


November 2020

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The November 2020 issue of Sterne Kessler's Markt to Market® newsletter discusses a rare failure-to-function refusal reversal at the TTAB, Google's efforts to combat counterfeit goods, and 2021 fee increases for trademark filing and TTAB actions.

Sterne Kessler's [Trademark & Brand Protection practice](#) is designed to help meet the intellectual property needs of companies interested in developing and maintaining strong brands around the world. For more information, please contact [Monica Riva Talley](#) or [Tracy-Gene G. Durkin](#).

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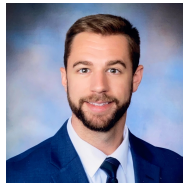
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PARADISE FOUND – TTAB REVERSES A FAILURE-TO-FUNCTION REFUSAL

By: [Dana N. Justus](#)

Trademark practitioners were pleasantly surprised this month when the Trademark Trial and Appeal Board issued a rare reversal of a “failure-to-function” refusal, which has become an increasingly more common hurdle for trademark applicants to overcome on the road to federal registration.

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FAUX-CUS: GOOGLE TAKES AIM AT THE COUNTERFEIT INDUSTRY

By: Joseph Diorio and [Monica Riva Talley](#)

Why do most consumers prefer to purchase expensive goods in person? Do they value the trust factor of seeing and knowing what they are buying? Do they need to feel confident that the item is worth the price? As the pandemic has accelerated the migration to online commerce, some online marketplaces are taking steps to ensure consumers feel as confident shopping online as they do in brick-and-mortar stores.

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PTO GIVES THANKS FOR... INCREASING TRADEMARK FEES IN 2021

By: [Shana L. Olson](#)

Effective January 2, 2021, the U.S. Patent and Trademark Office (PTO) will be adjusting – or introducing – a number of Trademark and Trademark Trial and Appeal Board (TTAB) fees. This increase has been a long time coming: the fee review process began in December 2018.



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PARADISE FOUND – TTAB REVERSES A FAILURE-TO-FUNCTION REFUSAL

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Trademark practitioners were pleasantly surprised this month when the Trademark Trial and Appeal Board issued a rare reversal of a “failure-to-function” refusal, which has become an increasingly more common hurdle for trademark applicants to overcome on the road to federal registration. However, the case law on this issue remains muddled, and there is still little clarity on effective tactics for registering a phrase or tagline that may be informational in nature or already in the public lexicon.

The basis for failure-to-function refusals goes to the heart of trademark law, as the more commonly used and widespread a phrase, the less likely that the consuming public will recognize it as connoting a single source and serving as a trademark. Many failure-to-function refusals concern phrases that either convey information (e.g., MADE IN THE USA) or display a familiar or widespread saying (e.g., ONCE A MARINE, ALWAYS A MARINE or I ♥ DC), often in the areas of apparel and other consumer products.

In *In re Rodeowave Entertainment, LLC*, U.S. Serial No. 87801076 (November 13, 2020), the Board held that the record evidence failed to show that the mark JUST ANOTHER DAY IN PARADISE, applied for a variety of decorative consumer home products, was “a common or familiar expression in such widespread use that it is inherently incapable of functioning as a mark.” Although the application was filed on the intent-to-use basis and the Examining Attorney submitted numerous instances of third-party use of the same mark on the same types of consumer products (e.g., home décor items, coffee mugs, pillow covers), the Board focused on the fact that the evidence did not demonstrate that JUST ANOTHER DAY IN PARADISE is “used in everyday parlance” or “conveys a common social, political, patriotic, religious or other informational message.” *Id.* At 12. Accordingly, the familiarity of this phrase apparently did not rise to the level to where it might be deemed “widespread,” so the Board reversed the failure-to-function refusal.

By contrast, the Board recently deemed the following example marks incapable of functioning as trademarks, with little way of differentiation as compared to the JUST ANOTHER DAY IN PARADISE opinion: LEGAL LANDMINES (for business coaching and educational services), SHE KNEW SHE COULD (for jewelry, blank journals, beach bags, drinking glasses, clothing, and playing cards), and TEXAS LOVE (for hats and shirts). It is interesting to ponder whether the well-known lifestyle brand LIFE IS GOOD would have encountered this issue if this mark – arguably a fairly widespread phrase prior to the brand’s rise – were the subject of an application

today instead of in the 1990s.

The subjective reasoning in these cases offers little to brands and practitioners seeking a foolproof strategy to get past the increasing volume of failure-to-function refusals. Until more guidance is provided, it is still wise to confirm in the clearance process whether a phrase or tagline mark seems to be already “out there” in the public jargon – otherwise, you probably won’t be living it up in Office Action paradise.

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Why do most consumers prefer to purchase expensive goods in person? Do they value the trust factor of seeing and knowing what they are buying? Do they need to feel confident that the item is worth the price? As the pandemic has accelerated the migration to online commerce, some online marketplaces are taking steps to ensure consumers feel as confident shopping online as they do in brick-and-mortar stores.

