

UNITED STATES PATENT AND TRADEMARK OFFICE

TRADEMARK PUBLIC ADVISORY COMMITTEE MEETING

Alexandria, Virginia

Friday, May 4, 2018





PARTICIPANTS:

**TPAC:**

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PARTICIPANTS (CONT'D):

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Under Secretary of Commerce for  
Intellectual

Property and Director of the USPTO

MARY BONEY DENISON

Commissioner for Trademarks

SHIRA PERLMUTTER

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P R O C E E D I N G S

(9:02 a.m.)

CHAIRWOMAN WELDON-WILSON: Hello everyone. I am Dee Ann Weldon-Wilson and I would like to welcome you to the TPAC meeting. In fact, I'd like to introduce you to the TPAC members that are here. Our Vice Chair is Bill Barber, he is founding member of the law firm Pirkey Barber in Austin, Texas. He specializes in trademark law focusing primarily on litigation and policing. He handles cases in courts across the country and in the TTAP as well as domain name disputes. He was the past president of AIPLA. He served, I believe, in 2011 and he is currently serving his second term as a member of TPAC.

We have Elisabeth Escobar who is Vice President and Senior Counsel at Marriott International. She is responsible for Marriott's intellectual property matters worldwide and is Marriott's representative to the brand registry group. Elisabeth is serving her first term as a member of TPAC and we're so pleased you're here today.

Anne Gilson LaLonde is the author of Gilson on Trademarks. She has worked on the treaty since 1998 and took over sole authorship in 2006. Anne also authored numerous articles on trademark issues and before working on the treatise she practiced in the litigation practice group at Sidley and Austin and served as a judicial clerk in the U.S. the District of Columbia. She's serving her first term as a member of TPAC also.

Ilene Tannen is Of Counsel at Jones Day. Previously, she was a partner at Jones Day as well as at Pennie and Edmonds. Her practice focuses on trademark copyright and unfair competition. She advises clients on trademark clearance, brand development and use and registration strategies as well as IP aspects of commercial transactions. She assists clients in protecting their IP rights including in proceedings before the TTAB. She's a member of INTA's TM-5 subcommittee of the Trademark Office Practices Committee and this is also her first term as a member of TPAC.



Donna Tobin is one of our newly appointed members. She is a partner and co-chair of the Trademark and Brand Management Group and member of the Litigation Group at Frankfurt, Kurnit, Klein and Selz. She regularly advises clients on IP business strategy, trademark portfolio management in complex areas of trademark and related law such as GI's, trade dress and designs as well as handling matters before the TTAB. She has an extensive IP licensing practice.

We're also pleased to have two of our union representatives here today, Howard Friedman who represents the National Treasury Employees Union 245 and Tamara Kyle who is the POPA representative.

So now that you know who we are, we would like to go to our very special guest and speaker, Andrei Iancu is Under Secretary of Commerce for Intellectual Property. He's the Director of the USPTO. He has been kind enough to say that he would come here and make some comments as well as answer questions today. Thank you for coming.

MR. IANCU: Well, thank you, Dee Ann and thank you for the kind introduction, good to see everybody. As you know, the February 9th TPAC meeting was my very first official meeting so this is my second TPAC meeting. I decided I'm going to measure my term by TPAC meetings. So one TPAC so far, or two TPAC's for me, so we'll keep counting.

It has been an extremely busy and eventful few months since we first met. Glad to have an opportunity to come back. I've looked at your schedule and lineup. It looks very interesting and I think you're going to have a good day of meetings and you're going to learn lots of new information from our leadership and otherwise. As always, the feedback from TPAC and the public is critically important to us. Our engagement with various stakeholder groups and the public is very useful for us both on the trademarks and the patent side. We look forward to learning from you today and on a going forward basis.

Yesterday, I had the opportunity to

spend some time with the TPAC members, learn a bit about the overall concerns and issues, questions and the priorities for the USPTO trademark operations. A few weeks ago, as some of you may know, I testified in the Senate Judiciary Committee and some trademark issues came up in the written statement. I've noted there and I'll note again here today, some of the highlights for the office from this side of the operations. At the highest level, it's really good to see that Trademarks has met all of its pendency and quality goals for twelve consecutive years which is remarkable. I commend the trademark operations for these impressive accomplishments.

I also highlighted the increased trademark filings from China. We are working towards addressing those issues and I'm happy to answer further questions about that if there are any but I'm sure others during the day will get into those details as well. Also highlighted some of Trademark's initiatives such as enhancing the customer experience, efforts to increase awareness of fraudulent

solicitations as well as efforts to combat that issue and improving the accuracy of the federal register. So we are working to enhance our technology tools and also towards some initiatives to help declutter the register.

Lastly, let me mention that we are grateful for Senators Hatch and Coons who introduced the Big Data for IP Act which, if passed, will extend USPTO's fee setting authority. As it comes as no surprise to this group, I'm sure, having fee setting authority is critically important to the USPTO and if it is not extended soon it will expire in September of this year under the provisions of the America Invents Act. Of course, we will keep you all updated on how this issues progresses through Congress.

Lastly, let me thank all of you for your hard work, dedication to the USPTO and to our operations and to the intellectual property system as a whole. As I've mentioned before, several times both on the patent side, trademark side and overall, we are deeply

committed to having a strong intellectual property system that issues reliable and predictable rights, again, across the board.

The continuing collaboration between the USPTO and TPAC is extremely important. Your insights and guidance, as I've mentioned, on the range of issues facing the office, has been and will continue to be invaluable. So we're looking forward to the continued collaboration in the months ahead. But in the meantime and for today, I hope you all have a very good set of meetings. Thank you. I'm happy to answer any questions folks might have.

VICE CHAIRMAN BARBER: Thank you, Director. It's really more of a comment than a question but I'd be interested to hear what you have to say about it. The dramatic increase in filings this year and looking forward, both organically and with the big influx from China, there are good things about that because it increases revenue for the office. But it also seems to me to create a real challenge from a management standpoint to

hire new people and hire new examining attorneys, train those people and then retain the examining attorneys that you have, to keep quality and pendency at the levels that we expect. It's just a concern, and I have a lot of confidence in Mary and her team, but it just seems like a huge challenge to accommodate that.

MR. IANCU: Yeah, it is a challenge, no question. I think Mary and the Trademarks Team, they're on top of it and it is an issue that's being addressed. We discuss it and I think that the plans that are in place for handling the increased filings have been working out well and will continue to do so.

At the same time, as I mentioned, we do have to take a look and see exactly what is it that is causing this tremendous increase in filings, especially from China. And is there anything we can do to address some of that increase, especially if some of those filings are not being made in good faith.

CHAIRWOMAN WELDON-WILSON: Thank you. Are there any other questions? We

appreciate you coming today and providing us with your remarks and also coming to the last TPAC meeting which, as I understand it, was your first official public meeting. We appreciate that and we look forward to having you count down your tenure through the number of TPAC meetings going forward.

MR. IANCU: Counting up.

CHAIRWOMAN WELDON-WILSON: Counting up. I like that much better.

MR. IANCU: Thank you.

CHAIRWOMAN WELDON-WILSON: Thank you so much. We appreciate you coming today. Since we've already had some discussion on operations and a little preview of what you may be telling us, let me turn this over to Mary Boney Denison who is Commissioner for Trademarks.

COMMISSIONER DENISON: Thank you so much, Dee-Ann. I'm delighted to be back with you today. I'm just going to get started. First I'm going to talk about the organization. We are up to 875 employees in Trademarks and growing. So we'll have some

more examining attorneys starting on May 14th. So the total this year is likely to be 61 new examining attorneys if everyone shows up on May 14th and we will be hiring again next year. These slides were done a while ago. It says 80 new attorneys will be hired in FY2019 but it may actually be higher than that. We just have to see how we end up the year. We always adjust our filing numbers closer to the time of the actual hiring. So if you know people who are interested in joining us, please tell them to watch USA Jobs. I'll put in a shameless plug.

The reason we're hiring is our filing numbers. We are actually up about 13 percent this year. My crack forecasting team says we're going to slow down a little bit and probably end up the year between 8 and 9 percent. As you can see, they still believe that going forward, we're going to continue to climb. So that is a challenge for us. The impressive thing is that our examining attorneys and our support staff have risen to the challenge and we are keeping things going.



We are moving along and we are at First Action Pendency of 3.0 which is right in the middle of our target which is 2.5 to 3.5 months for First Action Pendency. Overall pendency looks great as well. Of course, they're doing a great job on the quality also. So the First Action Compliance number measures basically whether we got it right and so does the Final Action Compliance number. So you can see that we're doing better than our targets there. The exceptional office action measures more than the First and Final Action Compliance measure. It looks at the search the examining attorney conducts, the evidence, the writing and the decision making. That was introduced on a voluntary basis a few years back and has been going up every year. We're pleased to be at 46 percent now.

