, Part II discusses the current process by which marks receive and maintain federal protection, and the USPTO's motivation for conducting a pilot program to assess the Federal Registry's accuracy. Finally, Part II examines the results of the pilot program and USPTO's proposed solutions. Part III examines the adequacy of the current state of the law. Additionally, Part III argues that the USPTO should require all mark owners to submit specimens demonstrating proof of use for all goods and services in both their initial Section 1(a) application and Section 8 or 71 Declaration of Continued Use affidavits. Part III also examines the inadequacy of the other solutions being considered by the USPTO. Finally, Part III critically analyzes the proposed solution and discusses why many in the legal community are wary of any changes to the current registration system.

## II. BACKGROUND

### A. EXAMINING THE ISSUE OF DEADWOOD

The term 'deadwood' commonly refers to "registered marks that are not in use in the country for which . . . registration has been issued, or registered marks that are in use but only for some of the goods and services covered by the registrations."<sup>18</sup> In other words, deadwood is an unused mark that still receives legal protection.<sup>19</sup> A mark can become deadwood regardless of the registrant's initial intent. For example, a registrant may receive protection for a mark that was originally in use but then fell out of use when the registrant went out of business. Although that particular registrant had no intent to deceive the USPTO, the mark still became deadwood. Alternatively, a more nefarious registrant may claim on his application that he uses a mark for several goods or

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<sup>17</sup> This Note will not address the practice of allowing trademark owners to submit Section 1(b) applications based on "intent to use." These types of applications create deadwood "per se" by allowing owners to disclose that they are not using the mark in commerce at this time, along with the payment of an additional fee and the promise that the mark will be used in commerce within thirty-six months. While this honor system may result in additional deadwood problems for the USPTO, it is beyond the scope of the pilot program and therefore of this Note.

<sup>18</sup> Bereskin & Sawchuk, *supra* note 3.

<sup>19</sup> MCCARTHY, *supra* note 1, § 19:1.75, n.2.

services, when in reality he only uses the mark in one of those areas.<sup>20</sup> Registrants in either situation may lack an incentive to notify the USPTO that they are not using the mark in commerce as originally claimed, which contributes to a high rate of deadwood in the Federal Registry. A registrant who goes out of business may not be concerned with informing the USPTO about the now non-use of his mark. The nefarious user would not want to notify the USPTO of the non-use because he likely wants to protect his right to use the mark in all the areas claimed sometime in the unknown future.

Deadwood poses a particular problem in countries where actual use of the mark in commerce is a legal prerequisite.<sup>21</sup> In the United States, use in the marketplace precedes federal registration with limited exceptions.<sup>22</sup> As long as they are being used, trademarks still receive common law protection even if they are not federally registered.<sup>23</sup> However, federal registration provides the owner a federal cause of action as to his mark and a legal presumption of the mark's ownership as against all others,<sup>24</sup> which makes federal registration valuable. Without use in commerce,<sup>25</sup> a mark owner cannot receive federal protection, and therefore should be denied that national presumption of ownership against others who want to use similar marks for the same goods or services. The owners of deadwood marks illegitimately receive a presumption of ownership against others who would potentially want to use the same or similar mark. This illegitimate presumption adversely affects those who have expended resources in creating similar marks and preparing them for use in commerce.

While the primary purpose of United States trademark law is to prevent consumer confusion, there is also a secondary purpose of protecting the mark holder's trademark as property.<sup>26</sup> The United States Supreme Court has acknowledged this second goal. For example, in *Two Pesos, Inc. v. Taco Cabana*,

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<sup>20</sup> The ability of a registrant to accomplish this deception is discussed further in this Part (*see infra* Part II.B.1).

<sup>21</sup> Section 1(b) 'Intent to Use' applications. *See supra* note 17.

<sup>22</sup> 15 U.S.C. § 1051(a)(3)(C) (2012); *see* MCCARTHY, *supra* note 1.

<sup>23</sup> MCCARTHY, *supra* note 1, § 19:3.

<sup>24</sup> *Trademark FAQs*, USPTO.GOV, [http://www.uspto.gov/faq/trademarks.jsp#\\_Toc275426681](http://www.uspto.gov/faq/trademarks.jsp#_Toc275426681) (last visited Jan. 5, 2015). The benefits of federal trademark registration include "a legal presumption of your ownership of the mark and your exclusive right to use the mark nationwide on or in connection with the goods/services listed in the registration," and "the ability to bring an action concerning the mark in federal court."

<sup>25</sup> 15 U.S.C. § 1127 (2012) ("The term 'use in commerce' 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.").

<sup>26</sup> 1 MCCARTHY, *supra* note 1, § 2:2.

*Inc.*,<sup>27</sup> Justice Stevens' concurrence made note of a congressional report accompanying the Lanham Act, which stated:

The purpose underlying any trade-mark statute is twofold. One is to protect the public so it may be confident that, in purchasing a product bearing a particular trade-mark which it favorably knows, it will get the product which it asks for and wants to get. Secondly, where the owner of a trade-mark has spent energy, time, and money in presenting to the public the product, he is protected in his investment from its misappropriation by pirates and cheats. This is the well-established rule of law protecting both the public and the trade-mark owner.<sup>28</sup>

Permitting deadwood to exist in the Federal Registry violates the second goal of the Lanham Act by affording intellectual property protection to those who have misrepresented themselves in the trademark registration process.<sup>29</sup> The American legal system values the investment that mark owners have made in their first choice marks, including actually using the mark in commerce.<sup>30</sup> Allowing deadwood into the Federal Registry prevents those who have spent time, energy, and money creating similar marks and preparing them for use in commerce from being able to receive rightful protection for those marks.

1. *The Consequences of Deadwood.* Deadwood is most harmful to potential trademark applicants.<sup>31</sup> Typically, prior to submitting a trademark registration application with the USPTO, an individual or business will run a trademark clearance search. An attorney or a trademark research company will check the USPTO trademark database to see if the proposed mark would infringe an already existing mark for a similar good or service.<sup>32</sup> If the search does not discover similar marks for the applicant's good or service, the individual or business likely can begin using the mark in commerce. The individual must file a Section 1(a) application with the USPTO, or alternatively file a Section 1(b)

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<sup>27</sup> 505 U.S. 763 (1992).

<sup>28</sup> *Id.* at 782 n.15 (1992) (Stevens, J., concurring) (quoting Congressman Lanham, sponsor of The Lanham Act, S. REP. NO. 79-1333, at 3 (1946)).

<sup>29</sup> See Farmer, *supra* note 15.

<sup>30</sup> See MCCARTHY, *supra* note 1.

<sup>31</sup> See Farmer, *supra* note 15.

