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## VII. Public Record

The EPA has established a public record of this testing decision (docket number OPTS–42032). This record includes:

(1) **Federal Register** notice designating formamide to the priority list.

(2) Communications before industry testing proposal consisting of letters, contact reports of telephone conversation, and meeting summaries.

(3) Testing proposals and protocols.

(4) Published and unpublished data.

(5) **Federal Register** notice requesting comment on the negotiated testing proposal and comments received in response thereto.

The record, containing the basic information considered by the Agency in developing the decision, is available for inspection in the OPTS Reading Room from 8:00 a.m. to 4:00 p.m., Monday through Friday, except legal holidays, in Rm. E–107, 401 M St., SW., Washington, D.C. 20460. The Agency will supplement this record periodically with additional relevant information received.

(Sec. 4, 90 Stat. 2003; (15 U.S.C. 2601))

Dated: May 10, 1983.

**Lee L. Verstandig,**

*Acting Administrator.*

[FR Doc. 83-13385 Filed 5-20-83; 8:45 am]

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federal register

Monday
May 23, 1983

Part VI

# Department of Health and Human Services

## Office of Human Development Services

## Foster Care Maintenance Payments, Adoption Assistance, and Child Welfare Services; Final Rule

**DEPARTMENT OF HEALTH AND HUMAN SERVICES**

**Office of Human Development Services**

**45 CFR Parts 1355, 1356, 1357 and 1392**

**Foster Care Maintenance Payments, Adoption Assistance, and Child Welfare Services**

**AGENCY:** Office of Human Development Services (OHDS), HHS.

**ACTION:** Final rule.

**SUMMARY:** The Department is issuing final rules to govern two Social Security Act programs: the new title IV–E program, Federal Payments for Foster Care and Adoption Assistance, and the title IV–B program, Child Welfare Services. This final regulation implements the provisions of the Adoption Assistance and Child Welfare Act of 1980 (Pub. L. 96–272) and provides the basic programmatic requirements under titles IV–E and IV–B. Final fiscal rules for these two programs were published on July 15, 1982 (47 FR 30922).

**EFFECTIVE DATE:** June 22, 1983.

**FOR FURTHER INFORMATION CONTACT:** Frank Ferro, Associate Chief, Children's Bureau, P.O. Box 1182, Washington, D.C. 20013, (202) 755–7418.

**SUPPLEMENTARY INFORMATION:**

**Background**

The Child Welfare Services program has been a part of the Social Security Act since the Act's inception in 1935. In 1968 Congress transferred this program to title IV, Part B of the Act (sections 420–425 of the Act). Historically, title IV–B, has provided Federal grants to States to establish, extend and strengthen child welfare services. Under this program, services are available to all children, including the handicapped, homeless, neglected and dependent.

The Adoption Assistance and Child Welfare Act of 1980 (Pub. L. 96–272) was enacted on June 17, 1980. In addition to amending title IV–B, Pub. L. 96–272 establishes a new program, the title IV–E program, Federal Payments for Foster Care and Adoption Assistance, which replaced on October 1, 1982, the title IV–A foster care program in the States. The law creates links between the two programs with numerous program and fiscal incentives.

The impetus behind the passage of Pub. L. 96–272 was the belief of Congress and most State child welfare administrators, supported by extensive research, that the public child welfare system responsible for serving dependent and neglected children, youth and families had become a receiving or holding system for children living away from their parent(s). Congress envisioned in the new legislation a system that would help families remain together by assisting parents in carrying out their roles and responsibilities and providing alternative permanent placement for those children who cannot return to their own homes. Studies showed that thousands of children were stranded in the public foster care system with little hope of being reunited with their families or having a permanent home through adoption or other permanency planning, thereby causing harm to the children and high costs to the States. Other findings included:

- The number of children in foster care had increased during the last decade while the length of stay in substitute care has also increased.
- Caseloads are large in the social service field and case workers are often unable to provide full and appropriate services to children in care and to their families.
- Many children in foster care could have been cared for in their own homes if homemaker, day care or other services had been available.
- Home based services and adoptive care are the most cost beneficial forms of care.

*Content and Purpose of Pub. L. 96–272*

The passage and enactment into law of Pub. L. 96–272 demonstrated a Congressional concern and commitment to provide financial assistance and technical consultation to States to make changes in their child welfare services systems. To reduce the number of children entering foster care, the law emphasizes the use of preplacement preventive services to help solve or alleviate the family problems that would otherwise result in the child's removal from the home. To reduce the number of children already in the foster care system, the law requires States to undertake several initiatives:

1. A State must enact a law by October 1, 1982, establishing annual goals for the number of children funded under the title IV–E program who remain in foster care over 24 months.
2. If a State is to receive Federal financial participation (FFP) in foster care maintenance payments under title IV–E after October 1, 1983, it must provide services to facilitate the reunification of foster children with their families.
3. To ensure that children do not remain adrift in the foster care system, a State must implement case plan and case review procedures that periodically assess the appropriateness of the child's placement and reevaluate the services provided to assist the child and the family.
4. To encourage family reunification, a State must attempt to place a child in close proximity to the family and in the least restrictive (most family-like) setting.
5. Finally, for those children who cannot be reunited with their families and who have "special needs," financial assistance will be available to families adopting these children.

In short, the new law rests on three pillars:

- Prevention of unnecessary separation of the child from the parents;
- Improved quality of care and services to children and their families; and
- Permanency through reunification with parents or through adoption or other permanency planning.

**Discussion of Major Comments on the NPRM and Changes in This Final Rule**

The Department published an initial NPRM to implement the provisions of Pub. L. 96–272 on December 31, 1980 (45 FR 86817). Subsequently, the Department determined that a less prescriptive approach to implement the statutory requirements was advisable. Therefore, a second NPRM was published on July 15, 1982 (47 FR 30932). That second NPRM and the public comments received by the Department are the basis of this final rule.

The Department received 97 letters from individuals, advocacy organizations, national and local service organizations and State agencies in response to the second NPRM. Included below is a summary of comments from respondents, the Department's response to those comments and a discussion of the changes made in the final rule.

*Changes Made in the Code of Federal Regulations*

This final rule amends three Parts (Parts 1355, 1356 and 1357) in Subchapter G (The Administration for Children, Youth and Families, Foster Care and Adoption Assistance; Child Welfare Services). These Parts were created by a final regulation published July 15, 1982 (47 FR 30922).

In addition to amending Parts 1355, 1356 and 1357, this final rule removes Part 1392 of this title, which contains the current requirements for the title VI–B program. New requirements for this program will be found in Parts 1355 and 1357 of this title. Part 1392 also contained the requirements for the

Social Services program under title IV-A provided only by the Territories. The title IV-A services program was abolished by the Omnibus Budget Reconciliation Act of 1981, Pub. L. 97-35. The Territories now provide social services under the Social Services Block Grant Program (Title XX).

Final rules have already been published to implement the titles IV-B and IV-E fiscal provisions and the Medicaid requirements of Pub. L. 96-272.

**Section by Section Discussion**

*Part 1355—General*

*45 CFR 1355.20—Definitions*

45 CFR 1355.20 contains several definitions which have common applicability to both titles IV-E and IV-B. There were several supportive comments for these definitions. Beyond the general support, however, several commenters made specific suggestions for improving the definitions of "detention", "foster family home" and "State agency."

*Comment—"Detention facility"*

The definition of "child care institution" in section 472(c)(2) of the Act excludes certain facilities from that definition including "detention facilities". The NPRM defines the term "detention" in an effort to clarify what type of facilities were "detention facilities."

Several commenters were concerned that the second NPRM language for "detention" could be read to preclude "time-out rooms" within a facility, as distinct from the statutory exclusion (section 472(c)(2) of the Act) of an entire detention facility. Some commenters were also concerned about the use of the vague term "determined" when speaking of the juvenile's delinquency status in the NPRM definition of "detention". Other commenters were concerned about the broadness of the definition itself.

*Response*

The Department has made two changes to clarify the statutory intent of section 472(c)(2) of the Act. First, we have defined "detention facility" rather than "detention". It is the Department's intent to make clear that it is the overall nature and purpose of the institution that determines whether or not it may be considered a "child care institution" under the Act, and not a particular treatment activity within the institutional program that determines whether a child in that institution may receive a title IV-E payment. Second, we have reworded the definition to make clear that the prohibition in section 472(c)(2) of the Act applies to facilities housing both pre- and post-adjudication children. This means that the status of the child, whether having been adjudicated or awaiting adjudication, is essentially irrelevant to the purpose of the Act's prohibition. It is the nature of the facility—is it secure custody, does it house children who are in need of a physically restricting facility, etc.—that is determinative.

*Comment—"Foster family home"*

The NPRM provided a definition of "foster family home" which included group homes if the group home was licensed or approved by the State as a foster family home.

Several commenters pointed out that their State licensing law licensed group homes as a separate category of living arrangement, not as foster family homes. Other commenters suggested that the NPRM definition did not take into account other categories of possible foster care placements. Suggestions were made to allow for placements which, while providing foster care, were not licensed or approved under a State's foster family home provisions but under another provision of State law, including agency operated boarding homes.

All commenters agreed, however, that all foster care placements must be licensed or approved under some provision of State law or rules whether called foster family care or not.

