

TRADEMARK MODERNIZATION ACT OF 2020 TO STRENGTHEN TRADEMARK OWNERS' RIGHTS

Hodgson Russ Trademark Oppositions & Cancellations Alert
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On December 27, 2020, the Trademark Modernization Act of 2020 (“TMA”) was signed into law as a part of a COVID-19 relief and spending bill. The TMA is designed to clarify the standard to obtain injunctive relief in trademark actions; reduce the increasing number of fraudulent trademark registrations on the USPTO register; and establish new trademark prosecution procedures to streamline the registration process.

One of the most significant changes brought about by the TMA is the return of the presumption of irreparable harm for trademark owners in an application for injunctive relief which was previously eliminated by *eBay Inc. v. MercExchange LLC*, 547 U.S. 388 (2006). After the *eBay* decision, there was a split in the circuits as to whether irreparable harm can be presumed upon a showing of likelihood of success on the merits for preliminary injunctive relief or upon a finding of trademark infringement. The TMA clarifies that “a rebuttable presumption of irreparable harm exists given the consumer protection concerns that would occur otherwise.”

In an effort to curtail fraudulent practices, such as using fake photos to prove trademark use in commerce, the TMA created two new procedures: (1) expungement, which allows a registration to be challenged on the basis that a mark was never properly used in commerce under the new Section 16A of the Lanham Act; and (2) *ex parte* re-examination of trademarks that were not put to use in U.S. commerce prior to the relevant registration date under the new Section 16B. Petitions under 16A can be filed three years after registration and petitions under 16B must be filed within the first five years after registration when registered under Section 1(a), use in commerce.

The TMA has also improved the ability for third parties to challenge pending applications with the submission of evidence supporting a registration refusal, though all of the formalities have not yet been established by the USPTO. Finally, the TMA grants examining attorneys authority to set response times to Office actions to a period of less than six months, which has been the longtime standard.

It is not yet clear what the full impact of these measures will be, but the TMA is expected to bring positive outcomes for trademark owners as it provides: (1) cheaper and faster tools to challenge fraudulent trademarks compared to the current *inter partes* cancellation proceedings before the Trademark Trial and Appeal Board; and

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(2) much-needed clarity on obtaining injunctive relief, making it easier for trademark owners to protect their most valuable assets in trademark litigation. It is certainly a step in the right direction to efficiently protect the interest of *bona fide* trademark owners and, by extension, their customers who rely on trademarks to identify the source of goods and services they consume.

Additional information is available on the USPTO resource page, in the article "[Trademark Modernization Act establishes new procedures.](#)"

Click [here](#) to view a copy of the full bill text. Click [here](#) to view a section-by-section analysis of the bill.

If you have any questions regarding the TMA or other trademark issues, please contact Neil Friedman (646.218.7605) or Ryan McGonigle (646.218.7537).

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