<sup>32</sup> JILL McWHIRTER, MERILLATE FROST & CRAIG STONE, NUTS AND BOLTS OF TRADEMARK PROSECUTION 4-7 (Houston Intellectual Property Law Association 2007) (presented at the 23rd Annual Institute on Intellectual Property Law), available at <http://www.hipla.org/nutsandbolts.pdf> (last visited Jan. 5, 2015).

intent to use application and use the mark within thirty-six months.<sup>33</sup> However, if the search reveals pre-existing marks similar to the proposed mark, the individual or business may choose not to file, or to incur a variety of costs developing a new mark.<sup>34</sup>

If the proposed mark is similar to a preexisting mark, the potential applicant has several courses of action, all of which result in additional costs. First, the applicant may choose not to challenge the prior ownership of the mark, and instead incur the costs associated with developing a new mark, including time, money, and resources.<sup>35</sup> This course of action may require the applicant to run another clearance search, which will take additional time and possibly additional attorney's fees. By taking this route, the applicant also chooses not to pursue his first choice mark. This can be harmful because many applicants may have chosen a mark because it best represented his brand and appealed to his intended consumer base. Now, however, the applicant must use an inferior mark. Alternatively, a potential applicant may choose to explore further whether his proposed mark actually conflicts with the similar mark.<sup>36</sup> This route also imposes additional costs in the form of time and money, including investigative costs to help him conclude how the prior mark is actually being used, as well as additional time to further determine whether there is any conflict between him and the prior owner.<sup>37</sup> Finally, the potential applicant may choose to challenge the ownership of the protected mark.<sup>38</sup> Applicants can accomplish this in one of two ways. First, applicants may pursue cancellation proceedings with the USPTO's Trademark Trial and Appeals Board (TTAB).<sup>39</sup> If successful, applicants may be able to register their first choice mark. However, as with the other options stated above, the applicant incurs these costs unnecessarily when the defendant wrongly holds claim to a mark he is not using in commerce.<sup>40</sup>

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<sup>33</sup> *Id.*

<sup>34</sup> Final Rule, *supra* note 5, at 30,197.

<sup>35</sup> *Id.*

<sup>36</sup> *Id.*

<sup>37</sup> *Id.*

<sup>38</sup> *Id.*

<sup>39</sup> 15 U.S.C. § 1067 (2008) (establishes the scope and duties of the Trademark Trial and Appeal Board); *id.* § 1064 (Statute establishing the restrictions and requirements for cancellation proceedings); *see also* *The Trademark Trial and Appeal Board*, USPTO.GOV [hereinafter *TTAB General Description*], <http://www.uspto.gov/trademarks/law/TTAB.jsp> (last visited Jan. 5, 2015).

<sup>40</sup> Final Rule, *supra* note 5, at 30,197; *see also* *International Trademark Association*, INTA COMMENTS IN RESPONSE TO: REQUEST FOR COMMENTS REGARDING AMENDING THE FIRST FILING DEADLINE FOR AFFIDAVITS OR DECLARATIONS OF USE OR EXCUSABLE NONUSE (2012)

## B. EXAMINING THE CURRENT TRADEMARK REGISTRATION PROCESS

Both federal law and federal regulations govern the trademark registration and renewal process.<sup>41</sup> Fully understanding the problem of deadwood requires examining the process by which a mark currently receives and maintains federal protection. This section will discuss how the federal trademark registration process works by examining the present requirements for two common application types.<sup>42</sup> Changes to the current trademark registration and renewal system will play a large role in the solution to the deadwood problem. Specifically, increasing the evidentiary burden for potential applicants can assist in lowering the rate of deadwood in the Federal Registry.

1. *Section 1(a) Use in Commerce Application Requirements.* One of the ways an applicant can initially receive federal protection for a commercially used mark is by filing a Section 1(a) Use in Commerce application with the USPTO.<sup>43</sup> The basic requirements for this type of application are set out in the first section of the Lanham Act, from which the Section 1(a) application derives its name.<sup>44</sup> The application must include the date of the applicant's first commercial use of the mark, any goods or services for which the mark is used, and a drawing of the mark.<sup>45</sup> The application also requires the submission of a verified statement that the applicant owns the mark, that the mark is currently being used in commerce, and that the applicant has no knowledge of any other person or entity using the same or similar mark for the same goods or services in a way that would cause consumer confusion between the marks.<sup>46</sup> Finally, the Lanham Act requires that the applicant submit evidentiary specimens to prove his use of the mark, with the number of required specimens to be decided by the Director of the USPTO.<sup>47</sup> The Director's chosen evidentiary requirement is set out in federal regulations, which provide that Section 1(a) applicants only need to submit "[O]ne specimen per class showing how the applicant actually

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[hereinafter INTA RESPONSE], [http://www.uspto.gov/trademarks/law/comments\\_first8-71\\_INTA.pdf](http://www.uspto.gov/trademarks/law/comments_first8-71_INTA.pdf).

<sup>41</sup> See The Lanham Act, 15 U.S.C. §§ 1051–1072 (2006) (the set of federal statutes governing trademarks); Rules of Practice in Trademark Cases, 37 C.F.R. §§ 2.1–209 (2012) (the implementation of the statutory requirements in the Lanham Act into federal regulations).

<sup>42</sup> See *supra* text accompanying notes 9–16.

<sup>43</sup> *Section 1(a) Timeline: Application based on use in commerce*, USPTO.GOV, [http://www.uspto.gov/trademarks/process/tm\\_sec1atimeline.jsp](http://www.uspto.gov/trademarks/process/tm_sec1atimeline.jsp) (last visited Jan. 5, 2015).

<sup>44</sup> 15 U.S.C. § 1051(a) (2012).

<sup>45</sup> *Id.* § 1051(a)(2).

<sup>46</sup> *Id.* § 1051(a)(3).