*Response*

The Department's intent was to make the broadest possible range of appropriate foster care placements eligible for FFP. Therefore, the Department has revised the definition of "foster family home" to include a variety of possible foster care placements giving States the greatest flexibility in selecting the most appropriate placement. At the same time, we have maintained the important principle of licensing or approval. This would include Indian foster homes, both on and off the reservation, provided that the homes are licensed or approved.

*Comment—"State agency"*

The definition of "State agency" in the NPRM included local agencies administering the State plan. This addition is not consistent with section 472(a)(2)(B) of the Act and raised questions about the roles and responsibilities for administering the program.

*Response*

The State agency supervising the administration of the title IV-E State plan may enter into an agreement with other public agencies to implement the placement and care responsibilities under the plan (section 472(a)(2)(B)). However, the responsibility for assuring that the plan is administered in accordance with the Act and this final rule rests with the title IV-E/IV-B State agency. Thus, to avoid confusion, we have deleted the reference to local agencies from the definition of State agency.

*45 CFR 1355.21—State plan requirements for titles IV-E and IV-B*

*Comment—"Fair Hearings" (45 CFR 1355.21(b))*

The NPRM contained a cross-reference in § 1355.21(c) to 45 CFR 1355.30, a previously published final rule to implement the fiscal requirements of titles IV-E and IV-B. Paragraph (k) of 45 CFR 1355.30 is a State plan requirement for fair hearings for recipients of both title IV-E and title IV-B programs.

One commenter suggested that the Department eliminate the requirement for fair hearings under title IV-B because the NPRM language exceeded the statutory authority.

*Response*

The Department believes that the close programmatic and fiscal relationship between titles IV-E and IV-B make a fair hearings requirement appropriate. In addition, the fair hearing requirement has been a part of the title IV-B regulations since the 1960's (see 45 CFR 1302.11). Therefore, under the general rulemaking authority granted to the Secretary by section 1102 of the Act, the Department has not made any change in the language of the final rule.

One commenter asked if fair hearings were available under the adoption assistance program. Section 471(a)(12) of the Act is clear that fair hearings are available for both the foster care maintenance payments and adoption assistance programs under title IV-E.

*Comment—"Public Access" (45 CFR 1355.21(c))*

The NPRM did not contain a specific provision to require public access to the State plan document and materials for either title IV-E or title IV-B.

There was strong interest in and support for requirements for public participation in a variety of areas including development of the State plans for both titles IV-E and IV-B, review of foster care and adoption assistance payment standards, and review of State foster care standards.

*Response*

The Department has given consideration to the comments and how to address the legitimate need for public information and participation. We believe that, at a minimum, public access to the fundamental document, materials and information which form the basis of the State's title IV–E and IV–B plans and activities is essential. Therefore, the Department is requiring (45 CFR 1355.21(c)) that the State agency make the State plans and plan amendments available for public review and inspection.

While the Department has chosen to limit this requirement to making the materials and information available, we strongly encourage the States to involve representatives from a broad cross-section of the community in the development of and on-going reviews of the State plans and programs.

The Department has declined to require public participation in reviews of foster care standards and foster care and adoption assistance payments. However, as with the plan development and program reviews, the Department also strongly encourages the States to involve a broad cross-section of the community in these efforts.

*Part 1356—Requirements Applicable to Title IV–E*

*45 CFR 1356.20—State plan document and submission requirements*

*Comment*

The NPRM (§ 1356.20) provided the procedural framework for development, submission and approval of the title IV–E State plan. The NPRM language proposed to give the State flexibility on the format and effective period of the plan. This section also specified the additional State plan document requirements which become applicable if a State chooses to claim FFP for voluntary care. The comments on this section fell into two categories. One category dealt with the effective period and format of the plan document. The other addressed the optional nature of the voluntary care provisions.

*Response*

Compared with other State plans (e.g., title IV–B), the title IV–E State plan is a relatively static document. The State is required to provide assurances that the statutory and regulatory requirements are being implemented. These fundamental requirements and assurances are not likely to change from year to year even though specific methods of implementation may change. To the extent that substantial changes are made or required to be made, the final rule mandates a plan amendment. The Department believes that requiring an annual plan, the specific content or format of the plan, or similar recommendations are unnecessary to achieve the goals of the title IV–E program. Therefore, no change was made in the final rule.

The second area of comment suggested making mandatory State participation in the voluntary placement FFP program. Section 102 of Pub. L. 96–272, as it amends section 472(d) of the Act, clearly makes the voluntary care provision optional in that the State may receive FFP for the costs of voluntary placements only if it meets the requirements of section 427(b) of the Act. It is a State decision and cannot be mandated by the Department. Therefore, no change was made in the final rule.

In the NPRM, we proposed in paragraph (c) of this section that the approval procedures in 45 CFR 201.3 would apply to the title IV–E program. We have incorporated the pertinent language of § 201.3 into the final regulation.

The Department wishes to call to the reader's attention that the Tax Equity and Fiscal Responsibility Act of 1982, Pub. L. 97–248, corrected an erroneous cross-reference in section 471(a)(10) of the Act to day care standards. The correct reference is now to the foster care standards which are reasonably in accord with recommended standards of national organizations concerned with foster homes and institutions.

*45 CFR 1356.21—Foster care maintenance payments program implementation requirements*

The Department received a great many comments on this section of the NPRM.

*General implementation (45 CFR 1356.21(a))*

*Comment*

The provisions of the NPRM (45 CFR 1356.21(a)) and those of this final rule (also 45 CFR 1356.21(a)) give the general implementation and FFP requirements for the title IV–E foster care maintenance payments program.

Comments received regarding 45 CFR 1356.21(a) fell into two categories: requests for specification in the regulation of the Federal monitoring approach and methodology, and requests for specification of the "procedural safeguards" required under section 475(5) of the Act.

Additionally, commenters pointed out an incorrect reference to section 475(5) was included in the NPRM.

*Response*

We have made the correction to the erroneous reference by changing the final rule to provide that States must meet the requirements of sections 475(5)(A) and (B) of the Act.

The Department believes that the Federal monitoring approach and methodology are best described in another forum.

As to the "procedural safeguards" recommendation, the incorrect reference in the NPRM to section 475(5) created some confusion. The statutory requirement for "procedural safeguards" arises only in the context of the dispositional hearing requirement in section 475(5)(C) and not under section 475(5) (A) and (B) as the reference should have read. Moreover, the Department's approach to development of this final rule has been to give the States maximum operational flexibility. Consequently, inclusion of detailed requirements is not appropriate under this provision of the final rule. (See discussion under "dispositional hearings", 45 CFR 1356.21(e).)

*"Reasonable efforts" (45 CFR 1356.21(b))*

Sections 471(a)(15) and 472(a)(1) of the Act require that, after October 1, 1983, in each child's case, "reasonable efforts" be made to prevent removal and to reunify children separated from their parent(s).

*Comment*

In 45 CFR 1356.21(e), the NPRM proposed that if a State had a system of preplacement preventive and reunification services as required by section 427(a)(2)(C) and (b)(3) of the Act, the requirement for "reasonable efforts" would be met.

Commenters strongly objected to this proposed section arguing that the establishment of a Statewide services program under section 427 in no way ensures that "reasonable efforts" will be made for an individual child. They recommended, alternatively, that the regulations specify a list of core services that must be provided; mandate at least three services; list the acceptable services from which the State could select a fixed minimum number; or require that the specific services provided to the child be identified in the case plan.

In general, State agencies responded to the proposed regulation by supporting the approach and the flexibility it offered. In these times of limited resources and substantial service demands, they commented, the States

must have wide latitude to develop resource priorities and service choices.

*Response*

As a general principle, the Department agrees with the State agencies' comments. The Department believes that it is an inappropriate and unnecessary Federal intrusion to dictate nationally a specific set of services which may or may not address a particular State's situation. Moreover, the Department believes that it is essential to give States the flexibility and responsibility for these service decisions.

However, we agree with commenters that reasonable efforts must be made on behalf of each child. Therefore, the Department has provided in 45 CFR 1356.21(b), that in order to meet the reasonable efforts requirement, the State agency must identify, in the child's case plan, those services offered and the services provided to the child and/or his parent(s) to prevent placement or achieve reunification of the family. This is not a new or additional requirement. It is similar to the case plan requirement in 45 CFR 1356.21(d)(4) upon which we received no negative comments.

In implementing these requirements, the Department does recognize the importance and need for information and guidance to the States. Therefore, after this final rule is published the Department will issue non-binding informational materials which will discuss preplacement preventive and reunification services and "reasonable efforts". In the interim, the Department believes that the States may want to consider inclusion of the services listed in 45 CFR 1357.15(e) as they move toward implementing the "reasonable efforts" and service program requirements of the Act.

*Case Review (45 CFR 1356.21(c))*

*Comment*

A number of comments were received regarding various aspects of the requirements under section 471(a)(16) of the Act, the State's case review system. These comments recommended that the final rule address the Federal monitoring role; require various forms of public and parental participation; specify the review panel composition, procedures and role; clarify access to the review process; define a method of calculation of due dates for reviews; and include criteria and guidelines for the various worker decisions required by the Act.

Specific concerns revolved around the case review requirements in sections 471(a)(15), 475 (5) and (6) of the Act, particularly regarding the use of the public as members of the case review boards and panels. One of the requirements of the case review system is for a periodic (six month) review. Section 475(6) of the Act requires that if the periodic (six month) review is an administrative review conducted by the State agency, at least one member of the review panel, whatever its makeup, must be an appropriate person not responsible for the case management of, or delivery of services to, either the child or the parent(s) who are the subject of the review. The commenters recommended a detailed and prescriptive regulation, e.g., that the Department specify the type of person(s) permissible on review panels, the role they may play and the procedural ground rules. At the same time, several State agencies concurred in the language of the proposed regulation stating that the statutory provisions were more than adequate to protect the child's best interests and needs.

