

# How Does the Trademark Modernization Act of 2020 Help You Protect Your Brand?

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Signed into law on December 27, 2020, the [Trademark Modernization Act of 2020](#) (TMA) provides amendments to existing federal trademark law that will assist US retailers and other businesses with branding decisions. Congress passed the TMA as part of the COVID-19 relief and government-funding bill.

Key TMA amendments include authority for submission of evidence by third parties during trademark examination, procedures to challenge trademarks due to non-use (so-called “deadwood trademarks”), and a statutory presumption of injunctive relief in trademark infringement proceedings. Most of the amendments have an effective date of December 27, 2021, giving the United States Patent and Trademark Office (USPTO) a year to implement the TMA’s changes—with one important exception that took effect immediately: the rebuttable presumption of irreparable harm.

In sum, retailers now have additional tools to defend and enforce their own marks, and to challenge the marks of others, as further described below.

## **Statutory Rebuttable Presumption of Irreparable Harm (Effective Immediately)**

Retailers who face trademark infringement, and seek a temporary restraining order, preliminary injunction, or permanent injunction in federal court to stop it, now have the benefit of being entitled to a rebuttable presumption of irreparable harm on a finding of infringement or likelihood of success on the merits.

This is important because, unlike prior to the TMA amendment, when different jurisdictions followed different standards of law, retailer trademark owners can expect application of a uniform standard in assessing the available equitable remedies for infringement, which may make it easier to obtain injunctive relief.

## **Evidence Submitted by Third Parties (Effective December 27, 2021)**

The TMA allows a third party to submit evidence for consideration in the refusal of a trademark

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registration application prior to registration, for example, evidence that the third party was using the trademark before the applicant. Retailers should expect a decision from the USPTO on whether such evidence will be included in the record within two months of submission. This decision by the USPTO is final and non-reviewable and does not prejudice any party's right to raise any issue and rely on any evidence in any other proceeding.

### **Ex Parte Expungement Proceeding (Effective December 27, 2021)**

Under the TMA, any person can file a petition to expunge a trademark registration—anytime between three and ten years after the registration date of the mark—on the ground 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. The USPTO will determine whether a petitioner conducted a reasonable investigation and set forth a prima facie case of non-use. If so, the USPTO will institute an *ex parte* expungement proceeding and notify all parties involved. The procedures for *ex parte* expungement are largely the same as those for trademark application examination, but here the trademark owner has an opportunity to combat the assertions raised in the petition by offering excusable non-use to prevent cancellation of the mark.

For retailers and others seeking to cancel a trademark, an advantage of this type of proceeding, as opposed to *inter partes* proceedings before the USPTO, is that it may be less costly and time consuming.

### **Ex Parte Reexamination Proceeding (Effective December 27, 2021)**

Similar to *ex parte* expungement, under the TMA any person can file an *ex parte* reexamination on the ground that the trademark has never been used in commerce on or in connection with some or all of the goods or services recited in the registration. However, *ex parte* reexamination will be limited to non-use over a defined time (in effect, on or prior to a relevant date, which can constitute the date the trademark application was filed and its as-filed use, the date the trademark application was amended to allege use, or the time period for filing a statement of use that expired). In addition, the petition must be filed within the first five years of the registration date of the trademark. Thus, those seeking to challenge trademark non-usage by *ex parte* reexamination will need to file a petition rather quickly or risk a laches issue and dismissal for failure to act within the allotted time.

### **Important Takeaways**

We encourage retailer trademark owners to affirm that their marks cover and are being used for goods or services as set forth in the trademark registration or risk being challenged under the procedures set forth in the TMA on the ground of alleged non-use. (Retailers should take note that the USPTO itself will have the ability to file both *ex parte* expungement and *ex parte* reexamination petitions; such petitions are not limited to third parties, e.g., challengers or competitors.) In addition, retailers alleged to infringe another's trademark are reminded that the rebuttable presumption of irreparable harm is already in effect.

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