Now before I got here, a goal had been instituted to have all applications submitted electronically. Once we got fairly close to where we are today, we shifted the goal from filing applications electronically to getting everybody to go through the whole

process electronically. So right now in terms of applications, we're at 99.95 percent. It is a really high number. That is a good number. But this is not as good a number. This is people staying fully electronic and that is 87.8 percent. What some people do is they file electronically because they like getting the immediate serial number assigned but then they say they won't accept email from us or if they have some big filing, they file it on paper. That is not great for us and really costs us money. So basically, when you file on paper, the electronic filers are subsidizing you.

As you can see, when we changed the fees to raise them for paper, there was a dramatic drop but we still have people sending in paper applications pretty much every week. I think we've had two or three weeks where no one filed on paper but that's it. So those are monthly numbers on the slide and it just seems that some people are wedded to paper.

As our Director mentioned, we are pursuing fee setting authority and we are also

pursuing extension of the telework bill for called TEAPP, Telework Enhancement Act Pilot Program. It passed the House and we are still working to get it through the Senate which would extend the program to December 2020.

Now on the IT front, we became aware, thanks to a member of our audience today, Eric Pelton, some months back that we had a problem. He said, "I don't know if you're aware of it." He said, "people are going in to other people's files and changing the correspondence address." So we are very grateful to Eric for bringing that to our attention. I, at least, was not aware of this previously. We are making an improvement to TEAS this summer. When that happens on a file, you will get an email from our office saying that the correspondence address has been changed. Hopefully, that will be helpful to people.

We are also making another change. We found that there were customer mistakes in ITVITVITU and post registration forms where the customer accidentally misused some fields.

Then it would result in some files being cancelled or abandoned and petitions being filed and fees. So we are trying to reformat and make it easier to understand.

In addition, we have some great developments coming on [my.uspto.gov](http://my.uspto.gov). I would urge people to consider using that. It has a docket. We originally did it for pro se's to have a docket because most people without lawyers do not have their own dockets. But we found that a lot of lawyers are also using this as a backup docket. You can store up to 1000 applications in one group which is called a "collection" and you can see email notification, status changes as well as certain prosecution history entries and that would include a change of correspondence address.

In addition, another very beneficial feature is you can store a search of the Official Gazette. So every Tuesday, the Official Gazette comes out and we will send you a notification if there are hits on your saved search. We also have coming soon a form

finder. The public has told us it is difficult to find forms so we are developing a tool to make it easier to find forms. We are also working on an EZ File. It would be for Intent to Use Application using TEAS PLUS or TEAS RF. Those are coming before the end of the fiscal year and we're very excited about those.

There are a fair number of people using it at this point. There are over 4000 people using the Trademark Docket actively. We hope that more people will continue to use it. Of those, close to 2500 are subscribed to the status change email alert. There are 907 people who are using the Official Gazette Widget.

All you do is you go in, you register once to set up a profile and establish account credentials and then you can go in there and you can pay for things. There is financial manager access, you can see all of your files, you can see the status. We are working continually to improve this. We really want feedback. The yellow highlight on the

slide is where the feedback button is on My USPTO. Please consider sending us feedback. Sign up and please let us know what you want because we want this to be something that you use and that is useful to you.

We still have the Open Source Code on Github but the exciting news is that we are in development of a trademark app. Again, we're hoping that that will be released later this year.

Moving on to Rules of Practice, we have updated the ID manual since the last time TPAC was here. We hope that this is going to make it more user friendly. You will be able to see all your results on a single page which will prevent you from having to click through multiple pages and we're also going to enable you to use navigation buttons to see your results from prior searches. In addition, you're going to be able to target your search through descriptions only. You won't necessarily see the notes unless you want to. We're going to be automatically searching alternate spellings. So the example given in

the slide is color, C-O-L-O-R and  
C-O-L- O-U-R. It will automatically do that.  
If you have ideas of words that we need to  
include that aren't included that have double  
spellings like the English spelling, tire  
T-I-R-E versus T-Y-R-E, that kind of thing,  
please let us know and we would be happy to  
consider including those.

I mentioned that we are trying to  
get people to be fully electronic with us. So  
we are working on a notice of proposed  
rulemaking. It has cleared all the business  
units and the front office and I believe  
either has gone or is going to the Department  
of Commerce for clearance this week. That way,  
everyone will be filing electronically. The  
Trademark Trial and Appeal Board led the way  
by making mandatory electronic filing earlier  
and so we are following in their esteemed  
footsteps. We are looking for release  
hopefully in June in the federal register of  
this Notice of Proposed Rulemaking. There  
will, of course, be some exceptions. For  
example, if there is a hurricane, that would

be a good reason that you couldn't file electronically. So stay tuned and keep a look out for that. We would very much like comments from anybody. We usually just hear from the bar groups, but we are happy to hear from corporations, individuals, law firms, anybody. We welcome all input.

In addition, our Director mentioned the U.S. Counsel Requirement. He mentioned the China issues so we are working on a Notice of Proposed Rulemaking that would require U.S. Counsel for foreign applicants. That is being drafted right now by Cathy Cain and her team. We're hoping that that will wind its way into the Federal Register sometime later this year. Right now what happens is, someone sends in an application from a pro se. There is not any phone number that is reachable and you can't get in touch with them and there is nobody to talk to in the U.S. Many, many countries around the world have a local counsel requirement. So we are pursuing this and hopefully will be able to implement this within the next year. We have also proposed



the removal of interferences. There was a proposed rulemaking that was published last fall and the final rule hopefully will come out this summer on that.

Next up is the Brunetti decision. As everybody probably knows, this was a decision issued by the U.S. Court of Appeals for the Federal Circuit. It said that the mark at issue was protected speech under the First Amendment and that section 2(a)'s immoral and scandalous provision is unconstitutional. So we filed a petition for a rehearing. That was denied in April and we have 90 days within which to file a petition for cert. Our Office of the Solicitor is conferring with the Department of Justice on this issue to consider whether we should petition for cert to the Supreme Court for not.

Now as our Director mentioned, we continue to work on decluttering the Federal Register. Our first step was to increase the readability of the declaration. With that, we took a big block of text and broke it up and

required check marks. The idea was to encourage people to read what they're signing. We also previously did a pilot audit of post registration filings and the results were abysmal. We decided to continue the random audits of registrations and then we also have been considering how to have expedited cancellation procedures at the TTAB. I'll let Chief Judge Rogers talk about that.

I wanted to focus mainly on the Proof of Use Audit Program right now. We implemented this some months back and we have examining attorneys looking at post registration maintenance filings. There are certain criteria. You're not going to get one of these requests if you have a one class one good registration. If you have at least two or more goods in two classes, you are subject to the audit. Or if you have, four or more goods in one class you could be subject to the random audit. If you are audited, then we would ask for Proof of Use for additional goods and services in your registration.

Now the preliminary findings, we've

only being doing this since November, are not good. We were hoping that people would have gotten the message but apparently not so far. Again, these are very preliminary findings but what you can see on the far right of the slide is the pilot program results showing that in 28 percent of the section 1(a) cases people had to delete. In the 44(e) cases, 58 percent of the time people had to delete goods they weren't really using. If you look at the middle column, the yellow column, you'll see the new results really aren't that different so far. The section 1(a) is actually worse, it's 32 percent and the section 44 is a little bit lower. Again, these are very preliminary results but it does concern us that we're not showing any progress in decluttering the register so far. So stay tuned, at the next meeting we'll have a few more months in it and we'll see how we're doing.

In addition, we are working on misleading solicitations. We're very concerned about this. As you may recall, we had a roundtable with TPAC last summer. The

Federal Trade Commission, the Department of Justice, the U.S. Postal Inspection Service, Small Business Administration, Customs and Border all participated. It was really the first time we had convened this group publicly. It was very important because it gave the public an opportunity to speak directly to all these different groups at one time.

As a result in part of that roundtable, we decided to send two lawyers to the Department of Justice. One started in February and one is starting this month. They are working in the fraud group at DOJ on criminal prosecutions for these trademark misleading/fraudulent solicitations. We're delighted that they were able to take our lawyers to help them. So we are expecting more criminal prosecutions. We had five convictions last year, one guy got eight years; we are hoping to send a strong message about how seriously we treat these things. Stay tuned for that.

On the other end, we are continuing

to warn people the best we can. We are letting people know when they get the filing receipt, we are letting people know in the cover email for Trademark Office Actions and then, of course, each paper registration comes with a bright orange sheet of paper with a warning. We also have a video up on our website. So we're doing our best to warn people and we're also doing our best to prosecute on the other end. Finally, we are participating in an informal interagency working group with other government agencies. We have also proposed a project for the TM-5 on this. This is just an example of a caution on our website.

Another project that we're working on is enhancing the customer experience. We have a five year plan now to offer consistent, clear, intuitive services to our customers. We are going to be implementing four customer surveys very soon and they will be at various parts of the process. These are different from the overall website survey that pops up all the time. We hope that if you get one of

these, that you will respond because we really want to hear from you. That is part of our customer experience, we need to hear from people.

