

USPTO Proposes Trademark Fee Increases

June 19, 2020

The United States Patent and Trademark Office (USPTO) published a Notice of Proposed Rulemaking today in the *Federal Register*, viewable at 85 Fed. Reg. 37040 (June 19, 2020), proposing adjustments to certain fees associated with trademarks, including applications, post-registration maintenance, and TTAB proceedings. Today's Notice, and the subsequent 45-day comment period, will likely lead to a final rule the USPTO anticipates could take effect in October 2020, at the earliest.

A primary justification for the USPTO's increased fees is the slowdown in trademark filings due to the COVID-19 pandemic and the corresponding economic downturn. Other increases are intended to encourage diligent action by applicants and registrants, as well as target fraudulent filings and to protect the overall integrity of the trademark register. The proposed changes appear necessary for the Trademark Office, as a 100% user-funded institution, to maintain its optimal level of operation in the current economic climate.

The proposed changes are likely to affect most trademark applicants and registrants. In view of these proposed increases, companies considering filing new trademark applications, or who are within the renewal period for existing registrations, should consider doing so promptly, before the new fees take effect. Also, existing registrants should take greater care and diligence so as not to incur unnecessary fees.

Application Filing and Prosecution Fees

The USPTO proposes an increase in the fee for filing an electronic application using the TEAS system from \$275 to \$350 per class. The corresponding increase in a paper-filed application is from \$600 to \$750. The fee for the more-stringent TEAS Plus application would only increase from \$225 to \$250. Thus, the USPTO's clear goal is to discourage paper filings, and increase the incentive to choose the TEAS Plus filing option.

In addition, the USPTO proposes a new fee for filing a request for reconsideration after a final office action. Applicants have six months to respond to a final action, and currently there is no fee for such a request. Under the new proposal, no fee would be required if a request is filed within three months, but a request filed after three months will now incur a fee of \$400 (\$500 for paper filing). Thus, the new fee is designed to encourage applicants to file requests for reconsideration earlier in the response period.



Post-Registration Fees

According to the USPTO, the COVID-19 outbreak and associated economic downturn has contributed to a greater decline in revenue from maintenance filings, and consequently a need for cost-appropriate offsets through fee increases.

Accordingly, the USPTO proposes a fee increase from \$125 to \$225 for declarations of use filed under Section 8 and Section 71. Also, a fee, or more accurately a penalty, of \$250 per class (\$350 per class for a paper filing) will be required if goods and services are deleted from a registration in response to an audit or post-registration office action. No fee would be incurred if goods or services are deleted voluntarily before acceptance of a Section 8 or Section 71 declaration. These proposed increases are intended to encourage due diligence by registrants before filing renewals, and ensure a more accurate trademark register.

TTAB Fees

Trademark lawsuits have also noticeably decreased in 2020, compared to 2019. Presumably, TTAB actions have similarly declined as trademark owners and challengers have opted against pursuing appeals and opposition proceedings.

In the USPTO's proposal, 16 fees related to TTAB filings are established or adjusted, including an increase for petitions for cancellation or notices of opposition; a tiered fee structure for requests for extension of time to file an opposition; an increase for filing a Notice of Appeal; a new \$200 fee per class for filing an appeal brief; and a new \$500 fee for requesting an oral hearing before the TTAB. Proposed fee changes for TTAB proceedings are aimed at aligning the fee structure with the costs of providing TTAB services, and reducing the extent to which TTAB proceedings are subsidized by other trademark fees.

Before a final rule is issued, the USPTO will consider public comments, as well as the operational needs of the Trademark Office and the state of the U.S. economy. Comments must be received on or before August 3, 2020, and should be submitted via email to TMFRNotices@uspto.gov or via the Federal eRulemaking Portal at www.regulations.gov.

Lathrop GPM's IP Practice Group can help you navigate through the USPTO's resources to ensure that your rights are properly secured and fully protected. For more information, please contact Tucker Griffith, William Scofield, or your Lathrop GPM contact.