<sup>47</sup> *Id.* § 1051(a)(1).

uses the mark in commerce.”<sup>48</sup> The term “specimen” is defined as “a label, tag, or container for the goods, or a display associated with the goods.”<sup>49</sup>

When a party submits a Section 1(a) application, the applicant may register the mark for all of the goods or services for which the mark will be commercially used.<sup>50</sup> Thousands of goods and service types are sorted into forty-five classes set forth in the *International Classification of Goods and Services for the Purpose of the Registration of Marks*.<sup>51</sup> For example, athletic footwear, beachwear, and fur coats all fall within Class 25, which consists of “[C]lothing, footwear, [and] headgear.”<sup>52</sup> While the USPTO may request additional specimens for the initial Section 1(a) application if necessary,<sup>53</sup> the baseline policy is to require only one specimen per class.<sup>54</sup> Therefore, an applicant may seek protection in the areas of athletic footwear, beachwear, and fur coats, but only be required to submit a specimen for one of those types in order to satisfy the regulatory requirements of a Section 1(a) application. Applicants are required to pay a fee for each class in which they register their mark.<sup>55</sup>

2. *Section 8 Declaration of Continued Use.* After the initial approval of the applicant’s mark, protection lasts for a period of ten years.<sup>56</sup> However, to maintain the mark’s registration, the applicant must submit a Section 8 Declaration of Continued Use between the fifth and sixth year of the original registration date, again between the ninth and tenth year anniversary of original registration, and between every ninth and tenth year after the registration date thereafter.<sup>57</sup> This verification process requires the submission of a signed statement asserting continued use or excused non-use of the registered mark by the owner.<sup>58</sup> Similar to the Section 1(a) application, the Section 8 process also only requires the submission of one specimen per class to prove continued use

<sup>48</sup> 37 C.F.R. § 2.34(a)(1)(iv) (2014); *id.* § 2.56(a).

<sup>49</sup> *Id.* § 2.56(b) (subsection (b) also sets forth additional requirements of a submitted specimen).

<sup>50</sup> 15 U.S.C. § 1112 (2000).

<sup>51</sup> *Nice Agreement Tenth Edition – General Remarks, Class Headings, and Explanatory Notes – Version 2012*, USPTO.GOV, <http://www.uspto.gov/trademarks/notices/international.jsp> (last visited Jan. 5, 2015) [hereinafter *Nice Agreement*]; *see also* 37 C.F.R. § 6.1 (2012) (U.S. codification of international classes set forth in the *Nice Agreement*).

<sup>52</sup> U.S. ACCEPTABLE IDENTIFICATION OF GOODS & SERVICES MANUAL (2015), *available at* <http://tess2.uspto.gov/netathtml/manual.html> [hereinafter ID MANUAL].

<sup>53</sup> 37 C.F.R. § 2.34(a)(1)(iv) (2012) (“When requested by the Office, additional specimens must be provided.”) (until 2012, this power was exercised under 37 C.F.R. § 2.61); *see also id.* § 2.56(a).

<sup>54</sup> *Id.*

<sup>55</sup> 37 C.F.R. § 2.6(a)(1) (2009) (fee for Section 1(a) application ranges from \$325–\$375 per class registered for).

<sup>56</sup> 15 U.S.C. § 1058 (2012).

<sup>57</sup> *Id.*; *see also* 5-27 GILSON ON TRADEMARKS § 4.03 (Matthew Bender 2015).

<sup>58</sup> 37 C.F.R. § 2.161 (2014).

of the mark in commerce.<sup>59</sup> Prior to 2012, the USPTO was not even granted the statutory authority to request more specimens if deemed necessary.<sup>60</sup> This held the USPTO powerless to request more evidence as a method of proving non-use in a specific good or service area. When the pilot program was implemented in 2012, the USPTO was then given the power to request this additional evidence.

### C. EXAMINING THE DEPTH OF THE DEADWOOD PROBLEM IN THE FEDERAL REGISTRY

In 2010, the USPTO and George Washington University School of Law co-hosted a conference entitled “The Future of the Use-Based Register,”<sup>61</sup> which was inspired by *In re Bose Corp.*, a Federal Circuit decision highlighting an instance of purported fraud during the Section 8 continued use registration process.<sup>62</sup> However, during the conference the discussion expanded beyond fraud in the registration process to the topic of improving the accuracy of the Federal Registry.<sup>63</sup> The USPTO had begun to consider the “extent to which a problem with inaccuracy existed on the register.”<sup>64</sup> The USPTO is concerned about an inaccurate Registry because the public relies on the Registry to “clear trademarks that they may wish to adopt or are already using.”<sup>65</sup> When parties search the Registry and uncover a similar mark, that party may unnecessarily incur a variety of resulting costs and burdens. The USPTO explicitly recognized some of these burdens, including “changing plans to avoid use of the mark, investigative costs to determine how the similar mark is actually used and assess the nature of any conflict, or cancellation proceeding or other litigation to resolve a dispute over the mark.”<sup>66</sup> Concerns about inaccuracy in the Federal Registry led the USPTO to draft a proposed rule that would allow the agency to better address this issue.

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<sup>59</sup> *Id.*

<sup>60</sup> Final Rule, *supra* note 5, at 30,198 (discussing the purpose of changes to 37 C.F.R. § 2.161); *see also* 37 C.F.R. § 2.161(h) (2014).

<sup>61</sup> Final Rule, *supra* note 5, at 30,197.

<sup>62</sup> *In re Bose Corp.*, 580 F.3d 1240, 1245 (Fed. Cir. 2009) (holding that “a trademark is obtained fraudulently under the Lanham Act only if the applicant or registrant knowingly makes a false, material representation with the intent to deceive the PTO”).

<sup>63</sup> Final Rule, *supra* note 5, at 30,197.

<sup>64</sup> *Id.* at 30,197–98.

<sup>65</sup> *Id.*

<sup>66</sup> *Id.*

In 2011, the USPTO publically posted proposed regulatory changes to the initial registration and continued use processes.<sup>67</sup> The proposed rule changes would allow the USPTO to require from applicants:

- (1) Any information, exhibits, and affidavits or declarations deemed reasonably necessary to examine a post registration affidavit or declaration of continued use . . . for the USPTO to assess the accuracy and integrity of the register; and (2) upon request, more than one specimen in connection with a use-based trademark application . . . or declaration of continued use in trademark cases.<sup>68</sup>

The proposed amendments to the federal regulations governing trademark cases would allow the USPTO to increase the evidentiary standard required to prove actual use in commerce on a case-by-case basis.<sup>69</sup> The USPTO intended to use the new requirements as “a means to assess and improve the integrity of the register.”<sup>70</sup> The vehicle for accomplishing this task would be a pilot program that increased the evidentiary burden for a “relatively small number of cases, to assess the accuracy of the identifications of goods/services.”<sup>71</sup> Approximately one year later, after receiving comments from multiple intellectual property organizations and law firms, the USPTO announced that the proposed rule had become final.<sup>72</sup> The “relatively small number of cases” mentioned in the original public posting would be approximately 500 “post-registration maintenance filings”<sup>73</sup> where applicants would be randomly selected to provide proof of use of the mark for two additional goods/services per class.<sup>74</sup> Failure to submit the additional specimens requested would result in the

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<sup>67</sup> Changes in Requirements for Specimens and for Affidavits or Declarations of Continued Use or Excusable Nonuse in Trademark Cases, 76 Fed. Reg. 40,839 (July 12, 2011).

