

Joe Matal in IP Law Daily on Effects of Trademark Modernization Act

November 23, 2021

PRACTICES Patent Office Trials, Trademark and Advertising, Intellectual Property

Haynes Boone Partner Joseph Matal commented in *IP Law Daily* about new regulations that clear the way for the landmark Trademark Modernization Act.

Below is an excerpt:

A longstanding effort to streamline the federal trademark registry was given a major push today when the Patent and Trademark Office issued its final set of regulations to implement the Trademark Modernization Act. The new regulations, contained in a final rule published in today's Federal Register, will allow third parties to challenge existing registrations that no longer belong on the federal trademark registry. The issuance of the final rule clears the way for the landmark trademark legislation, enacted in late 2020, to come into effect later this year.

The regulatory action arises out of the Trademark Modernization Act, enacted in December 2020 as part of the mammoth Consolidated Appropriations Act for 2021. Broadly speaking, the Act does two things. First, the Act establishes that plaintiffs in a trademark action are entitled to a presumption of irreparable harm when seeking injunctive relief—resolving a question that had split the federal courts ever since the Supreme Court voided a similar rule in the patent context in *eBay, Inc. v. MercExchange*, 547 U.S. 388 (2006). Second, the Act also contains a series of measures aimed at removing extraneous trademark registrations—thereby addressing the serious problem of “trademark depletion” faced by new entrants to the marketplace. ...

Practitioner comments.

Haynes Boone Partner and former Acting USPTO Director Joseph Matal observed that “the Office, along with business has felt the burden of the increasing amounts of deadwood that are cluttering the register, and appears to be eager to give these new proceedings a chance to help address the problem.” For trademark attorneys and applicants, Matal noted that the most immediate effect of the new rules is that they must now respond to an office action within three months rather than six. They can get a three-month extension that will effectively entitle them to the prior law's full six months, but they must file the request for the extension within the new three-month deadline, and they will have to pay a fee.

Addressing the new *ex parte* expungement and reexamination proceedings, Matal remarked that the Office has been careful, but has clearly “tailored the rules with an eye toward encouraging their robust use.” Matal told IP Law Daily that the Office “turned down several appeals from skeptics and worriers who wanted to cabin the new proceedings: it declined to impose a limit on the number of petitions that can be filed, instead waiting to see how the proceedings are actually used; it cut the filing fee by one third to just \$400, recognizing the public benefit of the use of these proceedings; and it declined to require identification of the real party in interest behind a petition, so that potential users are not deterred by fear of retaliation from a registrant.”

To read the full article, click [here](#). (Subscription Needed)