

Trademark Modernization Act: Final Rule

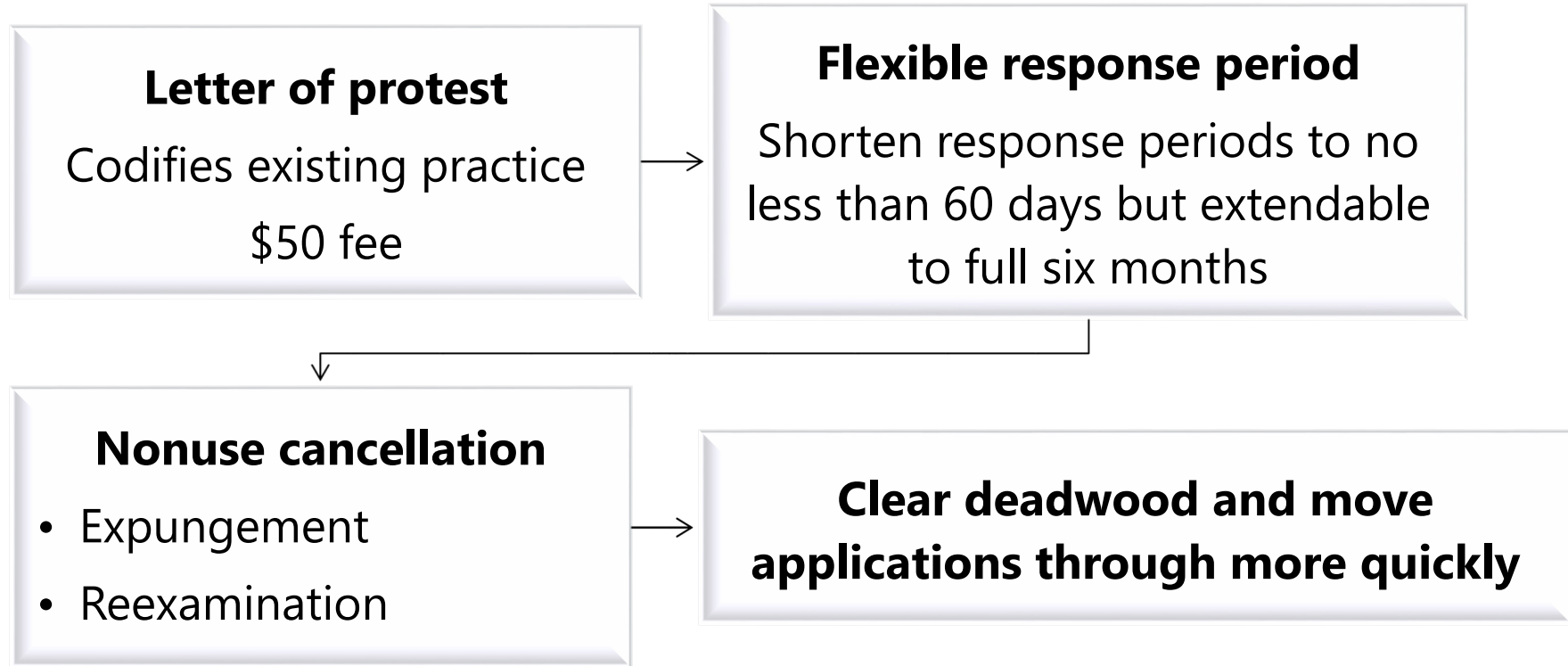
Amy Cotton

Deputy Commissioner for Trademark Examination Policy

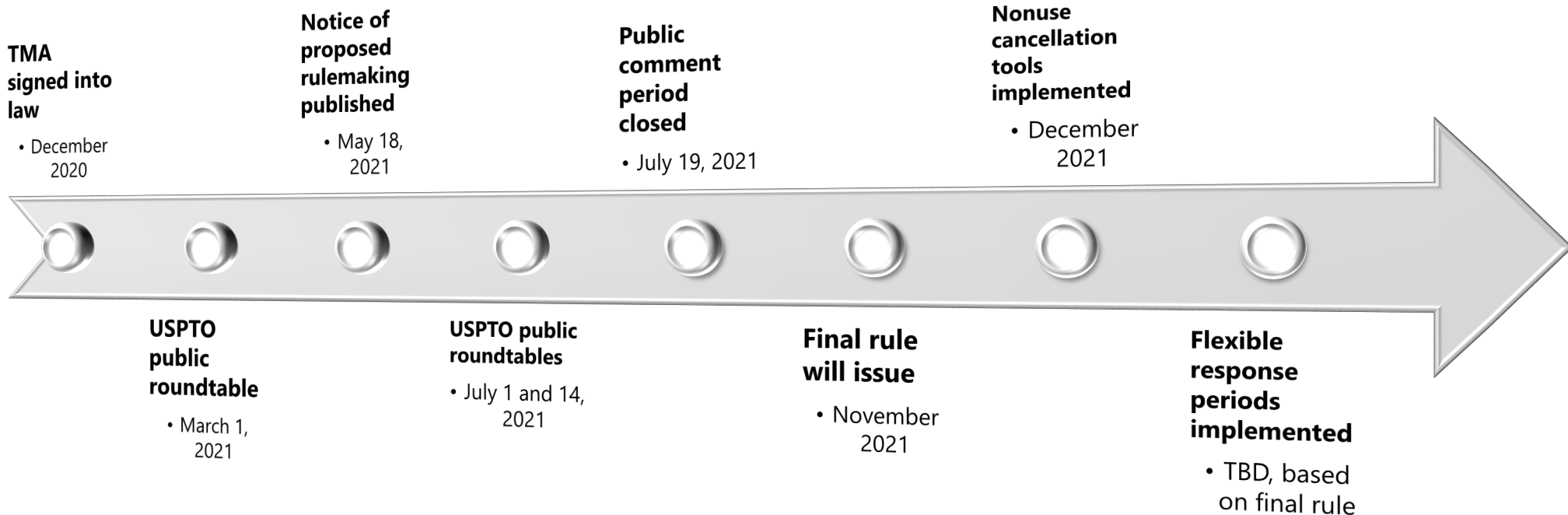
UNITED STATES
PATENT AND TRADEMARK OFFICE