We also are working as quickly as we can to significantly improve our website so that customers can find things and understand them. As you know, we have about 37 percent of our filings coming in from people without lawyers so it is very important that we not speak legalese on the website. Our goal to enhance the customer experience is something that will benefit both customers and our employees. We're trying to shift the culture to bring customers to the center of all that we do and make every single customer touch point consistent, clear and intuitive. We need your help to give us feedback at every opportunity. We want to partner with you to make sure that we do what you need.

One of the issues that has come up in the last year or so has been specimen issues. We are getting some mocked up specimens, fake specimens. People have been

getting better at it as the tools on the internet make it easier for people to do this. Sometimes people are pasting their trademarks on other people's products; it is a serious problem for us. We are researching photo forensic services that can help us. These raise a lot of different issues. Is the mark really in use in commerce if the specimen is fake? It could be, perhaps it's just that they didn't want to bother to give us a real specimen but we don't know that. Does this constitute fraud on the office? Will discipline from the Office of Enforcement and Discipline do any good? Is there an impact from a fake specimen on the validity of the registration? There are lots of different issues raised by these mock ups.

Here's an example of things that have come in recently. On the left of the slide, you'll see at the bottom was the original photo, it was Walmart and then above, you see someone use the exact same photo, the same people, everything and they just took Walmart out, they took the flag out and they

put their mark on there. Very disturbing. So that's one type of problem specimen. Another is, you see this rather unusual print on a scarf and then you see that it has come in from multiple owners with multiple different marks and it's the same scarf. Again, that gives one pause. Are they really all selling this same unusual looking scarf?

The Walmart picture that I just showed you, came in as part of our specimens mailbox. We are very grateful when people send us things. The email address is [tmspecimenprotest@uspto.gov](mailto:tmspecimenprotest@uspto.gov); this is a new process for the public to report improper specimens. We've just gotten a few dozen at this point but we hope that people will continue to, when they come across something, let us know; there are some guidelines that you'll see when you try to report this. We want to either see registration or serial numbers showing identical specimens with different marks or objective evidence of third party use of images identical to the specimen of record. If you go to our website under



recent postings, you'll see the submission guidelines.

I want to put in a blatant plug to urge people to come to the National Trademark Exposition. This will be held in downtown Washington July 27th and 28th in conjunction with the Smithsonian National Museum of American History. This is the first time we have partnered with the Smithsonian on this event; we have selected the exhibitors. The list is up on the slide so we have a quite a diverse group of exhibitors and we think it is going to be a really fabulous event. Our special guest, Kareem Abdul-Jabbar will be the keynote speaker. We're very excited about this so we hope that you will join us. We will be having some CLE on Friday morning and then there will be a lot of public events on Friday afternoon and on Saturday. So please join us for that.

On the international front, as you may recall, the TmTmTM-5 is comprised of the five largest trademark offices in the world. That would be the EU, Japan, Korea and China

and the United States. The focus is on exchange of information, collaboration and harmonization. We have a lot of different projects. You've heard in the past about the ID list where we're trying to get various countries around the world to agree to accept ID's. Another example is the Common Status Descriptor Project. We have a lot of things coming up. We have the joint workshop which will be at INTA on Monday May 21st at 1:15 p.m. If people are interested in that, that is an event that is open to the public. There will also be a closed event at 9:00 a.m. on Sunday May 20th. I believe it is now 8:30 a.m. in Seattle. That is an invitation only. We have invited representatives of the various bar groups to attend that meeting. In addition, we will be having a meeting in Korea in June and then the annual meeting will be in Korea November 1st and 2nd.

At the last meeting, we adopted some new projects. As I mentioned, one of our projects is the Common Status Descriptors. That is the icon that you now see on TSDR. If

you see something with a green circle that means it's live, if it's got a red circle that means it's dead. We're trying to adopt universal language so that when you go to someone else's website, say you don't speak Chinese, you will recognize what the status of the file is immediately. We have now agreed, all five of the TM-5 members have adopted it and we have now agreed to invite others. As you can see from this slide, Indonesia, Cambodia, Thailand, Vietnam, Australia, there is a long list of countries we have invited to join the Common Descriptors Project. We hope that some of them will join shortly. We have adopted a new project on the misleading invoices. It is a serious problem in the U.S., it is also a serious problem in Europe. It is less of a problem so far in Asia but they are very concerned about it. So TM-5 did agree to take it on as a new project.

The ID List, I mentioned that we are trying to get everybody coordinated so that you can know which ID's will be accepted everywhere. If you look at the TM-5 ID List,

it is posted on the TM-5 website. [tmfive.org](http://tmfive.org) is the website. If you look on that, you will see that there are about 18,000 preapproved terms that are acceptable in all partner offices. That is kind of exciting; we are also inviting new partners to join. Argentina, Paraguay and Saudi Arabia have been invited. Now what you need to know is, if you go to our ID manual, you can tell if a term has been approved by the TM-5 if it says, T. So it is over on the right side and the T column indicates that it is part of the TM-5 and accepted in all member jurisdictions.

I wanted to make one note about the Madrid Protocol. As of last November, applicants are allowed to add a description of the mark. That was an issue that had come up.

I want to say a little bit more about China. As was mentioned earlier, we had an influx of Chinese filings, I mentioned the specimen issues. We, of course, continue to have counterfeiting issues and bad faith filing issues in China. There has been a significant increase in Chinese filings over

the last few years. Here is the chart showing the dramatic increase from China. As you can see, really things took off three or four years ago and since then it has just been quite dramatic. For example, in fiscal year 13 we had 4,710 classes coming in from China and by fiscal year 17, we had 51,000 classes coming in. So we are seeing dramatic, dramatic increases from China.

Now this is an interesting slide on China. I know it's hard to read. But on the right, this showed the places in China where most of the applications were coming from. The dark blue one is Shenzhen and the one to the immediate right of that is Beijing. Then you compare that to fiscal year 17 and you will see there has been a dramatic growth from Shenzhen and Beijing has declined. It's just interesting that most of the applications coming from China are now coming from Shenzhen. It was always somewhat dominant but not anywhere near what it is today. In addition, this is another slide which is kind of interesting. On the right, is fiscal year

11 and what isisit shows is the number of filings from a particular person. So you'll see there were some big filers back in 2011. Now relatively speaking, there are many, many more individual filers coming in from China.

I always want to put a plug in to urge people to sign up for Trademark Alerts. We don't inundate you but we like to let you know what is going on when we think it's important. Please consider signing up for that. That is all I have today. Thank you, Dee Ann.

CHAIRWOMAN WELDON-WILSON: Thank you. Does anyone have any questions for the Commissioner before we move one? Elisabeth Escobar.

MS. ESCOBAR: Thank you. In the list of new TM-5 projects, there was a Priority Rights Documents Project led by the EUIPO. Can you provide any more detail about that?

COMMISSIONER DENISON: Sharon, can you talk about that.

MS. MARSHMARSH: Yes.

CHAIRWOMAN WELDON-WILSON: For those who are listening from afar, Sharon Martin Marsh is joining us at the table.

MS. Martin MARSH: This one is proposed. It really doesn't affect us too much. It's for countries that require a copy of the foreign application in order to claim priority rights. And that obviously doesn't apply to the USPTO because we don't require anything but an assertion that you made a priority filing. We're, of course, going to participate in the project and see whether there is anything that could be useful to us. The idea is to have some central location where offices can get copies of these applications. The project is just now starting so we'll be reporting out on it later.

CHAIRWOMAN WELDON-WILSON: Thank you very much. And Bill Barber has a question.

VICE CHAIRMAN BARBER: Mary, I was intrigued by your comment about getting the OED involved in the fake specimen problem. I guess I was assuming that most of these fake

specimens are being filed either by foreign applicants or perhaps pro se applicants that don't have a U.S. attorney involved. Is that assumption incorrect?

COMMISSIONER DENISON: It is.

VICE CHAIRMAN BARBER: So they're being filed by U.S. attorneys, is that right?

COMMISSIONER DENISON: Well, I would say that we don't know the scope of the problem because we don't catch all the problems. I hate to characterize numbers. There are definitely issues with U.S. counsel, there are issues with pro se, there are issues with foreign applicants.

CHAIRWOMAN WELDON-WILSON: Thank you for the clarification. If there are no other questions than we'll turn to our next presentation. Shira Perlmutter is here today and she is Chief Policy Officer and Director for International Affairs for the Office of Policy and International Affairs. We appreciate you being her today.

MS. PERLMUTTER: Thank you very much. I am going to update everyone on three



different items today. First, I wanted to share information about the current work plans at WIPO. Second, I wanted to make sure everyone was aware of a new label that has recently been coined, which is "GI trolls". I'll explain a little bit about what that is for those who don't know. And third, I'll give an update on Brexit because there have been some developments since the last meeting.

At WIPO, the Standing Committee on Trademarks, Industrial Designs and Geographical Indications (or SCT) met last week in Geneva. Amy Cotton, here with me, led the U.S. delegation.