<sup>68</sup> *Id.*

<sup>69</sup> *Id.* at 40,840 (among the amended regulatory sections were 37 C.F.R. § 2.34, governing Section 1(a) ‘intent to use’ applications, and 37 C.F.R. § 2.161, governing the declaration of continued use process).

<sup>70</sup> *Id.*

<sup>71</sup> *Id.* at 40,839.

<sup>72</sup> Final Rule, *supra* note 5, at 30,197–98.

<sup>73</sup> These include both Section 8 and 71 Declarations of continued use applications that were originally filed under Section 1(a), 44(e), and 66(a) (Section 71 Declarations of continued use and Section 44(e) and 66(a) applications are beyond the scope of this Note).

<sup>74</sup> Final Rule, *supra* note 5, at 30,197–99.

deletion of those goods or services from the registration, and the affidavit as a whole being flagged for further review.<sup>75</sup>

The rule change included a sunset clause indicating that the use of the new rule for pilot program purposes would cease on June 21, 2014.<sup>76</sup> In July 2014, the USPTO released the results from the pilot program in a document entitled "Post Registration Proof of Use Pilot Status Report."<sup>77</sup> The USPTO announced that "in approximately half of the registrations selected for the pilot, the trademark owners failed to meet the requirements to verify the previously claimed use on particular goods and/or services."<sup>78</sup> Of the 250 owners that were unable to meet the requirements of the program, 172 of them were admissions of non-use that resulted in the deletion of goods or services examined, and 78 failed to respond to the request for additional specimens.<sup>79</sup> This failure to respond resulted in the complete cancellation of those registrations.<sup>80</sup> Of the registrations selected for the pilot that achieved initial protection through a Section 1(a) application, 54% failed to meet the additional evidentiary requirements.<sup>81</sup> The result of the pilot program has led to the speculation that up to half of the Federal Registry is comprised of deadwood.<sup>82</sup>

#### D. THE USPTO'S POTENTIAL SOLUTIONS TO THE ISSUES PRESENTED BY THE PILOT PROGRAM

The USPTO stated that the results of the pilot program support "continuing the dialogue" for reforming the present registration and renewal processes in order to achieve greater accuracy within the Trademark Register.<sup>83</sup> Specifically, the USPTO wants to ensure that marks are actually used in the commercial

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<sup>75</sup> *Id.*

<sup>76</sup> 37 C.F.R. § 2.161(h)(3) (2012).

<sup>77</sup> REPORT, *supra* note 13, at 1.

<sup>78</sup> *Id.* (the report indicated that of the 500 applicants randomly selected, 470 had completed the pilot program to date, and that this number was statistically significant).

<sup>79</sup> *Id.* Of the 500 registrations selected, only a subset of those were originally filed as Section 1(a) Use in Commerce applications. *Id.* at 1–2. The remaining registrations were originally filed as Section 44(e) and Section 66(a) applications. *Id.* While the instances of deadwood flowing from the latter group of application types contributes to the notion that deadwood is an issue that needs to be addressed, discussion regarding specific reform of these two application processes is beyond the scope of this Note.

<sup>80</sup> *Id.*

<sup>81</sup> *Id.* Broken down, 27% of the group admitted non-use of a mark in the goods/services chosen for examination, resulting in the deletion of protection in those areas. Seventeen percent received notices of cancellation for failure to respond to the pilot.

<sup>82</sup> *See* Farmer, *supra* note 15.

<sup>83</sup> REPORT, *supra* note 13, at 2.

areas stated in the mark owners' applications.<sup>84</sup> Beginning the conversation on reform efforts, the USPTO highlighted four potential solutions to address register accuracy issues.<sup>85</sup> The four solutions were initially suggested during the 2010 event at the George Washington School of Law.<sup>86</sup> They were included in the pilot program results report, and vary in scope and complexity.<sup>87</sup>

Solution 1 suggested establishing a procedure by which a trademark applicant could attempt to "expunge" a mark from the registry that he believes is not currently used in commerce.<sup>88</sup> This solution would make the public, specifically potential trademark applicants, responsible for monitoring and flagging unused marks. This process would purportedly mirror the Canadian expungement proceedings under Section 45 of the Canadian Trade-marks Act.<sup>89</sup> Section 45 gives Canadian citizens the power to submit a written request to the Canadian Trade-Marks Office asking that a registered mark owner who has received protection for his mark for over three years provide an affidavit or statutory declaration showing that he has used the mark in commerce during the past three years "with respect to each of the [goods] or services specified in the registration."<sup>90</sup> If the owner is unable to furnish the required evidence, the mark's registration is eligible for expungement or amendment.<sup>91</sup> If the original mark owner does not appeal, the mark becomes available to others for use in commerce.<sup>92</sup> Presumably, the citizen who submitted the initial affidavit request will seek formal protection for the same or similar mark. The USPTO indicated that the process in the United States could work similarly.<sup>93</sup>

Solution 2 was proposed as two alternatives to a similar concept. The first alternative would require mark owners who go through the Section 8 Declaration of Continued Use process for the first time to submit specimens

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<sup>84</sup> *Id.*

<sup>85</sup> *Id.*

<sup>86</sup> Final Rule, *supra* note 5, at 30,197.

<sup>87</sup> *Id.*

<sup>88</sup> *Id.*

<sup>89</sup> *Id.*

<sup>90</sup> Trade-marks Act, R.S.C. 1985, c. T-13, § 45(1) (Can.). This footnote cites to the Sept. 15, 2014 version of the Trade-marks Act. Amendments to § 45 of the Trade-marks Act received royal assent on June 19, 2014, but have not yet been codified into Canadian law. The proposed amendments do not alter the § 45 expungement procedure in a way that significantly alters its analysis in this Note. See also *Practice in Section 45 Proceedings*, CANADIAN INTELLECTUAL PROPERTY OFFICE, <http://www.cipo.ic.gc.ca/eic/site/cipointernet-internetopic.nsf/eng/wr01944.html#n1> (last visited Jan. 5, 2014) [hereinafter *Section 45 Proceedings*].

<sup>91</sup> Trade-marks Act, R.S.C. 1985, c. T-13, § 45(3) (Can.).

<sup>92</sup> *Id.* § 45(5).

<sup>93</sup> REPORT, *supra* note 13, at 2.

for all goods or services listed in the mark owners' registrations.<sup>94</sup> The second alternative would be the same requirement, except it would "mandate that the specimen must be a photo showing use of the mark in conjunction with the claimed goods and/or an advertisement for the services."<sup>95</sup> The second iteration would likely impose a higher burden on the registrant but would do a better job of showing the commercial use of marks.