Similar comments were received regarding public participation in the dispositional hearing as required by section 475(5)(C) of the Act.

*Response*

The Department considered the comments but chose to make no changes in this particular provision. The Department has opted to give the States the responsibility for development of standards, procedures and guidelines in implementing this program. We have, however, added a definition of "original foster care placement" in 45 CFR 1356.21(f) to assist States to calculate due dates for the periodic reviews and dispositional hearings. As noted earlier, the Department believes that the regulation is not the appropriate place to specify the Federal monitoring role.

In addition, the Department wishes to clarify several questions and concerns raised by the comments. First, the requirement for dispositional hearings is applicable only in three circumstances: when the State requests additional FFP under section 427 of the Act; chooses to implement a program of voluntary foster care maintenance payments; or transfers unneeded title IV-E foster care funds to title IV-B.

Second, dispositional hearings may be held by the court or by an administrative body appointed or approved by the court. This may include court appointed or approved review panels comprised of members of the public. Periodic (six month) reviews which are conducted through the courts may be done by the court itself or by an administrative panel appointed or approved by the court.

Periodic (six month) reviews conducted by the State agency can take various forms at the State's option. These reviews may be conducted by State agency staff, by a review panel made up of members of the public selected by the State agency, or by a panel comprised of both agency staff and the public.

The Department believes that the realities of program operations in dealing with State courts and other review bodies necessitates decision-making at the State agency level. Therefore, while strongly encouraging the use of voluntary sector in the periodic and dispositional reviews, the Department does not believe it is in the best interest of the program to mandate specific requirements. We believe it is better left to the judgment of the State agencies, courts and legislatures to determine the method of review and participation of outside parties. However, the State agency must still observe the provisions of section 475(5)(B) and 475(6) of the Act when they are applicable.

*Case Plan Requirements (45 CFR 1356.21(d))*

*Comment—"Case plan elements" (45 CFR 1356.21(d)(1))*

The NPRM (45 CFR 1356.21(b)) proposed several case plan requirements, i.e. the case plan must be developed within 60 days of the original foster care placement; include a discussion of how the plan is designed to achieve the least restrictive most family-like setting in close proximity to the home of the parent(s); and after 10/1/83, include a description of the preplacement preventive and reunification services offered or provided to the child and family.

Many commenters recommended returning to the specific case plan elements proposed in the December 1980 NPRM. Commenters alleged that the statute and practical reality require the Department to mandate the specific elements to be included in the case plan in order to achieve the aims of the Act.

At the same time, many State agencies commented that the proposed regulation was too prescriptive and needed more flexibility. They suggested that the language of the Act is sufficiently clear and specific and requires no regulatory augmentation.

Some commenters also suggested that rather than addressing how "close proximity" and "least restrictive setting" were achieved in each case plan (section 475(5)(A) of the Act), the case plan should discuss these topics by

exception, i.e. only if these requirements were not met.

*Response*

On balance, the Department has concluded that the regulation as proposed adequately addressed the elements of the case plan required by the Act. There was considerable support for the 60 day time period to develop the case plan. Given the current state of practice, the Department believes this time period is reasonable and has retained this provision in the final rule. However, as some commenters suggested, and as became apparent in the Department's reviews of program implementation, a specific document as opposed to a massive case record, is needed if the case planning process is to be helpful to both parent(s) and agency.

Therefore, the Department, in 45 CFR 1356.21(d), has required that the case plan be a written document which is a discrete part of the case record and that the document be available to the parent(s) or guardian of the child. The State may determine the format of the case plan document.

With respect to the suggestion that the case plan requirement for a discussion of close proximity and least restrictive setting be discussed by exception, this suggestion has merit and the Department intends to explore its possibilities. In the interim, however, we have chosen to lease this case plan requirement unchanged.

In addition, some commenters interpreted with words in the NPRM (i.e., a description of the services offered or provided) to mean that a case plan should contain either the services offered or the services provided. That was not the intent of the provision. We have clarified, in paragraph (d)(4), that, after October 1, 1983, the child's case plan must include a description of the services offered and the services provided to prevent removal of the child from the home and to reunify the family. The purpose of having the case plan also describe the services offered is to enable the State to demonstrate that it meets the statutory case plan requirements by offering the needed services whether or not the services are accepted by the child and/or the family.

*Dispositional Hearing (45 CFR 1356.21 (e) and (f))*

*Comment*

The NPRM (45 CFR 1356.21(d)) proposed that the first dispositional hearing shall take place within 18 months of the original foster case placement and within reasonable time periods thereafter as defined by the State. This requirement is based upon section 475(5)(C) of the Act.

Two distinct groups of commenters emerged regarding the timing of the dispositional hearing. One group, comprised mainly of individuals and advocacy groups, strongly recommended return to the first NPRM requirement for annual dispositional hearings following the initial hearing. These commenters argued that good practice and the Act do not allow the Department to give the States the broad flexibility in defining "periodically thereafter" or specifying procedures and guidelines for the conduct or content of the dispositional hearing. They further argue that without a specific Federally mandated definition for "periodically thereafter" (section 475(5)(C) of the Act—and content of the hearing, the intent of the Act to move children out of foster care could be thwarted. Therefore, they believe that annual dispositional hearings and specified content are essential to give meaning to the Act's requirements and protect the best interests of the children in care.

Another area of concern expressed by this group of commenters was the coverage of the case review system and specifically which children are entitled to dispositional hearings. Comments received claimed that in some jurisdictions, children entitled to the dispositional hearing protection were not receiving it. Whether this was by design or by circumstance was not clear. A number of suggestions were made, therefore, that all children in care receive annual dispositional hearings.

The second group of commenters, primarily State agencies, essentially supported the flexibility of the proposed rule. They argued that State law or regulation will assure that the rights of children in care will be adequately protected and the intent of the Act fully met. They also believed that it is essential to have some flexibility in this area to allow for the individual needs, resources and procedures of the various States, particularly in relation to a State's judicial system.

In addition, the comment letters from both States and other commenters evidenced considerable confusion and requested clarification in 3 areas: When dispositional hearings are required; what children are covered by the requirement for a dispositional hearing; and the definition of the term "date of original placement" as an aid to calculating the various time periods for reviews.

*Response*

As noted earlier, the requirement for dispositional hearings, as part of the overall case review system, becomes operative under any of the three following circumstances:

(1) If a State seeks additional funds under section 427(a) or seeks to avoid a reduction of funds under section 427(b), it must certify that it has met the requirements of the appropriate section. Section 427(a)(2)(B) requires the State to have a case review system "* * * as defined in section 475(5) * * *" Part of section 475(5) is the dispositional hearing requirement (section 475(5)(C)).

(2) If a State wishes to claim FFP under title IV–E for children voluntarily placed in foster care (as provided in section 102 of Pub. L. 96–272 as it amends section 472 of the Act), it must meet the requirements of section 427(b) of the Act. Section 427(b) references section 427(a) which in turn references section 475(5) and the requirement for a dispositional hearing.

(3) If a State wishes to transfer unneeded foster care funds from title IV–E to title IV–B, under the provisions of section 474(c) of the Act, the State must meet the requirements of section 427 of the Act. Again, section 427 references section 475(5) and its dispositional hearing requirements in section 475(5)(C) of the Act.

For purposes of clarifying this matter, the final rule indicates the situations which trigger the dispositional hearing requirement in 45 CFR 1356.21(e), 45 CFR 1356.30(a) and 45 CFR 1357.25(d).

Assuming, then, that one of the three situations above applies, the State must hold dispositional hearing(s) for each child for whom the title IV–E/title IV–B agency has the responsibility for placement and care.

The Department wishes to clarify which children are covered by the requirement for dispositional hearings. The Act in section 475(5)(C) says that "* * * each child in foster care under the supervision of the State * * *" is to receive the protections of dispositional hearings. The Department has interpreted this section of the Act to mean that all children in foster care under the responsibility for placement and care of the title IV–E/IV–B State agency must receive the protections of dispositional hearings if any of the three circumstances described previously obtain. This includes children who are voluntarily placed as well as children placed through court decision. It also includes all children in foster care both within the State and those placed outside the State. It includes all foster children regardless of the type of placement, e.g. foster family homes, group homes, child care institutions, etc.

However, we agree with the comments that the proposal to require dispositional hearings for all children in foster care under the responsibility of the title IV-E/IV-B State agency warrants some limited modification. After review of the examples given in the comment letters and our practical experience in reviewing program operations, the Department has concluded that under two specific circumstances a subsequent dispositional hearing is not necessary. The first circumstance is when a court has determined that the child should remain permanently in foster care with a specified foster family. In this specific situation, a dispositional hearing, as defined in section 475(5)(C) of the Act, would yield no productive result because the maximum benefit of the dispositional hearing, i.e., permanency, has been achieved. To the extent, therefore, that the placement and care-giver remain constant, no additional benefit to the child would derive from further court involvement.