There are a few new work plans in the Committee where progress is happening, we're mostly pleased to say. Let me describe them. One area has to do with industrial design, one with GI's, and one with country names. On the industrial design work plan, the focus at the SCT has to do with designs in relation to new technologies such as GUI's (Graphical User Interfaces) and icon designs. These are the designs that are most frequently

pursued recently in recent years and they often relate to consumer electronics, such as smartphones and tablets and appliance displays. The SCT is going to be developing a questionnaire on the requirements for a link between a design and the article or product, and also the methods that offices allow for the representation of animated designs. So that's the main work product in that area.

Then on Geographical Indications:

This is an area where we've been fighting very hard over recent years to make sure that Geographical Indications are fully discussed at the SCT, including with respect to our approach to how we protect these types of marks. We finally made some progress. We have an agreement to discuss national GI examination practices, which doesn't sound like much but is actually a big step because it was being blocked for a long time. The goal is to explore the feasibility of an international GI filing system that could accommodate all WIPO member's approaches, unlike the Lisbon Agreement which reflects

just the European approach to GI's.

Now the Geneva Act of the Lisbon Agreement which was concluded in 2015 over our objection hasn't yet entered into force, because not enough countries have joined. But once the EU joins it will, and we're concerned that many WIPO members will accede just because it is the only mechanism internationally to seek GI protection other than through a trade agreement. What we've been trying to do for now is create transparency in national examination practices, including through this current work plan, so that we can identify similarities and differences between the systems. This would provide information that benefits GI holders and their competitors and national offices around the world.

At this last meeting, there was an agreement on a questionnaire that would be issued in June to solicit this information, and responses will be reviewed and discussed at the next meeting in November. I did want to note that other delegations have put forth

proposals as a counterweight to the U.S. The EU and its member states have asked for a discussion of how to advance GI protection at ICANN, the Internet Corporation for Assigned Names and Numbers. They want to include GI's in the UDRP system for GTLD's and CCTLD's and they also want to include GI's in the block list of geographic names in the ICANN applicant guidebook. So this is now all on the agenda, and the delegation of France has asked that the SCT pursue discussion on the use or misuse of GI's on the internet - online counterfeiting of GI's, essentially.

In terms of the country name workplan, which we've raised with you before, Jamaica's proposals go back now almost ten years, seeking a mechanism to protect country names. The SCT has worked on a number of studies and tried to find some areas of convergence, but there has been little consensus and little progress. We do have many delegations now, not just Jamaica, who support some form of protection for country names. And their interest is now expanding

beyond country names themselves to geographic names of national significance. That is things like, of course, Amazon and Patagonia.

Now last week, the SET convened a roundtable on country names to talk specifically about examination practices. They will produce a summary document. We'll see if any useful areas of consensus or possible future work can be identified. The pressure to advance discussions after all this time has resulted in the Chair calling for discussions of several proposals at the November meeting. There are three active proposals at this time, just to alert you to these. One is a proposal by Jamaica to create a rebuttable presumption of deception for any trademark application or use of a country name or variant for goods or services that don't originate from that country.

Second is a proposal by 11 different countries from a mixture of regions that the SCT make a declaration that country names and geographic terms of national significance shouldn't be registered as trademarks or

allowed as GTLD's. They are essentially trying to preserve the ability of their own traders to use the country name and not have it blocked by someone else. We're concerned this proposal would call for establishing a database of these names, and that is a very political undertaking.

The third proposal is by Peru: to establish a treaty to allow governments to notify nation brands and get protection at WIPO members with a 90 day objection period. We'll see where these go. Our recommendation and warning is to pay attention to what is happening. Obviously a number of different U.S. user groups attend and participate in these discussions.

And then "GI trolls": if you watched Director Iancu's oversight hearing a couple of weeks ago, you might have heard Senator Grassley ask him how we plan to deal with European GI trolls. The U.S. dairy industry is concerned that European GI owners are using our trademark system to try to gain exclusive rights over terms that dairy considers to be

generic in the United States, and that it is not hard enough for them to do that.

So as Director Iancu indicated in the hearing, we're working to ensure that we address the needs of all stakeholders in this area in an appropriately balanced way. Dairy has offered a series of suggestions that we're exploring to see what might be done. Obviously, if consideration goes any further we'll broaden the discussion among all stakeholders.

And then finally on Brexit: We want to make sure you're aware that in March, the European Commission circulated a draft agreement that includes provisions for the continuation of EU trademark rights in the UK post-Brexit. The draft agreement answers a lot of questions we raised with you in the past. In particular, it has been agreed that any EU trademark that was registered in accordance with EU regulation 2017/1001 before the end of the transition period will become a comparable registered and enforceable trademark right in the UK for the same sign,

for the same goods or services without any reexamination. We don't really know why it is limited to registrations under that regulation from last year and we're trying to find out.

In terms of invalidation or revocation proceedings, if such a proceeding is ongoing at the end of the transition period, the result will be effective in the UK on the same date as the EU unless the grounds for invalidity don't apply in the UK. As to priority dates: The priority dates that are accorded in the EU will be recognized in the UK, including a priority date claimed in the UK if appropriate. And holders of marks that are deemed well-known in the EU will be entitled to the same rights in the UK. Revocation on the ground that the EU trademark hasn't been used in the UK before the end of the transition period, which we were worried about will not be permitted. So there is no requirement that it be used just in the UK before the end of the transition period. Renewals will be due in the UK when they would have been due in the EU. And then finally,



the UK will take measures to ensure that those trademark holders who obtain protection through the Madrid Protocol before the end of the transition period will enjoy the same protections.

We'll keep you updated. There is obviously more to come but at least this is positive - it resolves a lot of concerns in a positive direction of more security and more certainty. I know we have a short time but I'm happy to take any questions as is Amy.

CHAIRWOMAN WELDON-WILSON: This is Dee Ann. I have a quick question, just showing my ignorance. On these plans that countries are putting forward on country names and geographic names of national significance is this an attempt to try to prevent someone like me from registering Germany.com or is it going to also prevent someone from registering trips to Germany.com.

MS. PERLMUTTER: I think it depends on who is making the proposal, but Amy may want to answer.

MS. COTTON: At this point, the main

focus is on the country name to the right of the dot. But, of course, there have been discussion about to the left of the dot. You might have heard of a recent case in France, France.com. It was owned by a U.S. company in a joint venture with the government of France and the government of France actually sued to get it transferred to them and it was awarded the domain name. So it has become a very political issue for governments. They believe that these are national assets, their names are national assets. There are some who are limiting their demands to just the country name but, of course, then Jamaica is looking at use of the country name in conjunction with other features. Whether that will ultimately end up being country name, trips to Germany.com at the second level is still up in the air. Hopefully the demands don't get to that place, I think we'd get into a difficult situation there.

But right now, as the proposals are moving forward, they are getting refined and a little more specific. So at this point, we're

not looking at trips to Germany.com but that doesn't rule out that there would be another proposal that we see on that issue.

CHAIRWOMAN WELDON-WILSON: Thank you for clarifying that for me that it was the GTLD rather than the domain itself. Is there any other question? Thank you so much for coming today, we really appreciate it. Let's turn to our legislative update, Dana Colarulli is here. He's the Director of Office of Governmental Affairs. We appreciate you coming today, Dana.

MR. COLARULLI: Absolutely, good morning. I can be brief. I know we are running a little behind schedule and I'm happy to answer any questions. There are only a few things I want to flag for the Advisory Committee since we last met. Since you last heard from me, the Director has had his first opportunity to testify in front of Congress. That certainly has kept us busy. We expect to have a similar opportunity in front of the House Judiciary Committee. I'll talk about the Senate Judiciary Committee testimony in a

later slide. I'll hit first on some of the budget issues and Tony will be able to provide a more in-depth update a little later.

We are appropriated for the current fiscal year. Congress also acted to essentially set ceilings of the next two fiscal years as well with the Bipartisan Budget Act of 2018. So there has been some activity on budget issues. I think one of the frustrating things is that there hasn't been much action on other legislation. Although activity, there hasn't been final action. Certainly, we have a current appropriations bill right now governing PTO.

Two operational priorities for PTO. One I'm going to flag here on the slide. We continue to look towards September 16th of this year, the deadline when our fee setting authority expires. We've been continuing to work with Congress to try to tee up at least one or two vehicles to make sure that this authority is extended. Senators Hatch and Coons introduced the Building Innovation and Growth through Data for Intellectual Property

Act - the Big Data for IP Act. It was consistent with the Administration's request and it extends our fee setting authority, and, for an additional ten years. It also has requirements for PTO to report on what its investments are in IT, particularly around use of data analytics, and our use of big data.

We understand there will be a House companion that may be introduced at some point soon. So at least that's one vehicle that would extend our fee setting authority. The Chairman of both of the Judiciary Committees have also considered the legislation that would do the same. We're encouraging all of those vehicles to move forward so at least Tony and his team, all of those who are working on adjusting fees will have some certainty.

