



“Fraud” on the Trademark Office

AIPLA is very concerned about the standards the United States Patent and Trademark Office Trademark Trial and Appeal Board (“TTAB”) has developed in recent years for finding fraud by trademark applicants and registrants before the USPTO. The typical situation is as follows: a trademark owner files a statement with the PTO claiming that a mark is used on a number of goods or services, but mistakenly includes one (or more) items on which the mark is not used at that time. In virtually every case involving this fact pattern over the past 5+ years (approximately 20 cases), the TTAB has ruled that the trademark owner committed fraud. This happens even where the owner presented evidence that the error occurred honestly or inadvertently without any intent to deceive the PTO, and even where the owner was using the mark on other highly related goods or services listed in the statement so that the error did not materially affect the scope of the registration. The harsh result in each of these cases is that the entire application or registration is invalidated, resulting in the loss of valuable registration rights for the trademark owner. We have no problem with the PTO holding trademark owners to a duty of candor, and finding fraud in appropriate circumstances. However, the TTAB’s decisions in this area essentially hold trademark owners to a strict liability standard, unfairly voiding entire applications and registrations even for minor, inadvertent errors.

Patent and Trademark Public Advisory Committees

We would associate ourselves with the comments of the US Chamber’s group of IP execs comments on this topic:

Adopt more open and transparent procedures for the Patent and Trademark Public Advisory Committees.

- Provide for a more democratic and transparent process for selecting members to ensure broad and diverse representation as required by the statute.
- Provide better notice of the meetings and the agenda, and be mindful that the meetings are intended by statute to be open, with only limited exceptions for executive (closed) sessions.
- Provide prompt publication of the minutes of their activities and rationales for their recommendations.

IT and Procurement

The U.S. Patent and Trademark Office was made a performance based organization (PBO) in the American Inventors’ Protection Act of 1999 (AIPA) and authorized greater flexibilities in procurement of IT systems in 35 U.S.C. § 2. However, there remain significant constraints in the federal government procurement process imposed by government-wide procurement regulations and DOC OCIO and OIG oversight. These barriers cause the IT procurement process to overly costly, complex and lengthy making it difficult for the PTO to be capable and flexible in its need to deliver improved IT systems to serve the needs of the employees of the PTO and the public.

We would recommend that greater autonomy could be restored to the PTO by DOC to enable it to perform its IT procurement with less “red-tape”. It would further be advisable to assemble a “blue ribbon” panel of IT experts to perform a zero-based analysis of the PTO IT program and



suggest ways in which the IT programs including procurement can be reengineered to improve efficiency, effectiveness and reduce costs. This panel should bench mark the best IT management practices in government as well as the private sector to assist the PTO in best addressing its IT challenges identified in the 2008 PPAC Report. As a more far-reaching step, establishing the PTO as an independent government corporation would enable the PTO to operate as a private sector business employing industry standard best practices in its IT procurement.

Thanks again,

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