The second circumstance is a child who is placed in a home awaiting the finalization of his adoption. To the extent that this child is free for adoption, placed in an approved home for the purpose of adoption and the child's case plan goal is adoption, a subsequent dispositional hearing is not required. Assuming the child is adopted within a reasonable time after placement (e.g., mandatory waiting period under State law prior to filing a formal petition for a final decree of adoption), no additional dispositional hearing is required. However, it should be noted that if, in either circumstance, the care-giver or placement were to change or the final decree of adoption was not obtained within a reasonable period of time, that child would be entitled to subsequent dispositional hearings. We have incorporated these exceptions in 45 CFR 1356.21(e) (1) and (2).

We have made several other changes in 45 CFR 1356.21 in response to comments.

First, in 45 CFR 1356.21(e), the Department is requiring each State to have a reasonable specific time-limited definition of the phrase "periodically thereafter." This means that States will have the flexibility to determine the dispositional hearing time-frame(s) as a policy matter, but that they cannot arbitrarily hold subsequent hearings on an unplanned basis. A reasonable schedule for the next hearing must be established by the State in advance. The interval may be a specified time period for all children (e.g., 18 months) or a specified time period or range of time periods (e.g., 12 to 24 months) within which all hearings must take place.

Second, the Department also agrees with the comments that a definition of the date of original foster care placement is needed and has included the definition in 45 CFR 1356.21(f). We believe this definition will assist States in the calculation of the due dates for both the six month periodic reviews and the required dispositional hearings.

*Payments and Standards Review (45 CFR 1356.21(g))*

*Comment*

The NPRM (45 CFR 1356.21(g)) proposed that the payment and standards reviews (section 471(a)(11) of the Act) be conducted at intervals and in a manner determined by the State.

Several commenters strongly recommended the final rule require either a three year cycle for reviews or public participation in the various standards and payment reviews mandated by section 471(a)(11) of the Act. Commenters asserted that without either of these requirements, standards would not be reviewed and would become outdated or ineffective, and foster care and adoption assistance payments would not be based on current economic conditions nor attract qualified persons. They gave examples of States that had not reviewed standards or payments in the last ten years. They also asserted that the public has a right to know and participate in the important policy decisions of these programs.

Generally, the State agencies took a differing view. They supported the permissive approach of the proposed regulation arguing that the form public input takes is essentially a State matter and does not need regulatory prompting.

*Response*

As a general principle, the Department is committed to voluntary public involvement in these programs. In reviewing the comments and operational experience, the Department has concluded that additional Federal mandates are not the answer. However, the Department does encourage the States to involve the public in the review process. The Department is also concerned that these reviews be conducted at reasonable intervals. Therefore, the Department is requiring the State agency to establish reasonable specific time-limited intervals for conducting these reviews (45 CFR 1356.21(g)).

*Foster Care Goals (45 CFR 1356.21(h))*

*Comment*

The NPRM proposed that the State could establish by either State law or administrative regulation the specific foster care goals required under section 471(a)(14) of the Act. The Act requires that these goals be established by State law.

The Department received two types of comments: general support for the requirement; and requests to delete the option for the State to set goals by administrative regulation.

*Response*

The Department believes that the NPRM language is a fair interpretation of the Act's requirements and intent. The Department also believes that this approach strikes a reasonable balance between effective implementation and State flexibility and appropriate Federal stewardship. Consequently, no change was made in this provision in the final rule.

*45 CFR 1356.30—Implementation requirements for children voluntarily placed in foster care*

*Comment*

The NPRM (45 CFR 1356.30) established the general requirements for States claiming FFP for voluntarily placed children.

The Department received recommendations in three areas: make State participation in the voluntary placement program mandatory; require a judicial determination after 90 days (not 180 days as in Act); and specify the timing and procedures for the return home of a voluntarily placed child.

*Response*

The first two recommendations are not possible under the provisions of the Act. Section 102 of the Adoption Assistance and Child Welfare Act of 1980, as it amends section 472 of the Act, makes clear that participation is optional to the State and that a judicial determination is required within 180 days of the voluntary placement, not 90 days as recommended.

In response to the third recommendation, the Department has concluded that the practice among the States in returning children voluntarily placed is sufficiently responsive as to obviate the need for Federal requirements. Moreover, whatever process the State establishes, 45 CFR 1356.30(c) requires that the process be consistent with State law. Therefore, no change was made in the final rule.

*45 CFR 1356.40—Adoption assistance program: Administrative requirements to implement section 473 of the Act*

The NPRM (45 CFR 1356.40) outlined the requirements for implementing the adoption assistance program required under sections 471 and 473 of the Act and these regulations.

*General requirements (45 CFR 1356.40(a))*

*Comments*

45 CFR 1356.40(a) addresses the general implementation requirements for the adoption assistance program.

Commenters suggested that the Department strongly advocate use of the "Model Adoption Act" as a fundamental resource for implementing this program. Another suggestion was that the Department mandate the adoption assistance program as an entitlement to all eligible children. Another commenter suggested extending the coverage of the program to age 21 for those children engaged in educational programs.

*Response*

The Department has considered these comments but cannot accept them. The "Model Act" has been widely distributed and discussed in many ways and forums. It would be inappropriate to mandate what was originally designed to be resource information for the States. The Department encourages the States to make use of the Model Act but will not mandate its use. There is no legal basis for the Department to accept the remaining two recommendations. Section 473(a)(1) of the Act specifies the children eligible for the adoption assistance program. It also makes clear that FFP in adoption assistance payments is available up to age 18 with the exception of a child with mental or physical handicaps which warrant continuation of assistance up to age 21.

*Adoption assistance agreement (45 CFR 1356.40(b))*

*Comments*

The NPRM (45 CFR 1356.40(b)) proposed the requirements for the adoption assistance agreement document. Two comments were received regarding the beginning date of an agreement. One of these comments suggested that the Department clarify and strengthen the required timing of agreement signature by the State and parent(s). The other comment suggested we eliminate the timing requirement altogether. The remaining comments addressed the need for specifying procedures to ensure continuation of the agreement if the family changes its State of residence.

*Response*

In reviewing the comments, the Department compared the NPRM, the comments, the Act and its program experience. We have reached the conclusion that the comments on timing offer no additional constructive material justifying modification of the regulatory language. The NPRM and the referenced provisions of the Act are clear on signature and timing.

With regard to the recommendation to specify procedures for ensuring continuation of the agreement when a family moves out of State, no change is necessary. The final rule (45 CFR 1356.40(b)(4)) specifies that, under section 475(3)(B) of the Act and section 101(a)(4)(A) of Pub. L. 96-272, any adoption assistance agreement meeting the requirements of the Act and this final rule entered into after October 1, 1983 must remain in effect if a family moves to another State. The Department has opted not to unnecessarily specify procedures and the final rule is unchanged.

*FFP and interlocutory decree (45 CFR 1356.40(c))*

*Comment*

The NPRM (45 CFR 1356.40(c)) proposed a definition of the phrase "interlocutory decree" which appears in section 473(a)(4) of the Act. This section of the Act provides that FFP in an adoption assistance payment may begin when an eligible child is placed for adoption pursuant to an interlocutory decree or upon final adoption.

Several commenters, particularly from States with no interlocutory decree, suggested that we allow alternate State agency or court procedures to substitute for an interlocutory decree.

*Response*

Given the clear language of the Act (section 473(a)(4)), it is not possible to accept these recommendations.

*"Means test" (45 CFR 1356.40(d))*

*Comment*

The NPRM (45 CFR 1356.40(d)) proposed that there may not be a "means test" for eligibility for adoption assistance. In general, respondents supported this provision. However, there was some confusion on how it should be applied.

*Response*

The various provisions of section 473, particularly sections 473(a)(1), (2) and (3), are clear that the issue in determining eligibility for adoption assistance is related to the child and not the parent. Section 473(a)(1) of the Act contains the specific eligibility requirements a child must meet to receive adoption assistance. Section 473 refers to parental resources only in the context of determining how much the adoption assistance payment should be, not in the context of eligibility to receive such payments.

Moreover, the legislative history of Pub. L. 96-272 directly rejects the concept of a "means test." (Congressional Record, October 25, 1979, S15157—S15162; October 29, 1979, S15286). Therefore, the Department has concluded that it is appropriate to prohibit a means test.

*Medicaid and social services (45 CFR 1356.40(e))*

*Comment*

The NPRM (45 CFR 1356.40(e)) proposed to clarify eligibility for Medicaid (title XIX of the Act) and social services (title XX of the Act) of a child receiving adoption assistance when the family moves out of State.

The comments generally supported the NPRM language but recommended that the Department specify that the eligibility under titles XIX and XX be automatic; asked for procedures to implement these requirements; and sought clarification of the State's actual responsibility for providing services when the family moves to another State.

*Response*

While the eligibility for title XIX (Medicaid) remains automatic, the Department does not have the legal authority to mandate automatic eligibility for title XX because the social services block grant leaves the determination of eligibility criteria to the States.

However, section 473(b) of the Act provides that all children receiving adoption assistance payments are deemed to be recipients of AFDC. Since all States are currently offering title XX services to AFDC eligible children, the Department does not see the commenters' concern as a serious problem area.

The Department believes that the development of arrangements and procedures for continuation of services when the family moves to another State are best left to the States.

*Placement across State lines (45 CFR 1356.40(f))*

*Comment*

The NPRM (45 CFR 1356.40(f) proposed that a State may enter into an adoption assistance agreement with a parent(s) who resides in another State

In that event, all provisions of the regulation regarding adoption assistance (45 CFR 1356.40) would be applicable.