Some savvy consumers may view this credibility gap as an uphill battle, as online marketplaces are notoriously flush with counterfeit goods. To help bolster consumer confidence in online platforms in general, Google updated its legal troubleshooting form this past June to include a new but highly-requested feature – the takedown of counterfeit goods from Google’s search results. In the past, consumers have been able to submit requests to remove GoogleAds related to counterfeit goods, but were unable to remove the webpages of the counterfeit goods from populating the search results.

Since its introduction five months ago, Google has successfully removed 933 webpages from Google search results and marketplaces with this new feature. Although this number may seem underwhelming at first glance, the takedown process is arduous. The current process requires a trademark owner to manually [submit a complaint](#) under [Google’s Merchant Center](#), which is then manually reviewed by Google to determine its legitimacy. Submitting a complaint requires the user to identify that they are the owner of a registered trademark and that the alleged webpage is selling counterfeit goods that infringe on their asserted trademark. If successful, Google will remove the webpage from populating its search results and send a copy of the legal notice to the [Lumen project](#) for transparency.

Google’s new takedown mechanism is another tool that brands can wield in the fight against online counterfeiters. Counterfeiting is now the largest criminal enterprise in the world, even surpassing drugs and human trafficking. Counterfeiting has a significant impact on businesses – not only from the perspective of lost sales, estimated to be roughly \$29 billion per year, but also the loss of more than 750,000 jobs. From a brand value perspective, as more counterfeit products flood the market, brands begin to struggle to compete with cheaper versions of their “own” products – particularly as reflected in Google search results – and can be forced to change their own price structure. For all of these reasons, brands should consider incorporating Google’s reporting feature into their regular online counterfeit monitoring and takedown routine.

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By: [Shana L. Olson](#)

Effective January 2, 2021, the U.S. Patent and Trademark Office (PTO) will be adjusting – or introducing – a number of Trademark and Trademark Trial and Appeal Board (TTAB) fees. This increase has been a long time coming: the fee review process began in December 2018. In its [summary of the final rule](#), the PTO says that it took into account the current state of the economy when considering the fee increases and weighed that factor against the operational needs of the agency and comments received during the review process.

On balance, the increases are relatively modest; however, some of the new fees, including those relating to TTAB proceedings and Petitions to the Director, may take trademark owners by surprise. We summarize the more noteworthy changes below:

New Applications

The fee for TEAS Standard applications is increasing from \$275 to \$350 per Class; in contrast, the filing fee for TEAS Plus applications is also increasing – but only by \$25 (from \$225 to \$250 per Class), perhaps helping to incentivize applicants to tailor their submissions to the more stringent TEAS Plus requirements.

Post-Registration

The fee for filing a Section 8 or 71 declaration is increasing from \$125 to \$225 per Class.

The PTO is also adding a new fee for deleting goods, services, and/or Classes from a registration *after* submitting a Section 8 or 71 declaration, but before the declaration is accepted – amendments of this nature will now incur a \$250 per Class fee. This fee is likely to come into play when the PTO conducts an audit of a registration and finds that not all of the goods/services are offered under a mark, and should serve as a further incentive to ensure accuracy in these filings.

In contrast, the PTO has not implemented any fees for deleting goods, services, and/or Classes from a registration *before* filing a Section 8 or 71 declaration, or for submitting a Section 8 or 71 declaration that specifies only certain goods, services, and/or Classes in the registration.

Petitions to the Director/Letter of Protest

The fee for filing a Petition to the Director is increasing from \$100 to \$250 and the fee for filing a petition to revive an abandoned application is increasing from \$100 to \$150.

The PTO is also implementing a new fee for filing a Letter of Protest, which used to be free of charge. Filing a Letter of Protest through TEAS will now incur a \$50 fee.

The final rule also codifies the procedures for filing Letters of Protest, which will also be effective as of January 2, 2021.

TTAB Fees

Similarly, the PTO will be increasing a number of fees relating to TTAB actions. The fee for filing either a Petition to Cancel or a Notice of Opposition will increase from \$400 to \$600 per Class. Extension requests beyond the initial 30 days (which are still free) have doubled: the fee for requesting an initial 90-day extension will increase from \$100 to \$200 and the fee for requesting a final 60-day extension will increase from \$200 to \$400.

Additionally, a few new fees will be implemented relating to *ex parte* and *inter partes* matters: the TTAB will now charge a \$100 fee for second and subsequent requests for an extension of time to file an appeal brief in an *ex parte* appeal, a new \$200 fee for filing the appeal brief itself, and a new \$500 fee for requesting an oral hearing.

Please contact us if you have any questions as to how this new fee structure will impact your 2021 trademark budget.

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As of November 30, 2020, ICANN lists a new Sunrise period as open for the following new gTLD that may be of interest to our clients. A full list can be viewed [here](#).

.forum

ICANN maintains an up-to-date list of all open Sunrise periods [here](#). This list also provides the closing date of the Sunrise period. We will endeavor to provide information regarding new gTLD launches via this monthly newsletter, but please refer to the list on ICANN's website for the most up-to-date information – as the list of approved/launched domains can change daily.

Because new gTLD options will be coming on the market over the next year, brand owners should review the list of new gTLDs (a full list can be found [here](#)) to identify those that are of interest.

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