Trademark Modernization Act



TMA implementation timeline



The OIG audit report: implementing recommendations

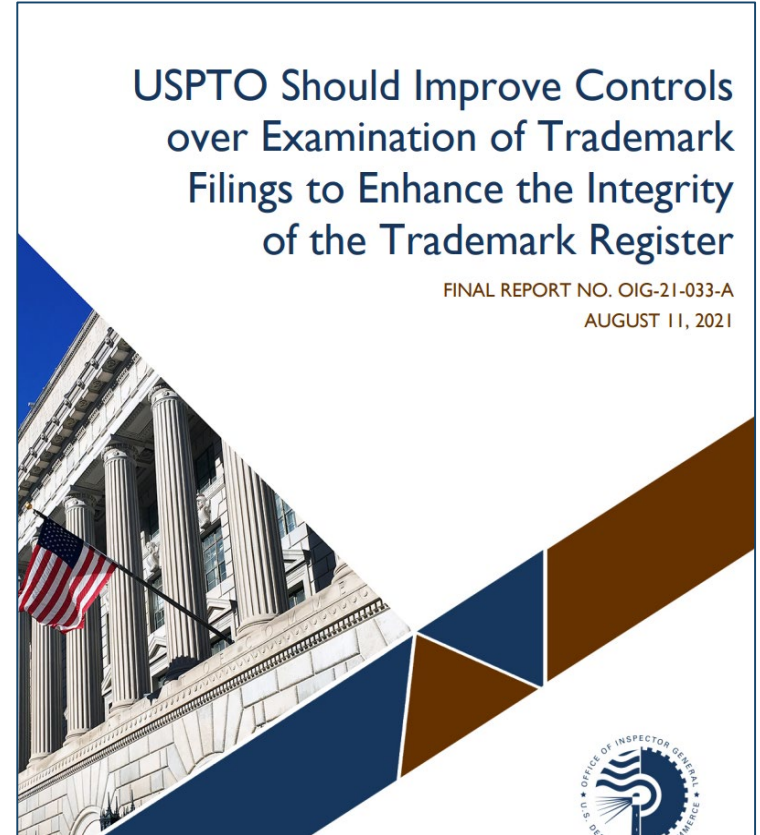
Office of the Inspector General (OIG) Department of Commerce