Solution 3 merely suggests "[i]ncreas[ing] the solemnity of the declaration" that a mark owner signs when he submits a Section 8 affidavit.<sup>96</sup> The USPTO provides two examples of what this might look like. First, the USPTO could "require the mark owner to check a box indicating that he understands the seriousness of the oath" that the mark is actually used for all purported goods or services in commerce.<sup>97</sup> Second, the USPTO could "require statements accompanying Section 8 . . . declarations detailing steps taken to verify use with the goods and/or services in the registration."<sup>98</sup>

Finally, Solution 4 would implement permanently the pilot program procedures used from 2012 through 2014. This solution suggests that the USPTO could grant itself the power to conduct audits of Section 8 declarations, asking randomly selected mark owners to provide additional specimens for all goods or services queried in the audit.<sup>99</sup> If the mark owner is unable to satisfy the additional requirements, then the registration will be deleted as to those queried goods or services.<sup>100</sup>

### III. ANALYSIS

#### A. ANALYZING THE CURRENT STATE OF THE LAW

As evidenced by the results of the pilot program, the present evidentiary requirements for both the Section 1(a) Use In Commerce application and Section 8 Declaration of Continued Use affidavit inadequately prevent the substantial amounts of deadwood entering the Federal Registry. The high rates of deadwood found among the 500 randomly selected pilot program participants likely reflect the total amount of deadwood present in the Registry

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<sup>94</sup> *Id.*

<sup>95</sup> *Id.*

<sup>96</sup> *Id.*

<sup>97</sup> *Id.*

<sup>98</sup> *Id.*

<sup>99</sup> *Id.*

<sup>100</sup> *Id.*

as a whole.<sup>101</sup> Part III explores the inadequacies of the current state of the law and recommends that the USPTO require specimens for all goods and/or services listed on the registration when the registrants submit both their initial Section 1(a) application and their first Section 8 or 71 Declaration of Continued Use affidavit. This Part also analyzes and ultimately rejects the USPTO's other contemplated solutions to the deadwood problem.

1. *The Section 1(a) Application's Low Evidentiary Burden.* The Lanham Act permits the Director of the USPTO to set the number of specimens required of an applicant to prove actual commercial use of the proposed mark.<sup>102</sup> The implementation of this final statutory requirement is one of the contributing factors to the federal deadwood problem. Presently, the Director's chosen evidentiary requirement provides that Section 1(a) applicants only need to submit "[O]ne specimen per class showing how the applicant actually uses the mark in commerce."<sup>103</sup> This minimal evidentiary requirement contributes to deadwood entering the Federal Registry at the outset of the registration process. Disingenuous applicants thus may be able to secure protection in additional goods or service categories by overstating the areas in which their mark will be commercially used.

For example, an applicant may indicate use in the Class 25 areas of athletic footwear, beachwear, and fur coats, but only actually use the mark on athletic footwear. Future applicants are thus prohibited from using the same or similar mark in the areas of fur coats or beachwear, even though the original applicant does not actually use the mark in those areas.

This example demonstrates the inadequacy of the present evidentiary requirements. The classes established by the Nice Agreement are both general and comprehensive,<sup>104</sup> so even though there are only forty-five total, they are able to encompass the hundreds of thousands goods or service types available to trademark registrants.<sup>105</sup> The categories are helpful as an organizational tool. With them, the USPTO is better able to understand the types of goods or services for which the marks in their Registry are being used. Additionally, potential applicants are able to limit their trademark clearance searches to the

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<sup>101</sup> See generally *id.* (the sample of registrations selected for the pilot program were "statistically significant").

<sup>102</sup> See *supra* text accompanying notes 43–49; 15 U.S.C. § 1051(a)(1) (2010).

<sup>103</sup> 37 C.F.R. § 2.34(a)(1)(iv) (2012); *id.* § 2.56(a).

<sup>104</sup> *Nice Agreement*, *supra* note 51.

<sup>105</sup> ID Manual, *supra* note 52.

classes of goods or services from which they seek protection for the mark, saving money and time.<sup>106</sup>

Because the different classes are so comprehensive, the broad range of goods or service types within each class have only a loose and attenuated connection. Athletic shoes, swimwear, and fur coats are all technically pieces of clothing, but within that broad category, the products could not be more different from each other. Proving commercial use of a mark for athletic shoes in no way constitutes proof that the mark is being used for fur coats and beachwear, as well. Yet, under the present evidentiary regime, proof of one category in a Section 1(a) application meets the technical requirements to allow a mark owner to receive trademark protection for all three.<sup>107</sup>

2. *A Similar Low Evidentiary Burden for Section 8 Declaration of Continued Use Affidavits.* Similar to the Section 1(a) Use in Commerce application process, the Section 8 Declaration of Continued Use process that grants continued protection to previously registered marks also has a low evidentiary burden that encourages deadwood. The minimal regulatory requirements<sup>108</sup> allow a disingenuous mark owner to continue receiving protection for a mark that is not used commercially for all purported goods and services. By misrepresenting the actual use or nonuse of a mark on his continued use application, a mark owner is able to receive continued protection even if he stopped using the mark for some goods or services. While this would constitute fraud under the Lanham Act and could lead to cancellation of the registration,<sup>109</sup> the applicant may weigh the risk of getting caught against the benefits of receiving continued protection in an expanded scope of goods or service categories. Again, the applicant in the above example can submit evidence showing continued use of the mark on athletic shoes and still receive protection for swimwear and fur coats. The low evidentiary burden of just one specimen per class increases the likelihood that the mark owner misrepresents his commercial use of the mark.

It should be noted that the USPTO reserves the right to request additional specimens for both the Section 1(a) application process as well as the Section 8 Declaration of Continued Use process.<sup>110</sup> Therefore, when an applicant seeks protection for the wide variety of clothing goods covered by category 25, the

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<sup>106</sup> McWHIRTER, *supra* note 32, at 4 (“Typically, searches are conducted in each primary class of goods or services for which the mark might be used.”).

<sup>107</sup> 37 C.F.R. § 2.34(a)(1)(iv) (2012); *id.* § 2.56(a).

<sup>108</sup> *Id.* § 2.161(g) (a complete affidavit or declaration must “[i]nclude one specimen showing current use of the mark for each class of goods or services”).

<sup>109</sup> 15 U.S.C. § 1065 (2006) (outlining procedures and grounds for cancellation of registration).

<sup>110</sup> 37 C.F.R. § 2.34(a)(1)(iv) (2012); *id.* § 2.56(a); *id.* § 2.161(h).