One comment was received which sought to have the Department specify the procedural steps in such a situation. Several commenters also requested clarification on the coverage of titles XIX and XX for children placed across State lines for the purpose of adoption.

*Response*

The Department is working with the American Public Welfare Association to develop non-binding guidance materials for use by the States in implementing out-of-State placements. That information should be available to the States shortly. The Department believes that these guidance materials will more than adequately address this problem. Given the differences among the various States' laws and the interaction of other Federal programs, the Department has elected this flexible approach over a prescriptive provision in the final rule. No change, therefore, was made in the final rule.

*Promotion of the program (45 CFR 1356.40(g))*

*Comments*

The NPRM proposed that the States must actively seek ways to promote the adoption assistance program. Several commenters sought to have the Department specify the means of promotion and to strengthen this requirement.

*Response*

The Department believes that the decision on how to promote the program is best left to each individual State. Requirements established by the Department would, of necessity, be general in nature and could not address individual State needs and interests. Consequently, the Department believes that States will see the self-interest in this requirement and develop their own means of promoting the program.

*Part 1357—Requirements Applicable to Title IV–B*

*45 CFR 1357.10—Scope and definitions*

*Comment—(45 CFR 1357.10(b))*

The NPRM (45 CFR 1357.10(b)) proposed that child welfare services were to be available on the basis of need for services, and should not be denied on the basis of legal residence or financial need.

One comment asked the basis of the proscription of a "means test" for title IV–B services. Another comment was received which raised the issue of residency as an eligibility criteria for receipt of services under the State's title IV–B program. The problem raised was that the proposed regulation, as written, could be read to allow a person living in one State to cross the State line in order to receive a service not available in his own State of residence. This would be done, in the context of the commenter's concern, solely for the purpose of obtaining a service while the person remained a resident and domiciled in the other State. This would have the effect of causing one State to bear the costs of services to residents of another.

*Response*

Regarding the issue of a financial "means test" for title IV–B service eligibility, the Department believes that the Act, the legislative history and the history of title IV–B program have always supported the proscription of a "means test." Therefore, the Department has made no change in the final rule.

The Department agrees that the commenter's residency concern may be valid. The sole intent of the prohibition of a "residency" restriction in the final rule is to ensure that people moving from one State to another will be able to obtain needed services without having to reside in the new State a specified period of time before being able to obtain those services. The regulation has been revised to make this clear.

*Definitions (45 CFR 1357.10(c))*

*Comment—"Child Welfare Service"*

The NPRM (45 CFR 1357.10(c)) proposed to define child welfare services as all services meeting the definition of section 425(a)(1) of the Act regardless of the funding source (title IV–B or otherwise) for that service.

Several commenters voiced criticism regarding this definition as going beyond the law. The essential concern was that by inclusion of the phrase "* * * regardless of funding source of such services * * *" the Department had overstepped the definition in the law. They recommended deletion of this phrase.

*Response*

After examining the statutory definition (section 425(a)(1) of the Act) and the history of the program, and considering the comments, the Department has chosen to modify the definition as it appeared in the NPRM. The Department believes that the statutory definition is intended to cover only the social services for which the title IV–B State agency is responsible, not all child welfare services throughout the State. The expectation is that in order to develop an effective and dynamic title IV–B State plan, the resources utilized by the title IV–B State agency need to be considered. In this way, the joint planning process will yield a realistic view of services provided by or under the auspices of the title IV–B State agency and consequently will form the foundation upon which an effective and comprehensive child welfare services program may be built.

Consequently, the title IV–B State plan should include all those services for which the title IV–B State agency is responsible.

*Comment—"Child welfare services plan"*

The NPRM (45 CFR 1357.10(c)) proposed that "child welfare services plan" means the document which describes the State agency's total child welfare services program. Commenters found this definition confusing particularly in regard to the broad definition of "child welfare services."

*Response*

The Department agrees and has revised the definition to require the State to describe only those child welfare services for which the title IV–B State agency is responsible.

*Comments—"Joint Planning"*

The NPRM (45 CFR 1357.10(c)) proposed to define "joint planning" as a "* * * State and Federal review and analysis of the State's child welfare services * * *" Three comments were received on this definition. Two recommended inclusions of the public and service providers (other than governmental agencies) and one suggested limiting the review and analysis strictly to the requirements of section 422(b) of the Act.

*Response*

The definition proposed by the Department does not limit additional participants. However, since the formal relationship under title IV–B is between the Federal and State governments, the Department will leave the decision on additional participants to the State's discretion.

In terms of the substantive program matter to be covered in the planning process itself, section 422(a) of the Act speaks of a plan for "child welfare services" which has been developed jointly and the title IV–B State plan requirements of section 422(b) of the Act. The Department believes that the definition of "joint planning" appropriately takes into account these

tasks. Therefore, no change in the final rule was made.

*45 CFR 1357.15—Child welfare services State plan requirements and submittal*

*Comments—State plan document*

The NPRM (45 CFR 1357.15 (a) and (c)) proposed to require the State agency to enter into a joint planning effort with the Federal Government to develop the State's child welfare services State plan. The joint planning process was defined but the format of the State plan document which resulted was left to the State's discretion.

Several commenters recommended annual State plan documents which would include a careful examination of needs, services and resource allocations. One suggestion was made to eliminate the requirement of services specified by political subdivision on the grounds that it limited State planning by regional or geographical districts. Another was to require public and voluntary agency participation in the development of the plan. One commenter raised the question of coordination of the State's title IV–B plan with those of Indian Tribal Organizations (ITO) directly funded under section 428 of the Act.

*Response*

In response to the suggestion that annual State plans be required, the Department cannot accept this suggestion for two reasons. To undertake the comprehensive joint planning process each year places an undue burden on the States and would not yield constructive results in relation to the effort required.

In addition, in the interest of greater flexibility and reduced paperwork burden and reporting requirements, in § 1357.15(b), we have allowed States to submit the title IV–B State plan in two parts. The assurances required by the Act (section 422(b) (1) through (4) and (7) and (8)) may be submitted on a one time only basis with amendments required only if significant changes are made in a State's program in these areas.

The descriptive information pertaining to the State's ongoing services program required by section 422(b) (5) and (6) must be submitted and be in effect for one, two or three fiscal years. The State may elect either one, two or three year intervals to be used for this portion of the plan.

The comment regarding elimination of the State plan's discussion of services available by political subdivision is acceptable to the Department. While the Department would like States to describe their title IV–B program by political subdivision, we recognize that such a provision is inappropriate as a requirement. Therefore, the Department has eliminated this provision in the final rule.

Regarding the recommendation that the public and voluntary agencies should be required to participate in the development of the State plan, the Department believes that this is a matter for a State decision. Nothing in the final rule would preclude such involvement. However, the Department believes that it would be inappropriate to mandate such a requirement.

With regard to the coordination of the State's title IV–B plan with that of an ITO, the Department has added a requirement that the State coordinate its plan and services with those provided under the ITO's (45 CFR 1357.15(d)). This provision also contains the requirements proposed in 45 CFR 1357.40(d)(3), that upon request by the ITO the State must make available a copy of the title IV–B State plan. Moreover, both these provisions are consistent with the coordination requirements contained in section 422(b)(2) of the Act.

*Comments—State plan and section 427 implementation (45 CFR 1357.15(e))*

The NPRM (45 CFR 1357.15(b)) proposed that the State plan document specify what preplacement preventive and reunification services are available. An illustrative list of services was included but the NPRM did not require any specific service to be provided.

Many commenters recommended a return to the detailed prescriptive approach of the first NPRM by recommending, alternatively, that the Department require States to provide certain core services that haven proven effective; require States to provide at least three services or limit services to those on the illustrative list. Others requested additional language to specify the Federal monitoring and evaluation activities as well as suggesting several additional services for inclusion in our list.

*Response*

After reviewing the comments and the Department's operational experience of the last year, we have concluded that a change in the regulatory language is not necessary. We have reached this conclusion for essentially the same reasons discussed under the "reasonable efforts" response (45 CFR 1356.21(b) and (d)(4)).To require States to implement a Federally selected list of specific services is not consistent with the discretion and flexibility necessary for the States to operate their title IV–B program. We have included two additional services, as suggested: services to unmarried parents and post-adoption services. This provision is now found in paragraph (d).

*45 CFR 1357.25—Requirements for eligibility for additional payments under section 427*

This section of the NPRM (45 CFR 1357.25) proposed the programmatic requirements for implementing section 427 of the Act, when applicable. It included the coverage requirements for the inventory and statewide information system and case review system (specifically the dispositional hearing requirement in section 475(5)(C) of the Act).

*Comments*

Many comments, questions and recommendations were received on this provision of the NPRM. Commenters were concerned that the provisions of section 427 of the Act were not clear on their face and required clarification and interpretation so that they would be sure of the standards for receipt of the additional FFP available. Commenters also recommended that the final rule require: specific data elements in the Statewide information system and the inventory; child health information in the information system; the data gained from the inventory be submitted to the Federal Government; annual publication of and public access to aggregate data in the information system and inventory; a requirement that the inventory and information system cover all children in the State in foster care not just those under the responsibility for placement and care of the title IV–E/IV–B State agency.

In addition, several letters provided detailed comments on the section 427 compliance review process being conducted in the States and urged that the Department's requirements for FFP and for meeting the compliance requirements be specifically included in the final rule.