- OIG audited USPTO's trademark fraud risk framework
- Report released August 2021
 - Includes OIG findings and recommendations
 - USPTO response appears as an appendix

<https://www.oig.doc.gov/Pages/USPTO-Should-Improve-Controls-over-Examination-of-Trademark-Filings-to-Enhance-the-Integrity-of-the-Trademark-Register.aspx>

USPTO Should Improve Controls
over Examination of Trademark
Filings to Enhance the Integrity
of the Trademark Register

FINAL REPORT NO. OIG-21-033-A
AUGUST 11, 2021



OLG audit

- **Audit objective**

- “to determine whether USPTO’s trademark registration process is effective in preventing fraudulent or inaccurate registrations”

- **Method**

- “assessed whether USPTO prevents inaccurate trademark applications from entering and being maintained on the trademark registration, as well as whether the USPTO is adequately managing fraud risk”



OIG findings during audit period

1. Lack of effective enforcement of US counsel rule

2. Approved registrations containing digitally altered specimens of use

3. Failure to ensure accurate identifications of goods/services

4. Lack of a fraud risk framework

Audit period: October 2019 - April, 2020

OLG audit report

Finding #1: Lack of effective enforcement of US counsel rule

OLG recommendation (a):
enforce domicile address
requirement

OLG recommendation (b): hold
attorneys accountable for high
volumes of bad specimens

Address verification

Unacceptable domicile addresses

- PO Boxes,
- c/o addresses,
- commercial mail receiving agencies (CMRA), mail drops, registered agents
- addresses that don't exist or incomplete addresses
- addresses that are not actually the applicant's domicile
 - a single address used by multiple, unrelated applicants

USPTO actions

- Implemented/ing automated queries in applications and in the eOG for:
 - PO Boxes & c/o
- Running automated queries of the USPS database against domicile addresses to identify
 - Commercial mail receiving agencies
 - Registered agent addresses
 - Addresses that don't exist or are incomplete
- Flagging known problematic domicile addresses including repeating addresses



Holding attorneys accountable

Special task force

- Improved reporting and workflow for suspicious filings
 - Centralized internal reporting of suspicious filings
 - Establishing automated workflow to hold action on suspected applications
 - Identifying sanctions transactions in electronic records (transparency)

Referral to OED

- Improved referral process to OED
 - NY attorney
 - Chinese filing firm
 - CA attorney
 - Indian filing firm
 - 22 cases referred to OED in FY21

OIG audit report

Finding #2: Approved registrations with digitally altered specimens

OIG recommendation (a):
Revise examination guidance

OIG recommendation (b):
Consolidate review of multiple
trademark applications from a
single applicant

Digitally altered specimens

Revised exam guidance

- WG considering possible measures
 - Avoid impacting good faith actors
 - Letter of protest procedure expanded to allow fake specimens

Consolidated review

- Using IT tool, special task force identifies applications with same suspicious data element
 - Establishing automated workflow to hold action on suspected applications

OLG audit report

Finding #3:

Failure to ensure accurate identifications of goods/services

OLG recommendation:

Clarify guidance on requiring additional specimens for “disparate goods”

Disparate goods

- Planned guidance on “wide” and “unrelated” to address OIG recommendation
 - Avoid impacting good faith actors

OlG audit report

Finding #4:

USPTO lacks a comprehensive fraud risk strategy

OlG recommendation (a):

Create a risk framework & update Special Task Force charter

OlG recommendation (b):

Use managing attorneys' quality review data to increase accuracy

Risk framework

Enterprise Risk Management (ERM)

- Update the ERM scorecard
- Update Special Task Force charter

Managing attorney data

- Incorporate more granular examining attorney quality review data into TQRS

Sanctions transparency

Administrative sanctions process