USPTO could already use its power to request specimens for all of the goods for which the applicant is seeking protection. However, it does not seem that the USPTO regularly requests additional specimens when a registrant uses class headings in their application that “include unrelated and unlikely goods within a class.”<sup>111</sup> While the USPTO has acknowledged that in the “long term, a ‘targeted’ approach may be appropriate,” this is not currently common practice.<sup>112</sup> Thus, the current review process for Continued Use applications is inadequate for identifying and removing deadwood from the Registry.

#### B. PROPOSED SOLUTION: THE COMPREHENSIVE SPECIMENS SOLUTION

The USPTO should require specimens for all goods and/or services listed on the registration when the mark owner submits both the initial Section 1(a) application and the first Section 8 or 71 Declaration of Continued Use affidavit. This solution partially replicates Solution 2, which recommends merely requiring specimens for all goods and/or services for Section 8 Declaration affidavits.<sup>113</sup> However, Solution 2 does not go far enough. Mark owners should also be required to submit specimens in the initial Section 1(a) application for each good or service for which a registrant is seeking protection. This proposed solution will hereinafter be referred to as the “Comprehensive Specimens” solution, and would prevent deadwood from entering the Federal Registry in the first place.

The Comprehensive Specimens solution best supports the common law and statutory use requirement present in American trademark law. By requiring specimens for all goods or services for which the registrant seeks protection, the USPTO can discover from the outset of the application process whether those marks are actually used in all purported areas. Failure to produce such a specimen for a certain good or service will result in denial of registration in that area. This means that applicants will not be able to receive a legal presumption of ownership in those areas as against all other mark owners.<sup>114</sup> Applied to the clothing example, the mark owner would have to provide three separate specimens showing use of the mark for athletic shoes, swimwear, and fur coats.

By requiring proof of use at all stages of the registration process, the Comprehensive Specimens solution also serves one of the goals of the Lanham Act, which is to recognize and protect an intellectual property right in

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<sup>111</sup> Final Rule, *supra* note 5, at 30,199.

<sup>112</sup> *Id.*

<sup>113</sup> See *supra* text accompanying notes 93–95.

<sup>114</sup> Trademark FAQs, *supra* note 24.

trademark.<sup>115</sup> Those who do not use their marks in commerce have no such property right, and an attempt to secure those rights without use would require misrepresentation during the registration process. This misrepresentation may prevent future registrants from being able to register a similar mark in which they have invested time, money, and energy as they prepare to use the mark commercially.<sup>116</sup>

#### C. CRITICAL ANALYSIS OF THE COSTS OF IMPLEMENTING THE COMPREHENSIVE SPECIMENS SOLUTION

The implementation of the Comprehensive Specimens solution would not be without its costs, incurred by both the registrant and the USPTO. In preparing for the implementation of the pilot program, the USPTO estimated that complying with the requirement of submitting two extra specimens per class would take randomly chosen registrants about one extra hour of time.<sup>117</sup> Therefore, while there is a benchmark for approximately how long it will take for an applicant to file two additional specimens per class, the amount of cumulative time will depend on the amount of good or service areas for which the registrant seeks protection. The financial costs of the submission of additional specimens will also vary depending on whether the registrant files pro se or through an attorney.<sup>118</sup> Applicants filing through attorneys will incur additional costs.

Currently, the cost of filing a Section 1(a) application with the USPTO includes a fee of \$325–\$375 for each registered class.<sup>119</sup> This fee accounts for the fact that the USPTO currently only needs to review one specimen per class registered for by an applicant. Therefore, the requirement of additional specimens may cause the USPTO to increase its current trademark application fees. The size of this fee increase will likely depend on the additional burden placed on the USPTO by the changes to the specimen requirements. There may also be increases in the fees associated with submitting additional specimens with the applicants' Section 8 Declarations of Continued Use. At a minimum, the USPTO will incur additional labor costs in order to review the extra specimens, both at the time of the Section 1(a) initial application and at the time of submission of the Section 8 Declaration of Continued Use.

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<sup>115</sup> See *supra* notes 26–28 and accompanying text.

<sup>116</sup> See *supra* notes 26–28 and accompanying text.

<sup>117</sup> Final Rule, *supra* note 5, at 30,204 (including both the time it takes to secure a specimen and the communication time between client and attorney, assuming the client is not filing pro se).

<sup>118</sup> *Id.* (stating that about “one-third of applications are filed pro se”).

<sup>119</sup> 37 C.F.R. § 2.6(a)(1) (2009).

While registrants will certainly face some additional costs if the Comprehensive Specimens solution is employed, some in the legal community believe that those costs would be slight when compared to the benefit of a more accurate Registry. When announcing the implementation of the pilot program in 2012, the USPTO compiled a series of public comments received in response to the proposed program.<sup>120</sup> These public comments came from a variety of intellectual property organizations and intellectual property attorneys.<sup>121</sup> One commentator said, “Requiring applicants and registrants to submit additional specimens . . . is not burdensome, particularly in comparison to the exclusive rights and evidentiary presumptions granted” to trademark owners and the benefits of an accurate trademark register.<sup>122</sup> The commentator’s argument is rooted in the fact that advancements in technology now allow applicants to easily record digital snapshots of their specimens and submit them electronically to the USPTO for review. The commenter called the cost to the applicant of compiling and submitting additional specimens “negligible.”<sup>123</sup> The higher evidentiary standards will merely require the applicant to take a digital photograph of the product, tag, or container on which the mark will be displayed in commerce and upload it to the USPTO website when submitting the application for approval.<sup>124</sup>

Implementation of the Comprehensive Specimens solution shifts the burden of cost to those who can prevent deadwood from entering the Registry in the first place. Requiring the original applicant to meet a higher burden of proof lowers the rates of deadwood, which decreases costs for those who may need to challenge the unused marks in the future. An unused and erroneously protected mark inhibits the registration of a similar mark in the same good or service area. The similar mark applicant can challenge whether the presently protected mark is being used commercially by conducting non-use investigations or filing a non-use cancellation proceeding with the Trademark Trial and Appeal Board.<sup>125</sup> However, this process costs both time and money, and the costs are borne unnecessarily by those who have committed no wrong. Requiring applicants to prove use in all good or service areas when they submit

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<sup>120</sup> Final Rule, *supra* note 5.

<sup>121</sup> *Id.*

<sup>122</sup> Comment from Erik M. Pelton, Partner, Erik M. Pelton & Assoc., PLLC, to Cynthia C. Lynch, Administrator for Trademark Policy and Procedure, USPTO (Sept. 4, 2011), [http://www.uspto.gov/sites/default/files/trademarks/law/comments\\_pelton.pdf](http://www.uspto.gov/sites/default/files/trademarks/law/comments_pelton.pdf).