A second operational priority, something we've talked about in this meeting before is extending our TEAPP authority. There is a bill that the House passed (H.R. 4171) that is sitting in front of the Senate Homeland Security and Government Reform

Committee to extend our TEAPP authority for that additional three years. The Director recently met with Chairman of that Committee and we have some hope that they'll take up that bill at some point soon. As you all remember, that authority actually expired last December so we are hopeful that Congress will act and give us certainty there. We're doing everything we can to make that happen.

The other bill I highlighted here is a generally helpful bill that is complementary to what PTO is already doing with the Small Business Administration and focusing on the small business community to get information more on the education side both to those who are seeking patents and trademarks. Generally encouraging a lot of the work that we've doing somewhat codifying our relationship with the SBA which we think is a positive step forward. The House version of this bill seems like it may be moving forward at some point soon.

I mentioned the oversight hearing. Shira also made mention that Chairman Grassley from Iowa - with a big agricultural

constituency, including dairy -- has been very interested in what we're doing in terms of advocating on geographical indications, a system that works for U.S. rights holders. Senator Grassley is also one of the Members that has been extremely supportive of our efforts at WIPO as we watch the Lisbon Treaty being implemented. He signed not one but two letters in support of USPTO efforts and the Administration's efforts. Expect him to continue to be interested in that interested as well.

A host of other issues that the Director was asked about which I've listed up here. I think, not surprisingly, patentable subject matter, 101 eligibility and PTAB has been the issue that he's been asked about a lot, so a number of heavy patent issues. Certainly, I think this hearing also showed that on the international front and on the trademark front, the Director is being asked to be a leader there too and to advocate on behalf of the Administration. Expect those issues to come forward.

I will note, the last thing I mentioned there, a point, Mary, you've made, as we've gone forward looking at the surge of trademark filings particularly from China. We certainly flagged that activity at the PTO and the Director has been asked about that both at the hearing and at the staff level. - in particular, how is PTO going to manage that growth? So expect continued oversight on that issue as well.

I'll note one additional hearing -- there have been a few hearings at the House Judiciary Committee on IP related issues. This - that might be of interest on trade secrets. This was essentially a follow up from the enactment of the Defend Trade Secrets Act last year. How has that Act working, has it been successful. There additionally was some discussion on are there additional changes that we need. There haven't been too many cases within the last year to look at but certainly there was testimony from folks on the benefits of the Act so far. Again, another issue we'll continue to watch.



The last thing I'll highlight and I'm happy to take questions. Our congressional caucuses continue to be active. This slide highlights one that PTO helped to host along with partners with AIPLA, INTA, The U.S. Chamber of Commerce and the ABA celebrating World IP Day. For our part, USPTO hosted events both here for patent and trademark examiners and up on The Hill to highlight the theme. We did that again this year, had a great panel of three very impressive women inventors in line with the theme. We had members of Congress there as well. This was also the day after the Trademark Caucus held an event focused on trademark issues in the sporting industry. So lots of activity up on the Hill trying to educate congressional staff on the importance of trademarks. With that, I think that's the end of my slides and I'm happy to take any questions.

CHAIRWOMAN WELDON-WILSON: Does anyone have any questions? Well, obviously a very clear report. Thank you so much.

MR. COLARULLI: Absolutely, my pleasure.

CHAIRWOMAN WELDON-WILSON: Thank you for coming today. Let's turn to our next speaker. We have Tony Scardino here. He's Chief Financial Officer from the Office of Chief of Chief Financial Officer.

MR. SCARDINO: Good morning, it's nice to be here.

CHAIRWOMAN WELDON-WILSON: We're very happy to have you here.

MR. SCARDINO: So we are going to go through some slides today and go through the usual three years of budget happenings. In finance, we're usually living three at any one time. Since we met last, Congress has passed a bill, as Dana mentioned, back in March, giving us our full funding request of \$3.5 billion for USPTO. Also provided the Patent and Trademark Fee Reserve Fund in case we do collect more than \$3.5 billion we have access to full fee collections which is always nice. A million of this would be transferred to the Office of Inspector General for their audits

and investigations.

So to give you some idea of where we are now seven months into the fiscal year, collections are much higher than they were last year at this time. The first six months of the year, they're 11.5 percent higher. Part of this is because, of course, we did a fee increase in January 2017 so we've had the benefit of full higher fees the whole time this fiscal year. So then what happened was we planned for this increase for the year so as much as we're over last years, we are now actually under our plan because we knew we would collect up to a certain level this year. Our projections were just a bit under at 1.8 percent below. Of course, filings don't necessarily come in at a very even rate, that come in at different times throughout the year. So this doesn't mean we'll be necessarily below plan when the year ends but we monitor this very closely. However, at the current rate of filing and fee collections, we will actually add, you'll see here, prior year carry over coming into the year was \$120

million. At the end of the year, we will end with \$132 million. So it is a \$12 million growth to the operating reserve which is very healthy.

Moving on, our current estimates right now for 2019, the President submitted a budget on February 12th and what happens is Secretary of Commerce, Wilbur Ross, testifies on our behalf on the budget. So he testified in March before the House Commerce Justice and Sciences subcommittee. Next week he is going to be testifying before the Senate. We've been briefing him and he is well versed on PTO issues. We don't anticipate -- what will happen, of course, by October 1st nobody can say but we are ambitious and optimistic that they'll try to pass something. What would happen for 2019 is our fee estimate is \$244 million for trademarks of the total \$3.16 billion for USPTO. In this budget, we would hire, I believe 80 trademark attorneys next year. They would be 80 new but that doesn't net out how many we would lose. We lose some through attrition every year and we also

continue to line capacity for TTAB.

Trademarks are growing.

In 2020 finally, we've got guidance last month from the Department of Commerce. So we are internally working on formulating a budget for 2020. The goal, if course, is early September to submit a budget to the Office of Management and Budget. We'll work with TPAC to get you a draft in August like normal and we always look forward to your comments. Please plan for some time then and I guess that would be after we meet next time. So we'll have a firmer estimate for when we can get it to you when we meet next time. I believe it's late July we meet again.

The last thing we have, Dana mentioned, our fee setting authority does expire September 16th of this year. The bill was introduced, as Dana mentioned, a month and a half ago now, no action in Committee yet. Nothing has been introduced on the House side so we are hopefully cautiously optimistic that something will happen because we do believe we are good stewards of fee setting authority and

it certainly helped over the last seven years to get pendency down on the patent side. It has helped us as an organization avoid some government shutdowns, we've been able to stay open. So with fee setting authority, it has enabled us to create the operating reserve that I know is very important to this Committee as well as your colleagues on PPAC. That's all I have in terms of prepared remarks but I'm happy to answer any questions you might have.

CHAIRWOMAN WELDON-WILSON: Does anyone have any questions? Obviously, once again a very thorough presentation. Let's stick with our regularly scheduled break. We will come back at 10:25 and start very promptly at that point. Thank you so much.

(Recess)

CHAIRWOMAN WELDON-WILSON: May I ask for everyone to take their seats so we can continue on our schedule please. Our next presentation is the TTAB update. Judge Rogers who is our Chief Administrative Trademark Judge is here to make the presentation today.

Thank you very much for being here.

CHIEF JUDGE ROGERS: Well, I kind of feel here. I'm a little bit far away but I won't take it personally. I would have brought my opera glasses if I would have known, to stay in touch. It puts me closer to the slides. I can actually get up and touch them and point things out to you.

Let me start with some of our usual performance numbers and measures. We'll run through also today some slides on the standard protective order and suggestions of changes for the standard protective order and some IT changes that are coming up. And a little bit about a use of an expedited cancellation proceeding to deal with nonuse of animate claims and how we're easing into that.

So on this first slide, you'll see that not surprisingly based on the increases in trademarks, we are seeing increases in appeals and oppositions, extensions of time to oppose cancellations. So our workload increases as the trademark workload increases. On the next slide here, you'll see some of the

production numbers. There are a few I wanted to highlight on this slide. The final decisions on the merits produced by judges looks significantly down but I'm not concerned about it because we have kept pace with our inventory and the number of cases maturing to ready for decision by judges. We have an inventory goal which will come up on another slide. We're well in hand with the inventory control goal and the pendency issuance of final decisions.

We also spent some time with judges on various initiatives such as digesting in the fall, all of the comments that we listen to in the public hearing on the nonuse proceeding thinking about an NPRM, thinking about developing a pilot project. So we've spent some time on other things. Also, shifted some of the responsibility for handling some motions for some rejudgement from attorneys to the judges because we knew that the attorneys were particularly under the gun in terms of the increasing motion practice that kind of blossomed quickly in the fall.



So we did take a little judge resource time and applied it to disposition of contested motions. You'll also see though on this slide that our production of contested motions was up. Not simply because we had some judges doing some of the motions but because the interlocutory attorneys ramped up their production as well.

Very significantly, and I want to give a shout out to Judge Karen Kohlke who has done a wonderful job in the absence of our Deputy Chief Judge position since Susan Richey retired. Judge Kohlke has been shepherding through all of the precedential decisions that we have, decisions on motion practice and substantiate matters that we've identified as worthy for consideration as precedence. She's been doing a great job. So we hit well over or just about half of our goal for the year by mid-year which is actually very noteworthy. In many years, we're running behind a little bit and then we do a little catch up on our precedential goal in the second half of the year.

