

Expect More Audit Requests From the United States Patent and Trademark Office

Article

Amundsen Davis Intellectual Property Alert

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The expected uptick in the issuance of United State Patent and Trademark Office (USPTO) audits means practitioners and trademark owners alike will need to be more diligent in identifying goods or services in trademark registrations and registration applications.

To promote the accuracy and integrity of the trademark register, the USPTO is amending its practice concerning the selection of registrations for audit during the post-registration maintenance process. When its audit program was implemented in 2017, it announced that it would conduct “random” audits of certain affidavits or declarations filed each year. To promote the accuracy and integrity of the trademark register, the USPTO added “directed” audits to its practice effective October 28, 2024.

The statutory requirements exist to enable the USPTO to cancel, in whole or in part, registrations for marks that are not in use in commerce for all or some of the goods or services identified in the registration. The final rule furthered this statutory purpose by allowing the USPTO to assess whether marks are actually in use for some or all of the goods or services covered by a registration and requiring deletion and/or cancellation of those goods or services for which a mark is not in use.

To that end, the final rule grants the USPTO the authority to require the submission of information, exhibits, affidavits or declarations, and additional specimens of use as may be reasonably necessary for the USPTO to ensure that the register accurately reflects marks that are in use in commerce in the United States for all the goods or services identified in the registrations. This authority was not limited to random audits. However, the USPTO previously announced that selection for the audits would be done on a “random” basis.

Since the final rule was adopted in 2017, the USPTO has become aware of circumstances in which the accuracy and integrity of the trademark register would benefit from directed audits in addition to the current practice of random audits. Specifically, the USPTO discovered systemic efforts to subvert the requirements for use in commerce of a mark to support registration. One such effort involves applicants submitting specimens that are digitally created or

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altered or are mockups and thus do not show actual use in commerce.

A more disturbing trend is the use of specimen “farms.” These are websites that do not sell products in the ordinary course of trade. Instead, they provide applicants or registrants with documents to submit to the USPTO that appear to satisfy the requirement to show use of the mark in commerce on the goods recited in the application or registration. No two specimen farm websites are exactly alike, but many have the following: (1) incomplete contact information, blank pages, or missing or incomplete product descriptions; (2) place-holder text on many pages; (3) the same, sometimes incorrect, product information for multiple product listings; and/or (4) products that cannot be purchased in or shipped to the United States.

The bottom line is that we can expect an uptick in the issuance of office actions relating to “directed” audits in addition to the current practice of “random” audits after a mark has been registered. Practitioners and trademark owners should be diligent in accurately identifying the goods or services a registration pertains to. This should include confirming actual use of the mark with the goods or services prior to filing a “use” based application and doing the same prior to filing the statement of use in an “intent-to-use” based application. Current practice requires the payment of \$250 to *remove* an unused good or service if an audit is conducted.

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