

Changes to Trademark Act Include New Procedure to Challenge Applications

On December 27, 2020, President Trump signed the bipartisan COVID-19 relief and government funding bill which includes the Trademark Modernization Act of 2020 (TMA). The TMA, which will become effective in one year, introduces significant amendments to the Lanham Act. These amendments are intended to reduce the number of trademark registrations and marks that remain on the Register but are not in use in commerce.

The TMA allows third parties to submit evidence in opposition to the registration of any trademark in a pending application for registration. In addition, the TMA establishes procedures for third parties to remove trademarks that are not in use in commerce from the Register. The U.S. Patent and Trademark Office may also initiate an expungement or reexamination proceeding for marks not in use in commerce. In addition, the TMA provides a new ground for cancellation of a trademark registration, namely, that the registered mark has not been used in commerce on or in connection with some or all of the goods or services recited in the registration at any time during the three-year period following the date of registration.

Notably, the TMA provides for ex parte expungements, in which third parties may challenge the registration of marks that have never been used in commerce. Under the TMA, parties may file a Petition to Expunge a trademark registration on the basis that the mark has never been used in commerce on or in connection with some or all of the goods or services recited in the registration. Parties may also file a Petition to Reexamine a registration on the basis that the mark was not in use in commerce on or in connection with some or all of the goods or services recited in the registration on or before the first date of use recited in the registration. These provisions, however, will require rulemaking by the Trademark Office to become effective. **Trademark owners should carefully review their recitation of goods and services in their trademark registrations to avoid these new proceedings.**

In addition, to help protect Trademark Trial and Appeal Board decisions from challenge under the Appointments Clause of the Constitution, the TMA grants the director of the U.S. Patent and Trademark Office “the authority to reconsider, and modify or set aside, a decision of the Trademark Trial and Appeal Board.” The TMA also confirms that a plaintiff seeking an injunction “shall be entitled to a rebuttable presumption of irreparable harm upon a finding of a violation identified in this subsection in the case of a motion for a permanent injunction or upon a finding of likelihood of success on the merits for a violation identified in this subsection in the case of a motion for a preliminary injunction or temporary restraining order.” This is significant because the plaintiff must demonstrate that it will suffer irreparable harm for the entry of an injunction in trademark and unfair competition actions.

If you have questions related to trademarks or the TMA, please contact [John Jackson](#) or another member of the [Intellectual Property](#) team.

Section 1.01 Visit our COVID-19 Insight Center for our latest legislative and legal updates, articles, and resources.

The material in this publication was created as of the date set forth above and is based on laws, court decisions, administrative rulings, and congressional materials that existed at that time, and should not be construed as legal advice or legal opinions on specific facts. In some cases, the underlying legal information is changing quickly in light of the COVID-19 pandemic. The information in this publication is not intended to create, and the transmission and receipt of it does not constitute, a lawyer-client relationship. Please contact your legal counsel for advice regarding specific situations.