Now looking more specifically at some of the numbers in terms of what the attorneys do and the judges do. On this slide, you can see that the contested motion measures, the two that we monitor very closely are the time to issuance of a decision on a contested motion and the inventory. We want to keep the inventory under control so that we can hit that pendency number. The pendency number, it's a very tight range, eight to nine weeks, but we're at the top of it at nine weeks and we just made that goal at mid-year. The inventory, you can see, is in the upper range of where we like it to be. So as you might expect, we issued a vacancy announcement to hire additional attorneys to keep pace with the contested motions. That closed recently. It is combined under the federal pay scale. It's a combined GS-14/15 position. We had over 100 applications for the job in each of those two classifications. Which means there is probably a lot of overlap. We'll probably have less than 200 applicants but we'll be hiring two or three additional attorneys to

keep pace with contested motions.

On the next slide, we're in much better shape on the two measures that focus on the work that the judges are doing. That is the pendency for issuance to final decision and the inventory control there. So while we probably will be hiring judges this year as well, that's less of an immediate need than our getting a new Deputy Chief Judge on board, bringing in a lead paralegal on board and another paralegal and the attorneys. Those are the more immediate needs and a little bit later in the year we'll be looking to hire some judges. We did have Judge Quinn retire at the end of the first quarter and we recently had an announcement for Judge Anthony Masiello who will also be retiring in June. So we know we'll need to fill those positions moving on.

Notwithstanding all of this change that has been going on and the increased filings, significantly on this slide, you can see that our end to end pendency, which is something that we've been focusing on in

recent years, is down pretty much across the board. So that means everybody is doing their part. The paralegals are processing consented or uncontested filings in the very tight timeframes that we've established for them. The attorneys are handling the contested motions, the judges are getting their work out and so it all contributes to these very impressive end to end processing numbers.

Before I turn to the Standard Protective Order, any questions on any of the performance measures? Okay. The Standard Protective Order, something we addressed, I think, at the last meeting. We had posted on Idea Scale, the Standard Protective Order which was revised about a year before we put it up on Idea Scale for additional comment. We basically asked people, how is it working, let us know what you think. If there are things that we should change, let us know. We got four entities to comment which is not a lot. So we're going to have to continue to solicit comment. These four entities that commented, they also came in very late in the comment

period so there wasn't much time for others to react to them. It is another reason why we want to continue to seek information.

Of the four entities that commented, we had disagreement on whether attorneys eyes only information or materials, those designated by a disclosing party is suitable for review only by attorneys, meaning outside counsel. Whether that presumption in the Standard Protective Order should be changed to allow access by in house counsel as well. So there was disagreement. Among them, we had two stakeholder organizations that wanted to change this presumption. We had two in house counsel argue that no, we shouldn't change that. So we definitely think this is an important issue for a lot of stakeholders and we will be soliciting more comment, not by asking general questions but by posing some more specific questions on this subject. For those of you who are interested in reading the supportive case law for the respective positions, the U.S. Steel decision from the federal circuit is one that supports a greater

access by in house counsel. On the other side of the issue is the AKZO N.V. also from the federal circuit. So even the federal circuit is of mixed views on this subject.

Going to more pedestrian, if you will, suggestions for changes in the Standard Protective Order, there is one recommendation that we enter it as a separate matter in the prosecution history. This is really kind of unworkable for us. There is a direct link to it in institution orders. It would be either labor intensive to enter it or would require an IT enhancement that would be costly. We can think about highlighting the availability of the Standard Protective Order in the institution order and making it more visible to people.

There were also questions about making it a little easier to download and to copy and manipulate especially if you want to change it in any way when you discuss it with your adversary. So we've provided our recommendations here on this slide about how relatively easy it is to copy it and save it

if you save it in the right formats. We also had, and this is nothing new for the Board. Any of you who have been practicing before us for a period of time know that there is always concerns about pro se's and particularly their handling of protected information whether it's confidential or attorneys eyes only. So there were suggestions about requiring the parties to sign the protective order or requiring the interlocutory attorney to participate in the discovery conference to prohibit pro se access to any protected material, confidential or attorneys eyes only. Our responses are that the requirement for a signature was something, it's not new, we discussed this at some length in our 2007 rulemaking. So we refer anyone who is concerned about that back to that rulemaking. It is still available on our website.

It's also kind of unworkable for us to have the interlocutory attorney participate in every conference involving a pro se. We probably don't have the 35 percent rate of pro se participation that Commissioner Denison

pointed out as attributable to pro se filings and trademarks. But we certainly have a number of pro se's. We couldn't staff up enough to automatically participate in every one of those discovery conferences. I think barring pro se's from seeing any protected material would create some due process concerns.

I'll also note in this regard that we tend not to have many problems with this particularly when counsel facing off against a pro se asks our interlocutory attorney to be involved in the discovery conference. Our attorney will then explain to the pro se that without counsel, you will not see certain information and certain material. That's something counsel can always ask. While we can't agree to have attorney participation in every discovery conference, you can certainly ask for it and we can always be involved. Our attorneys are pretty adept at making it clear to pro se's that if they don't have counsel, they're not going to see certain material that is produced.



There also was some suggestions, I won't get into the details of this. Suffice it to say that there is some language issues, some ambiguities that we can address in sections three to five and we're proposing to do that. So let me jump on and we will probably go ahead and make all of these tweaks at the same time. But after we take some comment on the attorneys eyes only and the access issue that were brought up on the first couple of slides.

Let me bring you to the IT changes which, I think, will be significant for many filers. One of the things that we've done and we've talked about a little bit in the last meeting was we have introduced into every proceeding file an internal schedule. It was something that is not visible to practitioners. You can't go into TTABVUE, go to a particular care file record and then say, let me see the proceedings schedule and what the current proceedings schedule is for this trial, but we can do that. It is essentially a tool that our paralegals and our attorneys

can use so that they always know what the current schedule is. For a long time now, what we've had to do whenever we had to reset dates was to look back in the file and see what was the last schedule that we either put in order or the parties had agreed to and then calculate the changes based on that prior schedule. Now we've got a running schedule that we can use to keep track of those and we don't have to go leafing back through the file to figure out what the last ordered scheduler consented schedule was. So that has been significant for us but there has also been some growing pains.

One of the things that we have to do with the paralegals and the attorneys is make sure that the schedule is always kept current. So you can use this tool by looking at what the current schedule is and then saying, okay I want to extend it by 30 days or 60 days or 90 days and then you'll see a proposed new schedule that will pop up. Then it is important to not only pace that in your order but to save it so that the file is always

current for the next person who is going to touch that file. That is what we're working on now.

The significance of this internal schedule is that we will tie it to the consent motion filing forms. So when you're filing consented extensions in the future, or consented suspensions, you will have an option to choose from these present number of days. You won't be able to say, well we want a 45 day extension or a 57 day extension. But if you pick one of these choices, you can get your extension and when you choose the extension, it will show up as a proposed schedule in the order. So before you hit submit, you will see what the schedule is and you can confirm that it is the correct schedule, the right schedule. It will be based on this internal schedule tool that we developed. If there is something wrong with it, then you'll want to contact us, let us know it needs to be updated or it might be out of date and then we'll take care of it.

Our goal is that when these IT

changes take affect in late June or July, all of the schedules are going to be pretty much current and you should find it a lot easier to gain extensions of the schedule through the consent motion filing form without having to answer those questions that said, what was the last thing you did. Did you have your discovery conference, have you filed a motion for summary judgment, have you made your disclosures, that kind of thing. Which is what we asked in the past to help us figure out whether what you were trying to do was timely. So we won't be in the position of having to have the system ask so many questions of you in the future going forward.

The other thing that we've done or the IT package will do is add some new electronic filing forms as Commissioner Denison noted earlier. We mandate electronic filing now at the Board. However, there were certain things, not filed frequently but occasionally, that we didn't have electronic filing forms for. We will deploy those going forward. The most significant one of these is

the relinquishment of an extension of time to oppose by a potential opposer. Sometimes, the parties settle their differences during the running of an extension of time to oppose and rather than allow it to continue run, sometimes the potential opposer wants to communicate directly to the Board. I'm willing to go ahead, just forget it, I'm not going to oppose, we've settled our differences. You can just go ahead and release the application. So there will now be a form for the potential opposer if they've settled with the applicant to relinquish any remaining time they have to file an opposition.

The other thing that's important are these proceedings status changes. The reason they're important is kind of a geeky tech issue. One of the things we can't up against in trying to figure out how to design an expedited non-use cancellation proceeding was, well how many petitions for cancellation do we get that involve abandonment or non-use claims, how many go by way of default, how

many result in large record cases that are very fact intensive and might not be suitable for an expedited proceeding. It's not very easy for us to search in our database and to mine for that kind of data. When the search query's rely on status changes and the fact that a particular case was in a particular status at a particular time in its lifecycle and also prosecution history entries. Of course, in the case of cancellations, we have grounds that you see on your cover sheet when you file through ESTTA but we had no way to mine the data on the grounds that were checked on the cover sheet.