<sup>123</sup> *Id.*

<sup>124</sup> 37 C.F.R. § 2.56(b) (1) (2014) (regulation defining the term “specimen” for the purpose of reviewing trademark applications).

<sup>125</sup> *INTA Response*, *supra* note 40.

a Section 1(a) application decreases the chance that a future, blameless applicant will incur unnecessary litigation costs associated with a TTAB challenge. Such a requirement also decreases the burden on the TTAB to hear such challenges.

#### D. ANALYSIS OF THE OTHER SOLUTIONS BEING CONSIDERED BY THE USPTO

Of the four proposed solutions considered by the USPTO in the "Post Registration Proof of Use Pilot Status Report," Solution 2 is most in line with the Comprehensive Specimens solution. Solution 2 would require the submission of specimens for all claimed good or service areas in conjunction with just the Section 8 Declaration of Continued Use process.<sup>126</sup> Adding a similar requirement to the initial Section 1(a) application process enhances Solution 2, because it helps prevent deadwood from entering into the Registry in the first place. Solution 2, in conjunction with the requirements that specimens be submitted for all claimed goods or services during the Section 1(a) process, is a superior option for the USPTO. The USPTO's other potential solutions either continue to place an unfair and unnecessary burden on the new registrant, or are not strong enough methods to prevent deadwood from entering the federal registry in the first place.

1. *Establishment of Expungement Proceedings Similar to Canada.* One potential solution to the deadwood problem the USPTO is considering is the creation of a mark expungement process similar to the one presented in Section 45 of the Canadian Trade-Marks Act.<sup>127</sup> That provision allows Canadian citizens to challenge a mark that has been registered for at least three years on the grounds that it is no longer used commercially.<sup>128</sup>

Presently, the United States has procedures allowing citizens to petition for the cancellation of a trademark. A petition for cancellation can be brought for a variety of reasons, including the abandonment of a mark.<sup>129</sup> This may cause some to question whether the adoption of a new expungement process will really be adding anything that the United States does not already have, since citizens currently have a means by which they can challenge unused marks. However, the distinction may lie in the fact that the Canadian expungement proceedings are focused solely on use or abandonment challenges, while petitions for cancellation in the United States can be filed for a host of reasons

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<sup>126</sup> REPORT, *supra* note 13, at 2.

<sup>127</sup> See text accompanying *supra* notes 88–93.

<sup>128</sup> See text accompanying *supra* notes 88–93.

<sup>129</sup> 15 U.S.C. § 1064 (2008) ("A petition to cancel a registration of a mark . . . may . . . be filed as follows by any person who believes that he or she will be damaged . . . by the registration of a mark on the principal register . . . at any time if the registered mark . . . has been abandoned.").

unrelated to issues of non-use, including dilution by blurring or dilution by tarnishment.<sup>130</sup>

Another distinction between the two approaches is the forum through which the challenge to the pre-existing mark is heard. In the United States, the United States Trademark Trial and Appeal Board, a body that is more similar in nature to a traditional Article III court hears petitions to challenge. This type of challenge imposes formal trial requirements, including the filing of a complaint and answer and opportunity for fair hearing before a judicial body.<sup>131</sup> The USPTO characterizes cancellation policies as “highly complex and involv[ing] time-consuming and detailed presentations of evidence and legal arguments.”<sup>132</sup> In contrast, Section 45 expungement proceedings only require that a challenger file his challenge with the Canadian Intellectual Property Office, whereupon a request for proof of commercial use is sent to the mark owner. If the mark owner does not respond, the mark is cancelled. If the mark owner responds with an affidavit or declaration of continued commercial use, the document is examined to determine whether it “contain[s] sufficient facts to support a conclusion that the trademark has been used in Canada, as opposed to containing bare assertions of use.”<sup>133</sup> If it does not, then the mark is cancelled. The Canadian process differs in that the mark merely receives bureaucratic review.

A streamlined expungement procedure, like the one used in Canada, may provide for a more cost effective means of removing deadwood and abandoned marks from the Federal Registry compared to the more cumbersome petition for cancellation proceedings associated with the TTAB. However, unlike the Comprehensive Specimens solution, the establishment of an expungement procedure does little to address the issue of deadwood entering the Federal Registry in the first place.

Further, implementation of the Comprehensive Specimens solution largely rids the United States of the need to establish an expungement procedure such as the one in Canada. The Comprehensive Specimens solution requires that mark holders filing their Section 8 Declaration of Continued Use submit specimens for all claimed goods or services. These Section 8 Declarations are submitted between the fifth and sixth anniversary of the original grant of federal registration of the mark, again between the ninth and tenth anniversary of original registration, and between every ninth and tenth year after the re-

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<sup>130</sup> 15 U.S.C. § 1064 (2012).

<sup>131</sup> See *TTAB General Description*, *supra* note 39, at 19.

<sup>132</sup> *Id.*

<sup>133</sup> See *Section 45 Proceedings*, *supra* note 90, at 34.

registration date thereafter.<sup>134</sup> The Section 8 Declaration specimen review process is very similar in nature to Canadian expungement proceedings, with each respective trademark office independently reviewing the specimens for proof of commercial use. In this way, the repeated submissions of Section 8 Declarations of Continued Use constitute an automatic mark review process, relieving individual citizens of the responsibility to raise an independent expungement challenge. While the delay between the original registration review and subsequent reviews are quite lengthy and leave room for deadwood to develop, Canadian marks are not even eligible for expungement challenges until after the third year of registration.<sup>135</sup> Both countries recognize that it is unnecessary to require mark registrants to prove commercial use of their mark so soon after they already met their burden during the original registration process.

While the implementation of the Comprehensive Specimens solution would simply enhance the requirements that the United States already places on its mark registrants, the adoption of an expungement procedure similar to that of Canada's would require the implementation of an entirely new process. Not only would it be costly to create and implement such a radically new procedure, but there would also be costs associated with educating the public as to the new option to challenge the use of existing marks. The burden is then on the public to recognize the non-use of a mark and notify the USPTO of that non-use, rather than on the original registrant to prove from the start and throughout the duration of his registration that he actually uses the mark in commerce. This consideration, in addition to the United States' current process by which citizens can petition to cancel an abandoned mark (albeit a more time consuming and expensive process), is reason enough not to implement an entirely new expungement proceeding.

2. *Increase the Solemnity of the Oath of Declaration of Continued Use.* The USPTO is also considering merely "increas[ing] the solemnity of the declaration" of continued use.<sup>136</sup> This is the weakest of the four proposed solutions in the USPTO report disclosing the results of the pilot program. Requiring that the trademark owner "check a box"<sup>137</sup> confirming that they are not committing fraud may scare some registrants who thought they could get away with falsely claiming commercial use of their marks. However, on its own, this is not the most effective method of preventing deadwood from entering the Federal

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<sup>134</sup> 15 U.S.C. § 1058 (2012).