*Response*

The language of section 427 of the Act is unusually detailed. Thus, the Department believes there is no need for further specification of data elements for either the inventory or the information system, and has not changed the final rule.

With regard to access to information by the public, we reject these suggestions in so far as other than aggregate data are sought. We do so for two reasons. First, the nature of the data

on individuals in foster care or their families developed in either the inventory or the information system is by good practice confidential, as indicated by section 471(a)(8) of the Act. The risk of highly private and personal information leakage is too high to justify a reporting or information collection mandate. If, however, the State wished to aggregate its data and publish it, that is an option available but that decision would have to be made by the State. Second, the Department has embarked on a voluntary reporting system for certain aggregate data in its work with the States. We choose to pursue this course rather than mandate reporting.

In regard to coverage of the inventory and information system, Congress, in its debate, continually referred to the "500,000 children in foster care." when one looks at the various research studies done on foster care, it quickly becomes apparent that the 500,000 number often referred to by the Congress are those children in the public social service/State social service agency foster care programs and not all children in foster care, both public and private.

Therefore, it is the Department's belief that Congress did not intend to cover all children in foster care but rather only those for whom the title IV-A(FC)/IV-E/IV-B State agencies have the responsibility for placement and care. Consequently, we have maintained the NPRM language with some very minor editorial changes in the final rule.

One of these editorial changes was the deletion of the language in this provision which referred to "* * * other agencies with which these agencies have an agreement to provide care * * *." We have changed the language to make clear that the title IV-E/IV-B State agency may not delegate away its ultimate responsibility to ensure that the State plan is carried out. The confusing and unclear language was, therefore, deleted.

Beyond the changes discussed above, two new provisions have been added to the regulation. One as a clarification of the Act and the other in response to our operational experience and comments on section 427 of the Act.

As discussed under "dispositional hearings" in this preamble (45 CFR 1356.21(e)), section 427 references section 475(5) of the Act. The Department has added paragraph (d) to 45 CFR 1357.25 in order to clarify and simplify the relationship of these two statutory provisions and the applicability of the dispositional hearing requirement. This provision is consistent with those found in 45 CFR 1356.21(e) and 1356.30.

The Department has also added a provision (45 CFR 1357.25(e)) which establishes the Departmental Grant Appeals Board (45 CFR Part 16) as the arbiter in disputes arising under section 427 of the Act and 45 CFR 1357.25 or its related provisions. The Department believes that this forum is best suited to resolve disputes between a State and the Department regarding whether the State meets the requirements of section 427 of the Act. These disputes would arise in three circumstances: when a State certifies that it meets section 427 requirements in order to obtain additional funds under section 427(a) or to avoid a reduction in funds under section 427(b); when the provisions of section 427(b) of the Act become applicable under the voluntary care provisions of section 102 of Pub. L. 96-272 as it amends section 472 of the Act; and when section 427 is applicable to a State wishing to transfer unneeded title IV-E foster care funds to title IV-B, Child Welfare Services.

*45 CFR 1357.40—Direct Payments to Indian Tribal Organizations*

Under section 428 of the Act, the Secretary is empowered to establish a system for making direct title IV-B grants to Indian Tribal Organizations. The NPRM, in 45 CFR 1357.40, proposed the eligibility criteria and procedural requirements for the direct funding program. Those requirements included eligibility criteria for tribes; procedural steps for applying for funds; child welfare services plan and document requirements; joint planning; section 427 requirements as applicable; and general requirements.

*Comments*

The Department received only a few comments on this section. One was a statement of general support for the NPRM language but also raised the commenter's concerns regarding the lack of specificity in the title IV-B requirements applicable to the tribes and States; one suggested requiring public input to the Federal/tribe joint planning process; one sought a clearer statement of the Indian Tribal Organization/State relationship; another recommended that the information disclosure provisions (45 CFR 1355.21(b)) applicable to States be made applicable to tribal grantees; and one supported the coordination provision of the NPRM.

*Response*

As stated previously, the Department declined to add more specificity to the requirements applicable to the States. We maintain that approach in implementing section 428 of the Act and direct funding of Indian Tribal Organizations (ITO). Also as stated previously, public input is optional to the State or tribe and this provision needs no change.

However, the Department agrees that the information disclosure (safeguarding of information) provision should apply to the ITO as well as to States. We have included this requirement in 45 CFR 1357.40(c)(3) by a cross reference to 45 CFR 1355.21(a).

Also in 45 CFR 1357.40(c), we have clarified by cross references that the following provisions are also applicable to tribal grantees: the definitions found in 45 CFR 1357.20; the requirement that the services under section 427 of the Act be specified in the ITO's title IV-B plan; and the other applicable regulations as required by 45 CFR 1355.30.

We have revised paragraph (d)(3) to allow ITOs the same planning options as States, i.e., ITOs may submit the required assurances on a one time only basis with amendments as necessary. The other statutory requirements must be submitted and be in effect for one, two or three fiscal years. The interval must be selected by the ITO.

To parallel the requirements for public access to State plans and plan amendments, we have required, in paragraph (e), that the ITO make its title IV-B plan and plan amendments available for public review and inspection.

Finally, as proposed in 45 CFR 1357.40(d)(3), we have included in paragraph (e) the requirement that the ITO must provide a copy of its title IV-B plan to the State on request.

**Impact Analysis**

*Executive Order 12291*

This rule primarily codifies statutory provisions. The rule itself imposes no significant burdens on the States or other affected parties. Therefore, the Secretary has determined, in accordance with Executive Order 12291, that this rule does not constitute a major rule because it will not have an annual effect on the economy of $100 million or more; result in a major increase in costs or process for consumers, any industries, any governmental agency or any geographic regions; or have significant adverse effects on competition, employment, investment, productivity, innovation or the ability of United States-based enterprises to compete with foreign-based enterprises in domestic or import markets.

*Regulatory Flexibility Act*

The Regulatory Flexibility Act of 1980, Pub. L. 96–354, requires that an agency prepare a regulatory flexibility analysis for a proposed final rule if the rule would have a significant economic impact on a substantial number of "small entities," i.e. small businesses, small non-profit organizations, or small governmental jurisdictions.

Although actual delivery of services may be provided in some circumstances by proprietary, public and not-for-profit agencies or organizations under contract to the State agency, the responsibility for meeting the requirements of this regulation is on the State agencies, which are not "small entities" within the meaning of the Act. This final rule will impose no significant burdens on States or other affected parties and will provide flexibility to States in implementing the provisions of the amended Social Security Act. For these reasons, the Secretary hereby certifies that this final rule will not have a significant impact on a substantial number of small entities.

*Recordkeeping and Reporting*

This rule contains certain information collection requirements which have been approved by OMB under section 3507 of the Paperwork Reduction Act. These information collection requirements are as follows:

1. Case Plan Review System OMB Control No. 0980–0140 (§ 1356.21 (c) and (d)).
2. Statewide Information System, OMB Control No. 0980–0138 (§ 1357.25(b)).
3. Child Welfare Services State Plan, OMB Control No. 0980–0142 (§ 1357.15).
4. State Plan for Foster Care Assistance, OMB Control No. 0980–141 (§ 1356.20).

**List of Subjects**

*45 CFR Part 1355*

Adoption assistance, Child welfare services, Foster care, Information (confidentiality), State plan requirements.

*45 CFR Part 1356*

Adoption assistance, Administrative costs, Administrative practice and procedure, Administrative reviews, Allotments to States, Case plan, Case review system, Contacts (agreements), Definitions, Dispositional hearings, Federal financial participation, Foster care maintenance payments, Medicaid, Preplacement preventive services, Reunification services, Social services, Statewide information system, State plan, Training, Voluntary placements.

*45 CFR Part 1357*

Child welfare services, Federal financial participation, Foster care, Grants-in-Aid, Indians, Inventory, Preplacement preventive services, Reunification services, State plan, Training.

(Catalogue of Federal Domestic Assistance Program No. 13.645, Child Welfare Services—State Grants; 13.658, Foster Care Maintenance; and 13.659, Adoption Assistance)

Dated: April 4, 1983.

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Approved: April 26, 1983.

**Margaret M. Heckler,**

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45 CFR Chapter XIII is amended for the reasons set forth in the preamble as follows:

1. The title and table of contents of Subchapter G is revised to read as follows:

**SUBCHAPTER G—THE ADMINISTRATION FOR CHILDREN YOUTH AND FAMILIES, FOSTER CARE MAINTENANCE PAYMENTS, ADOPTION ASSISTANCE, CHILD WELFARE SERVICES**

Sec.
1355 General.
1356 Requirements Applicable to Title IV–E.
1357 Requirements Applicable to Title IV–B.

**PART 1355—GENERAL**

2a. The authority citation for Part 1355 reads as follows:

**Authority:** Adoption Assistance and Child Welfare Act of 1980, Pub. L. 96–272, 42 U.S.C. 670 et seq., 94 Stat. 501, 42 U.S.C. 620 et seq., 94 Stat. 516 et seq., Section 1102 of the Social Security Act, as amended, 42 U.S.C. 1302.

2b. The table of contents for Part 1355 is amended by adding §§ 1355.10, 1355.20 and 1355.21 to read as follows:

Sec.
1355.10 Scope.
1355.20 Definitions.
1355.21 State plan requirements for titles IV–E and IV–B.