So these status changes will help us mine some data. It will also be visible in TTABVUE whenever you want to know what the status of a particular proceeding is. And one of the things that I've always relished working on when it comes to the performance measures is trying to figure out how much time a case has been pending when we're talking about end to end pendency based on actions that were necessary by the Board. How much

time in a three year time period, for example, was the clock running on the Board waiting for the Board to take some action. How much of that three year period was attributable to the parties agreeing to extensions or suspensions to accommodate their settlement talks. This will give us better data and you better data for being able to counsel clients about the length of time that they might be involved in a proceeding. That's what this is all about and this will help us moving forward.

So that's the end of the slides but let me just mention a few points about what is a very, very current or as they say on the news, breaking news, on the possible deployment of a streamlined cancellation proceeding for dealing with non-use or abandonment claims. Following the public hearing that we had here on campus, Chris Larkin and Cynthia Lynch, two of our judges, set to work reviewing all the comments discussing with myself and Cheryl Butler, our senior attorney. Some of the problems that were pointed out by commenters trying to

figure out which types of cases, cancellation cases involving non-use or abandonment claims would be most suitable for an expedited proceeding. Trying to figure out what procedures could be most suitable for use in those expedited proceedings if we could identify the cases that were most suitable for it.

Ultimately, what we've decided is to pursue a pilot project. It's very labor intensive, unfortunately, but we are identifying cancellation cases as they come in that involve non-use or abandonment claims which are the kinds of cases that we were talking about in the request for comments as the subjects for an expedited proceeding. So they would only involve non-use or abandonment claims and once we identify them we'll then screen them. Then we will figure out which of them look like they will, and of course, these are cases where there has been no default because those are the most expedited cancellation cases involving non-use or abandonment claims.



So an answer has come in, we've screened them as involving only a non-use or abandonment claim. And then we figured out that they are probably not likely to require large records and very fact intensive analysis. Then we will partner up judges with interlocutory attorneys and we will, in these cases that we've identified as likely candidates for an expedited proceeding, involve both the attorney and the judge in the discovery conference. And the judge will primarily be there to discuss some of the accelerated case resolution options that could be used by the parties to have this proceeding be handled in a more expedited fashion.

So we're just starting it now. We just recently identified some of the cases. We've communicated this information to the attorneys. The judges are working with the attorneys on form language to used in orders. Hopefully by the next TPAC meeting, we will have actually had conferences with some of the parties and we'll have a better sense of how easily we can identify appropriate cases and

appropriate procedures to use in those cases. So I think I've probably used up most of my time but that's the view from the Board today.

CHAIRWOMAN WELDON-WILSON: Thank you. Does anyone have any questions or comments for Judge Rogers? Bill Barber.

VICE CHAIRMAN BARBER: I just wanted to ask you, Judge Rogers, briefly about implementation of the new rules. I know we had a pretty major rules package that was implemented in January, so I guess two questions. One is just, in general, how is that going from the Board's perspective? Has it improved the quality of your life? Secondly, specifically with regard to the ability now to submit trial testimony by declaration. I guess my assumption there was one of the reasons for that was to improve the quality and maybe the conciseness of testimony that is submitted to the Board. Has it had that benefit or is it just too early to tell?

CHIEF JUDGE ROGERS: Generally, taking the first question first, I think the roll out of the amended rules has gone

smoothly. As we've expected, we've had to address some of the issues that involve change, particularly timeliness issues for certain filings and motions and we've issued some precedential decisions in that regard. One of the things that we pointed out in the notice of rulemaking is that we would anticipate being more flexible during a transition period and some of the precedents on procedural matters that we've issued on the last year and a half are situations where we've noted that something was untimely under the amended rules. But we have exercised our discretion under the equities of the particular case, allowed something to be considered or allowed some remedial action to be taken by one of the parties who otherwise would have been stuck because they didn't understand the timeliness rules. You can expect that over time, we will be exercising that discretion less and less because that's why we're putting out these decisions as precedence to make sure that people understand how we are interpreting some of the rules.

Most of those precedents have tended to be on timeliness issues and filing issues but we did have one involving a motion to strike some testimony declarations. We pointed out in that case that what the party really needed to do was invoke its right to take a cross examination of the declaration and even though the time for that had expired, again, we exercised our discretion and gave them leave to indicate whether they wanted to take cross examination of those declaration witnesses.

I also have to point out that while the rule changes allowed anybody to put in testimony by declaration, it was actually pretty common before the rules changes. Because even non-ACR cases, we were seeing a lot of parties agree to the presentation of testimony by affidavit or declaration. Usually with the stipulation that they could take cross examination if they needed it but rarely has cross examination actually been taken. In most cases, where the declarations are submitted, that's it, they're just submitted

and each side submits their declarations and we go forward.

I suspect this would just be a guess, a shot in the dark here, that if the judges are getting the final decisions out as quickly as they are and we saw in a previous slide that they're well under their pendency goal. We probably are seeing better, more effective presentations of trial testimony. There are probably declarations that still could have been done better and people may be losing cases because they didn't get into their declarations, the appropriate information to help them carry their burden of proof. But that may have been true, even if they were taking testimony depositions in the past.

So they are probably more concise, they are probably better for the assistance of counsel in drafting many of these declarations and the judges are able to wade through these cases more clearly. Just anecdotally, while we always will have cases that involve very thin records and some cases that involve very

large records and were very hard fought. I've seen a lot of the cases that have come to me as ready for assignment to Judges in the last year or so be cases that involved less motion practice, less contention and basically a lot of parties just taking advantage of the new rules. And saying I'm just going to give you my evidence, they're going to give you their evidence and just give us a decision. That's all we really want from you. So there seems to be less fighting, less contention about how the rules should work and motion practice and more focus on utilizing the options available under the rules just to get to the point of getting a decision on the merits.

CHAIRWOMAN WELDON-WILSON: Thank you. Elisabeth Escobar has a question.

MS. ESCOBAR: Thanks. This is actually a joint question for Commissioner Denison and for Judge Rogers. I noticed in the performance metrics, a statistic that jumped out at me. The inventory of exparte appeals. FY 2017 was a total of 65 and halfway through the 2018 year we're at 104. If that stays on

track, we're looking at close to three or four times all of the previous years ex parte appeals. I was just wondering, am I reading that correctly and do have any idea why?

JUDGE ROGERS: Which slide are you looking at, Elisabeth?

MS. ESCOBAR: It's under fiscal year 2018 performance measures. Inventory of cases ready for final decision.

CHIEF JUDGE ROGERS: Oh okay. That's just the inventory that's -- these are the appeal cases that are waiting for final decision. Again, it's a total of 130 cases. At mid-year, it was 104 appeals, 17 oppositions, 9 cancellations. Yes, at the end of fiscal 2017 the numbers were lower, the total was certainly much lower than 130. But it is typically lower at the end of the fiscal year when there has been a mad rush by anyone operating under a government performance plan that requires them to produce a certain amount of work to earn their credits. So we typically have low numbers at the end of the fiscal year that go up and down during

quarters of the fiscal year. The 130 cases is right within the target range that we want for the size staff of judges that we have.

In terms of the appeals emanating out of the examining operation though, that was on the earlier slide which showed that appeals were up 4 percent. So the total number of appeals, notices of appeals is increasing. That was over 3100 appeals filed last year and we are running above that this year with over 1600 at mid-year. But many appeal cases we have found in recent years don't require a decision on the merits. Our understanding, or at least my thinking is, that many applicants view the filing of the notice of appeal as simply an extension of time to continue discussions with the examining attorney. So they file a notice of appeal, maybe they file a request for reconsideration. Often things are worked out based on the request for reconsideration and then the appeals never need to be decided on the merits.

We decide more appeals than we decide trial cases because of the very high



settlement rate in trial cases. But even for appeals, it is well under 50 percent of appeals that are lodged with the Board that ever need to be decided on the merits.

CHAIRWOMAN WELDON-WILSON: Are there any other questions for Judge Rogers? It appears you've given a lovely comprehensive presentation. Thank you so much, appreciate it. Now let's turn to our OCIO update. Today, I believe we have David Chiles who is the Acting Chief Information Officer and Rob Harris, the Acting TMNG Portfolio Manager. Thank you gentlemen for coming today.

MR. CHILES: Thank you, it's our pleasure. Good morning everyone. As was mentioned, I am David Chiles, the Acting Chief Information Officer. To my right is Rob Harris and he's going to walk you through the slides and then we will both be available for questions. Thank you, Rob.

MR. HARRIS: Thanks David. Good morning everyone. I'll start with accomplishments since we've last been together. So over the last three months, we

have continued to deploy TMNG capability and defect fixes on a monthly basis. Our priority over the last three months has been integration of CK Editor, a new editor that's going to be used in the TMNG examination product, integrating that into the TMNG base. The development work is complete. We certainly want to say a special thanks to the testers. The progress made by the team certainly was supported by having users working hand in hand with our developers and getting it through that development process.