<sup>135</sup> See *Section 45 Proceedings*, *supra* note 90, at 34.

<sup>136</sup> REPORT, *supra* note 13, at 7.

<sup>137</sup> *Id.*

Registry. First, both the Section 1(a) Use in Commerce application and Section 8 Declaration of Continued Use form already include warnings as to the consequences of inaccurately stating the extent that the mark is used in commerce.<sup>138</sup> Additionally, each form is already over twenty-five pages long. Thus, the addition of an oath of solemnity is both redundant and contributes to the length of an already tiresome application. The additional burden may cause some applicants to ignore the warning altogether.

The benefit of merely adding an additional oath is that it is extremely cost effective compared to the Comprehensive Specimens solution and the other three solutions proposed by the USPTO. The USPTO could simply need to add one line of text to a digital application. The user would merely need to read that additional line and indicate that he understands the oath. However, the lack of investment in the solution will yield a minimal return with respect to the rate of deadwood. While requiring an additional oath of solemnity to the application may be useful as a small part of a larger deadwood reform, it will not on its own have a significant effect on improving the accuracy of the Federal Registry.

3. *Conduct Random Audits of Statements Accompanying Section 8 Declarations.* The final solution the USPTO considered in the wake of the pilot program is to institutionalize a permanent incarnation of the pilot program itself. This would involve giving the USPTO the power to conduct random audits of Section 8 Declarations and delete any goods or services “for which the trademark owner is unable to show proof of use.”<sup>139</sup> In the course of two years, the USPTO used this method to randomly select and analyze 500 Section 8 Declarations, of which 250 were flagged for deadwood issues. It is unclear if the permanent implementation of the procedures used in the pilot program would require the USPTO to randomly select the same amount of applicants in that time period, or if they would randomly select more or less. What is clear is that a continuation of the procedures used in the pilot program is merely a less stringent version of the Comprehensive Specimens solution. Instead of requiring every applicant to prove use of all claimed goods or services, this solution would only threaten the applicant with the possibility of being asked to provide additional evidence. As with the proposed solution to increase the solemnity of the oath of declaration, this solution may scare some applicants

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<sup>138</sup> *Trademark/Service Mark Application, Principal Register*, USPTO.GOV, at 16, [http://www.uspto.gov/trademarks/teas/new\\_teas\\_plus.pdf](http://www.uspto.gov/trademarks/teas/new_teas_plus.pdf) (last visited Jan. 5, 2015); *Combined Declaration of Use and Incontestability Under Section 8 and 15*, at 11, USPTO.GOV, [http://www.uspto.gov/trademarks/teas/8\\_and\\_15.pdf](http://www.uspto.gov/trademarks/teas/8_and_15.pdf) (last visited Jan. 5, 2015).

<sup>139</sup> REPORT, *supra* note 13, at 3.

into complying, but is not the most effective means of keeping deadwood out of the Registry.

One benefit of this solution would be that the financial costs of implementing and administering this procedure could be lower than that of the Comprehensive Specimens solution. This is almost certainly true for the actual applicants, who under the Comprehensive Specimens solution would definitely need to incur the costs of submitting more evidence. Under a permanent implementation of the pilot program procedure, the chance that any individual applicant would need to incur the cost of submitting additional specimens would be much lower. However, the cost of submitting additional specimens is “negligible” when considering the ease with which specimens can be electronically recorded and submitted to the USPTO.<sup>140</sup>

Additionally, because the government would have to analyze fewer applications for additional evidence, the government may face lower costs in administering the pilot program procedures as compared to the Comprehensive Specimens solution. If this cost were passed onto the applicant in the form of a higher application fee, it would likely be less of an increase than that necessary under the Comprehensive Specimens solution. However, the benefit of requiring proof of use for all claimed goods or services outweighs these costs. The Comprehensive Specimens solution satisfies the common law requirement that mark owners actually use their marks in commerce in order to receive protection, and it does the best job of preventing deadwood from entering the Federal Registry. The solution further ensures an accurate Registry on which future mark owners can rely when deciding whether to seek federal protection for their marks and actually use them in commerce. Merely institutionalizing the possibility that a mark applicant will need to submit evidence for all of his claimed goods or services will only prevent some deadwood from entering or staying in the Federal Registry, which is not as strong of a solution as requiring that all applicants prove that they are complying with federal trademark law.

#### IV. CONCLUSION

The existence of high rates of deadwood in the Federal Registry prevents blameless mark owners from registering their marks in the good or service areas in which they seek protection. Whether created fraudulently or accidentally, deadwood imposes costs on blameless mark owners when they have to perform additional research or initiate a cancellation proceeding to discover whether a currently protected mark is actually being used in commerce.

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<sup>140</sup> See text accompanying *supra* notes 120–24.

These costs could be shifted from the blameless future registrant through the implementation of more stringent evidentiary requirements for proving commercial use of marks. Presently, an applicant only needs to show one piece of evidence per class, where each class encompasses thousands of potential goods or service types. This means that an applicant only using a mark for athletic shoes under the clothing class could also seek protection for many other unrelated types of clothing products without having to show proof of actual use in those areas. The same low standards govern the “proof of continued use” process that takes place years after the initial registration is granted. This standard is too low, and allows for deadwood to enter and stay in the Federal Registry too easily.

The USPTO has been presented with hard facts relating to the high rates of deadwood in the Federal Registry. The results of a recent pilot program show that potentially 50% of the entire Registry is comprised of marks that are not currently used in the areas for which they receive protection. This is unfair to registrants and imposes a burden on the entire country in the form of an inaccurate Registry.

To solve the deadwood issue, the USPTO should require that applicants prove use of their marks in all claimed good or services areas. These requirements should be imposed both during the initial Section 1(a) Use in Commerce application process, as well as the Section 8 Declaration of Continued Use process. The applicants can prove use of their marks in these areas by simply submitting specimens showing use in all claimed good or service areas. Modern technology allows this to be as simple as taking a digital photo of the product, tag, or container that the mark will be displayed on in commerce and uploading it to the USPTO website along with the application.

Of all the solutions the USPTO has considered to deal with the deadwood problem, the Comprehensive Specimens solution does the best job of preventing deadwood from initially entering the Registry and keeping the cost burden off of blameless applicants who could be adversely affected by deadwood. By forcing applicants to clearly demonstrate and continuously reaffirm that they are using their claimed marks in commerce, the risk of deadwood entering the Federal Registry is decreased and the Registry becomes both more dependable and accurate.