3. Part 1355 is amended by adding §§ 1355.10, 1355.20, 1355.21 to read as follows:

**§ 1355.10 Scope.**

Part 1355 applies to State programs and contains general requirements for Federal financial participation under titles IV–E and IV–B of the Social Security Act, as amended.

**§ 1355.20 Definitions.**

(a) Unless otherwise specified, the following terms as they appear in 45 CFR Parts 1355, 1356 and 1357 of this title are defined as follows—*Act* means the Social Security Act, as amended.

*ACYF* means Administration for Children, Youth and Families, Office of Human Development Services, U.S. Department of Health and Human Services.

*Child abuse and neglect* means the definition contained in 45 CFR Part 1340, Child Abuse and Neglect Prevention and Treatment Program.

*Commissioner* means the Commissioner for Children, Youth and Familes (ACYF), Office of Human Development Services, U.S. Department of Health and Human Services.

*Department* means the United States Department of Health and Human Services.

*Detention facility* in the context of the definition of child care institution in section 472(c)(2) of the Act means a physically restricting facility for the care of children who require secure custody pending court adjudication, court disposition, execution of a court order or after commitment.

*Foster family home* means the home of an individual or family licensed or approved by the State licensing or approval authority(ies) (or with respect to foster family homes on or near Indian reservations, by the tribal licensing or approval authority(ies)), that provides 24-hour out-of-home care for children. The term may include group homes, agency operated boarding homes or other facilities licensed or approved for the purpose of providing foster care by the State agency responsible for approval or licensing of such facilities.

*State* means the 50 States, the District of Columbia, and, except in 45 CFR 1356.65 and 1356.70, the Commonwealth of Puerto Rico, Guam, the Virgin Islands and the Commonwealth of the Northern Mariana Islands.

*State agency* means the State agency administering or supervising the administration of the title IV–E and title IV–B State plans.

(b) Unless otherwise specified, the definitions contained in section 475 of the Act apply to all programs under titles IV–E and IV–B of the Act.

**§ 1355.21 State plan requirements for titles IV–E and IV–B.**

(a) The State plans for titles IV–E and IV–B must provide for safeguards on the use and disclosure of information which meet the requirements contained in section 471(a)(8) of the Act.

(b) The State plans for titles IV–E and IV–B must provide for compliance with the Department's regulations listed in 45 CFR 1355.30.

(c) The State plans and plan amendments for titles IV–E and IV–B

must be made available by the State agency for public review and inspection.

## PART 1356—REQUIREMENTS APPLICABLE TO TITLE IV–E

4a. The authority citation for Part 1356 reads as follows:

Authority: Adoption Assistance and Child Welfare Act of 1980, Pub. L. 96–272, 42 U.S.C. 670 et seq., 94 Stat. 501, 42 U.S.C. 620 et seq., 94 Stat. 516 et seq., Section 1102 of the Social Security Act, as amended, 42 U.S.C. 1302.

4b. The table of contents for Part 1356 is amended by adding §§1356.10, 1356.20 1356.21, 1356.30, 1356.40 and 1356.50 to read as follows:

Sec.
1356.10 Scope.
1356.20 State plan document and submission requirements.
1356.21 Foster care maintenance payments program implementation requirements.
1356.30 Implementation requirements for children voluntarily placed in foster care.
1356.40 Adoption assistance program: Administrative requirements to implement section 473 of the Act.
1356.50 Withholding of funds for non-compliance with the approved title IV–E State plan.

5. Part 1356 is amended by adding §§ 1356.10, 1356.20, 1356.21, 1356.30, 1356.40 and 1356.50 to read as follows:

### § 1356.10 Scope

This part applies to State programs for foster care maintenance payments, adoption assistance payments and related administrative and training expenditures under title IV–E of the Act.

### § 1356.20 State plan document and submission requirements.

(a) To be in compliance with the State plan requirements and to be eligible to receive Federal financial participation (FFP) in the costs of foster care maintenance payments and adoption assistance under this part, a State must have a State plan approved by the Secretary that meets the requirements of this part, Part 1355 and section 471(a) of the Act. The title IV–E State plan must be submitted to the appropriate Regional Office, ACYF, in a form determined by the State.

(b) If a State chooses to claim FFP for voluntary foster care placements, the State must meet the requirements of paragraph (a) of this section and section 102 of Pub. L. 96–272, the Adoption Assistance and Child Welfare Act of 1980, as it amends section 472 of the Act.

(c) The following procedures for approval of State plans and amendments apply to the title IV–E program:

(1) The State plan consists of written documents furnished by the State to cover its program under Part E of title IV. After approval of the original plan by the Commissioner, ACYF, all relevant changes, required by new statutes, rules, regulations, interpretations, and court decisions, are required to be submitted currently so that ACYF may determine whether the plan continues to meet Federal requirements and policies.

(2) *Submittal.* State plans and revisions of the plans are submitted first to the State governor or his designee for review and then to the regional office, ACYF. The States are encouraged to obtain consultation of the regional staff when a plan is in process of preparation or revision.

(3) *Review.* Staff in the regional offices are responsible for review of State plans and amendments. They also initiate discussion with the State agency on clarification of significant aspects of the plan which come to their attention in the course of this review. State plan material on which the regional staff has questions concerning the application of Federal policy is referred with recommendations as required to the central office for technical assistance. Comments and suggestions, including those of consultants in specified areas, may be prepared by the central office for use by the regional staff in negotiations with the State agency.

(4) *Action.* The Regional Office, ACYF, exercises delegated authority to take affirmative action on State plans and amendments thereto on the basis of policy statements or precedents previously approved by the Commissioner, ACYF. The Commissioner, ACYF, retains authority for determining that proposed plan material is not approvable, or that a previously approved plan no longer meets the requirements for approval, except that a final determination of disapproval may not be made without prior consultation and discussion by the Commissioner, ACYF with the Secretary. The Regional Office, ACYF, formally notifies the State agency of the actions taken on State plans or revisions.

(5) *Basis for approval.* Determinations as to whether State plans (including plan amendments and administrative practice under the plans) originally meet or continue to meet, the requirements for approval are based on relevant Federal statutes and regulations.

(6) *Prompt approval of State plans.* The determination as to whether a State plan submitted for approval conforms to the requirements for approval under the Act and regulations issued pursuant thereto shall be made promptly and not later than the 45th day following the date on which the plan submittal is received in the regional office, unless the Regional Office, ACYF, has secured from the State agency a written agreement to extend that period.

(7) *Prompt approval of plan amendments.* Any amendment of an approved State plan may, at the option of the State, be considered as a submission of a new State plan. If the State requests that such amendment be so considered the determination as to its conformity with the requirements for approval shall be made promptly and not later than the 45th day following the date on which such a request is received in the regional office with respect to an amendment that has been received in such office, unless the Regional Office, ACYF, has secured from the State agency a written agreement to extend that period. In absence of request by a State that an amendment of an approved State plan shall be considered as a submission of a new State plan, the procedures under § 201.6 (a) and (b) shall be applicable.

(8) *Effective date.* The effective date of a new plan may not be earlier than the first day of the calendar quarter in which an approvable plan is submitted, and with respect to expenditures for assistance under such plan, may not be earlier than the first day on which the plan is in operation on a statewide basis. The same applies with respect to plan amendments.

(d) Once the title IV–E State plan has been submitted and approved, it shall remain in effect until amendments are required. An amendment is required if there is any significant and relevant change in the information or assurances in the plan, or the organization, policies or operations described in the plan.

(This requirement has been approved by the Office of Management and Budget under OMB Control Number 0980–0141)

### § 1356.21 Foster care maintenance payments program implementation requirements.

(a) To implement the foster care maintenance payments program provisions of the title IV–E State plan and to be eligible to receive Federal financial participation for foster care maintenance payments under this part, a State must meet the requirements of this section, and sections 472, 475(1), 475(4), 475(5) (A) and (B) and 475(6) of the Act.

(b) In meeting the "reasonable efforts" requirements of sections 471(a)(15) and 472(a)(1) of the Act, effective October 1, 1983, the State must meet the requirements of paragraph (d)(4) of this

section. (See also section 45 CFR 1357.15(e) for examples of services.)

(c) In meeting the requirements of section 471(a)(16) of the Act for a case review system, each State's case review system must meet the requirements of sections 475(5)(B) and 475(6) of the Act.

(d) In meeting the case plan requirements of sections 471(a)(16), 475(1) and 475(5)(A) of the Act, the State agency must promulgate policy materials and instructions for use by State and local staff to determine the appropriateness of and necessity for the foster care placement of the child. The case plan for each child must:

(1) Be a written document, which is a discrete part of the case record, in a format determined by the State, which is available to the parent(s) or guardian of the foster child; and

(2) Be developed within a reasonable period, to be established by the State, but in no event later than 60 days starting at the time the State agency assumes responsibility for providing services including placing the child; and

(3) Include a discussion of how the plan is designed to achieve a placement in the least restrictive (most family-like) setting available and in close proximity to the home of the parent(s), consistent with the best interest and special needs of the child; and

(4) After October 1, 1983, include a description of the services offered and the services provided to prevent removal of the child from the home and to reunify the family.