We're now on the cusp of testing this product. We look forward to starting that process later this month and if everything goes well, deploying CK Editor into production in early July. I'll talk more about that in a few minutes.

We also, as part of our monthly deployment process have continued to make regular enhancements to the examination tool as well as to our external products that are already in production; the ID Manual and the Electronic Official Gazette. So those

enhancements are a function of getting priorities from our product owners, the folks in the business that are most familiar with those tools and most familiar with what the needs of the external users are.

Lastly, from a TMNG perspective, we are continuing to run performance teststests. These are simulated tests that are automated and can simulate up to 1200 concurrent users at a time. The result of those tests are very promising. They're showing positive progress that I'll talk about in a few minutes as far as response time of the system. The TMNG tool is meeting or exceeding each of the performance goals except for one or two areas where we're a second or two slow. We're working on tuning the system and making improvements there.

In addition to TNMG, we're still working on key enhancements to our existing production systems. Last month, we did deploy enhancements to our legacy Madrid system and TRADEUPS. TRADEUPS is an internal tool we use to amend the files. So those are relatively

minor enhancements but the point I want to make is that we can't lose sight of the existing production systems and make enhancements as needed to systems such as TEAS which Mary spoke about earlier as well as Madrid and others.

Related to TMNG is work that is going on with the trademark quality review capability. We worked very closely with Chris Doninger and laid out improvements that are needed in the TQR area. So we've created an initial proof of concept that has been demoed to trademark leadership and we've gotten very positive responses back. It has the TMNG look and feel. It's tied into the TMNG database, pulls cases and data from the TMNG database and then uses USPTO's big data capability. It pulls these two together and the result is an enhanced TQR process for our trademark quality review office. Enhanced in a way that we're stepping away from working with macros and spreadsheets and also giving the ability to have more analytics, looking at the results, the quality at the examining attorney level

and giving information to the seniors and managers that is needed to continue to improve the quality of the products we're delivering.

Lastly, I will just touch on this briefly. I know Commissioner Denison referred to this earlier. We are continuing to work with My USPTO, the simple file widget which we hope will have a small user group later this summer. More importantly, the anti-fraud enhancements that I know were mentioned in the earlier presentation.

Touching on where we are in more detail with the TMNG examination tool and what our path forward is there. We have, in doing the deep dive into areas across the product and working very closely with our business partners, continued to remain focused on the critical success factors which I'll walk through on the next page. But in addition to that, as we work through the details of that, the OCIO and trademark team has agreed to add three additional capabilities needed prior to rolling out TMNG examination to the law offices. They are bulleted here. It is the

Form Paragraph Editor capability, letter of protest, and also receiving and processing divisional applications.

So overall from a schedule perspective, we are about two months behind schedule behind what we had talked about at our last meeting. The schedule we had assumed we were deploying the CK Editor tool into production in early May, we're now scheduled to do that in early July. There are two drivers behind it. First, it did take us about three weeks longer than we expected to develop the capability. We put an estimate together last fall that had targeted the end of March and we just finished that work in the middle of last month. Also, when we looked at that push, we started lining up what is needed to test the product and then get it into production. We've realized we've bumped up against the end of the quarter quiet time from an examiner attorney perspective. So as opposed to making a significant deployment in mid-June, the team agreed to wait and make sure we get everything straight and do it in

early July.

So that portion was related to CK Editor. In addition the analysis that has to be done to define requirements around the new capability I mentioned, The Form Paragraph Editor, Letters of Protest and Divisionals, the combination of those variables have us reassessing our goal which is to have TMNG examination trained and rolled out to all low offices by the second quarter of FY 19. That was our goal, that was the commitment we made to our investment review board internally and at this point, we are reassessing the impact of all those variables to figure out what the revised schedule would be.

I mentioned on the previous slide, the Critical Success Factors and just want to touch on each of those six very briefly and give you a little bit more detail of each. Again, these Critical Success Factors were agreed upon between Trademarks and OCIO and then were briefed up through our internal process to make sure it laid that foundation for the work that we're doing now and

continuing to do over the coming months. The first had to do with office actions and make sure that they are correct and accurate. We're in good shape from that perspective. There are a few loose ends that will be addressed in an upcoming deployment. It is next weekend, the weekend of May 11th and May 12th, Mother's Day. So that will be our gift if everything goes well.

The second office action is the display be consistent both internal and external. There is an issue we're having now with how information is displayed to our business partners at the International Bureau on international cases. We are working with them and trying to identify alternatives to fix that problem and expect that to be fixed in the coming month or so.

Dockets, the third Critical Success Factor. We've made significant progress here, thanks again to the folks we're working with in the trademark business. We have addressed each of the document types that you see listed here on the third bullet but it is a result



of, again, taking that deep dive. There were areas around Letters of Protest and Jurisdiction Requests where additional requirements have come up. We're working with the teams to define the workflows, define the requirements and then start development and acceptance. So again, the good thing is we're identifying these areas that we need a little more work now as opposed to identifying them when this product is rolled out to the examining attorneys.

The next two, the Critical Success Factor around Quality Data and also System Performance. Again, I would just say we're in good shape with both of those. I mentioned earlier about the performance tests and the results of those. We seem to be doing really well there.

The last Critical Success Factor has to do with properly formatted office actions.actions This is the CK Editor work. Again, I've given the status there. The only thing I would mention here is also a subset of this critical success factor has to do with

the new scope that I mentioned around divisional applications and the Form Paragraph Editor. We are developing requirements now and we expect the requirements development process to continue for the coming months. That will inform and give us information we need to start the development process. That's really where the uncertainty is around the schedule is it is pretty tough to put an estimate together of how long it's going to take while we're still working through what exactly are the expectations. It is work in progress. We know we've got folks assigned to it, looking at it, it's just a matter of taking the time to do it right.

Similar to Dana and Tony earlier, I was short, to the point and hopefully get you back on schedule. I'll open it up for questions.

CHAIRWOMAN WELDON-WILSON: Thank you. Does anyone have any questions for either David or Rob? Well thank you very much. We now are moving on, as he said, we're back on schedule. We're moving on to our

questions and comments period. First, are there any questions and comments from the members of TPAC, generally? Go ahead, Judge Rogers.

CHIEF JUDGE ROGERS: Not from a member but if I can follow up on a couple of things since we've got some time. My expedited discussion of the possible expedited pilot program, I failed to mention that one of the things that will happen is that judges who participate in these conferences with interlocutory attorneys will not sit on the cases at the final hearing. We know when we amended rules in 2007, there were a lot of comments that suggested that any involvement by judges in conferences should result in them not sitting on the case and deciding them on the merits. So that's something that we will not do. We will not have judges who participate in these conferences sit on the cases at final hearing.

The other thing I wanted to mention about the pilot is that we will be developing, we're in the process of developing a set of slides and some information to explain the

pilot, how it works, how we identify the cases, how we will be involved, that sort of thing. We will certainly get that up on our webpage as soon as we can.

To follow up on what I think was probably what Elisabeth was getting at with her questions, I just did the calculations. So just looking at last years appeal numbers, we got 3158 appeals. We decided 489 appeals.

At the end of the year, there were still 65 in inventory waiting to be decided. So the decision rate on appeals essentially was about 15.5 percent of all notices of appeal resulted in appeal decisions. If you calculate both the decisions that were issued plus those that were waiting for a decision at the end of the year, it's about 17.5 percent of all appeals filed that would require a decision.

Of course, you have to keep in mind, some of those notices of appeal that came in 2017 won't result in decisions until later. Some of the decisions in 2017 came from appeals that were filed before 2017. I think

it should give you a rough idea that basically between 15 and 20 percent of appeals ultimately require a decision on the merits.

So the 130 number and the 65 number, those are just what is waiting to be decided at the point when we take a snapshot.

CHAIRWOMAN WELDON-WILSON: Thank you. We do understand that there is some timing issues involved in this. I may be recalling incorrectly but as I recall last year, you mentioned that just because application filings go up you don't necessarily immediately see an appeals raise to the same amount. Sometimes there is a delay, is that correct?

CHIEF JUDGE ROGERS: Correct.

CHAIRWOMAN WELDON-WILSON: Okay thank you very much. Are there any questions from the general public? There being none, we will go ahead and adjourn. Our next meeting is set for July 26th and I look forward to seeing everyone then. Thank you.

(Whereupon, at 11:16 a.m., the PROCEEDINGS were adjourned.)

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COMMONWEALTH OF VIRGINIA

I, Carleton J. Anderson, III, notary public in and for the Commonwealth of Virginia, do hereby certify that the forgoing PROCEEDING was duly recorded and thereafter reduced to print under my direction; that the witnesses were sworn to tell the truth under penalty of perjury; that said transcript is a true record of the testimony given by witnesses; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this proceeding was called; and, furthermore, that I am not a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of this action.

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