(This requirement has been approved by the Office of Management and Budget under OMB Control Number 0980–0140)

(e) If a State chooses to claim FFP for the costs of voluntary foster care maintenance payment; chooses to transfer funds from title IV–E to title IV–B, or certifies compliance with the requirements of section 427 of the Act, it must, among other requirements, meet the requirements for dispositional hearings in section 475(5)(C) of the Act. In meeting the requirements of section 475(5)(C), the dispositional hearing must take place within 18 months of the date of the original foster care placement and within reasonable, specific, time-limited periods to be established by the State. The provisions of this paragraph and section 475(5)(C) of the Act must apply to all children under the responsibility for placement and care of the title IV–E/IV–B State agency except:

(1) For those children who are placed in a court sanctioned permanent foster family home placement with a specific care giver, no subsequent dispositional hearings are required during the continuation of that specific permanent placement. If the foster care placement of such a child is subsequently changed, the child is again entitled to dispositional hearings.

(2) For those children who are free for adoption and are placed in adoptive homes pending the finalization of the adoption, no subsequent dispositional hearings are required during the continuation of that placement. If such a child is not adopted within a reasonable time after placement, the child is again entitled to dispositional hearings.

(f) For purposes of meeting the requirements of the Act and regulation with respect to paragraphs (c), (d) and (e) of this section, 45 CFR 1356.30(b) and sections 471(a)(16) and 475(5) of the Act, the following definition applies: *Original foster care placement* means the date of the child's most recent removal from his home and placement into foster care under the care and responsibility of the State agency. This definition is the point in time used in calculating all time periods related to the case review system. (See also section 475(5) of the Act.)

(g) In meeting the requirements of section 471(a)(11) of the Act, the State must review at reasonable, specific, time-limited periods to be established by the State:

(1) The amount of the payment made for foster care maintenance and adoption assistance to assure their continued appropriateness; and

(2) The licensing or approval standards for child care institutions and foster family homes.

(h) The specific foster care goals required under section 471(a)(14) of the Act must be incorporated into State law by statute or administrative regulation provided such administrative regulation has the force of law.

**§ 1356.30 Implementation requirements for children voluntarily placed in foster care.**

(a) As a condition of receipt of Federal financial participation (FFP) in foster care maintenance payments for a dependent child removed from his home under a voluntary placement agreement, the State must meet the requirements of:

(1) Section 472 of the Act (as amended by section 102(a) of Pub. L. 96–272);

(2) Section 102(d) of Pub. L. 96–272;

(3) Sections 427(b) and 475(5) of the Act;

(4) 45 CFR 1356.21 (e) and (f); and

(5) The requirements of this section.

(b) Federal financial participation is available only for voluntary foster care maintenance expenditures made within the first 180 days after the date of the original foster care placement unless there has been a judicial determination by a court of competent jurisdiction within the first 180 days of the date of that original placement to the effect that the continued voluntary placement is in the best interests of the child.

(c) The State agency must establish and maintain a uniform procedure or system, consistent with State law, for revocation by the parent(s) of a voluntary placement agreement and return of the child.

**§ 1356.40 Adoption assistance program: Administrative requirements to implement section 473 of the Act.**

(a) To implement the adoption assistance program provisions of the title IV–E State plan and to be eligible for Federal financial participation in adoption assistance payments under this Part, the State must meet the requirements of this section and sections 471(a), 473 and 475(3) of the Act.

(b) The adoption assistance agreement must meet the requirements of section 475(3) of the Act and must:

(1) Be signed and in effect at the time of or prior to the interlocutory decree or at the time of or prior to the final decree of adoption. A copy of the signed agreement must be given to each party; and

(2) Specify its duration; and

(3) Specify the amount of assistance and other services to be provided and, for purposes of eligibility under title XIX of the Act, specify that the child is eligible for medicaid services; and

(4) Specify, with respect to agreements entered into on or after October 1, 1983, that the agreement remains in effect if a family changes its State of residence.

(c) For purposes of implementing section 473 of the Act, *interlocutory decree* means a court order granting legal custody or guardianship to the adoptive petitioners prior to the final decree of adoption.

(d) There must be no income eligibility requirement (means test) for the prospective adoptive parent(s) in determining eligibility for adoption assistance payments.

(e) In the event an adoptive family moves from one State to another State, the family may apply for social services on behalf of the adoptive child in the new State of residence. However, for agreements entered into on or after October 1, 1983, if a needed service(s) specified in the adoption assistance agreement is not available in the new State of residence, the State making the original adoption assistance payment remains financially responsible for providing the specified service(s).

(f) A State may make an adoption assistance agreement with adopting parent(s) who reside in another State. If so, all provisions of this section apply.

(g) The State agency must actively seek ways to promote the adoption assistance program.

**§ 1356.50 Withholding of funds for non-compliance with the approved title IV-E State plan.**

(a) To be in compliance with the title IV-E State plan requirements, a State must meet the requirements of the Act and 45 CFR 1356.20, 1356.21 and 1356.40 of this part.

(b) To be in compliance with the title IV-E State plan requirements, a State that chooses to claim FFP for voluntary placements must meet the requirements of the Act, 45 CFR 1356.30 and paragraph (a) of this section; and

(c) For purposes of this section, the provisions of 45 CFR Part 213, Practice and Procedure for Hearings to States on Conformity of Public Assistance Plans to Federal Requirements, apply.

6. In Part 1356, § 1356.60 is amended by revising paragraph (a)(1) to read as follows:

**§ 1356.60 Fiscal requirements (title IV-E).**

(a) *Federal matching funds for foster care maintenance and adoption assistance payments.* (1) Effective October 1, 1980, Federal financial participation (FFP) is available to States under an approved title IV-E State plan for allowable costs in expenditures for:

(i) Foster care maintenance payments as defined in section 475(4) of the Act, made in accordance with 45 CFR 1356.20 through 1356.30 of this part, section 472 of the Act and section 102(d) of Pub. L. 96-272, the Adoption Assistance and Child Welfare Act of 1980;

(ii) Adoption assistance payments made in accordance with 45 CFR 1356.20 and 1356.40 and sections 473 and 475(3) of the Act.

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## PART 1357—REQUIREMENTS APPLICABLE TO TITLE IV-B

7a. The authority citation for Part 1357 reads as follows:

Authority: Adoption Assistance and Child Welfare Act of 1980, Pub. L. 96-272, 42 U.S.C. 670 et seq., 94 Stat. 501, 42 U.S.C. 620 et seq., 94 Stat. 516 et seq., Section 1102 of the Social Security Act, as amended, 42 U.S.C. 1302.

7b. The table of contents for Part 1357 is amended by adding §§ 1357.10, 1357.15, 1357.20, 1357.25 and 1357.40 to read as follows:

Sec.

1357.10 Scope and definitions.

1357.15 Child welfare services State plan requirements and submittal.

1357.20 Child abuse and neglect programs.

1357.25 Requirements for eligibility for additional funds under section 427.

1357.40 Direct payments to Indian Tribal Organizations.

8. Part 1357 is amended by adding §§ 1357.10, 1357.20, 1357.25 and 1357.40 to read as follows:

**§ 1357.10 Scope and definitions.**

(a) *Scope*—This Part applies to State programs for child welfare services (including related administrative expenditures) under title IV-B of the Act.

(b) Child welfare services under the title IV-B State plan must be available on the basis of need for services and must not be denied on the basis of financial need or length of residence in the State.

(c) *Definitions. Child Welfare Services* means the definition of services contained in section 425(a)(1) of the Act for which the State agency is responsible. (For purposes of 45 CFR 1357.40, Direct Payments to Indian Tribal Organizations, substitute "Indian Tribal Organization" for "State agency" wherever State agency appears.)

*Child Welfare Services Plan* (CWSP) means the document developed through joint planning which describes the child welfare services program for which the State agency is responsible, including services, program deficiencies, plans for program improvement and allocation of resources by type of service.

*Joint Planning* means State and Federal review and analysis of the State's child welfare services, including analysis of the service needs of children and their families, selection of unmet service needs that will be addressed in a plan for program improvement, and development of goals and objectives to enhance the capability of the State in providing child welfare services.

**§ 1357.15 Child welfare services State plan requirements and submittal.**

(a) In order to be eligible for Federal financial participation (FFP) under this Part and title IV-B of the Act, a State must have a Child Welfare Services State Plan (CWSP) which meets the requirements of this section, sections 422 (a) and (b) of the Act and 45 CFR Part 1355.

(b) (1) The title IV-B State plan assurances required by sections 422(b) (1) through (4) and (7) and (8) of the Act may be submitted one time only and will remain in effect on an on-going basis. However, these assurances must be amended when significant changes are made in a State's program in these areas.

(2) The descriptive information on the State's services program required by section 422(b) (5) and (6) of the Act must be submitted and be in effect for one, two or three fiscal years. The State may select which of the three intervals it wishes to use.

(c) In meeting the requirements of section 422(b)(5) of the Act, the State plan must contain a description of child welfare services provided to children and their families in the State and specify the geographic areas where these services will be available.

(d) In meeting the coordination requirements of section 422(b)(2) of the Act, and in the event that an Indian Tribal Organization (ITO) in a State applies for and receives direct title IV-B funding under section 428 of the Act, the State agency must make every reasonable effort to coordinate its title IV-B program with the title IV-B program of the ITO. The State must provide a copy of the title IV-B State plan upon request of the ITO.

(This requirement has been approved by the Office of Management and Budget under OMB Control Number 0980-0142)

(e) (1) In implementing the requirements of this section and sections 427(a) (2)(C) and 427(b) (3) of the Act, the State must specify, in its title IV-B State plan, which preplacement preventive and reunification services are available to children and families in need.

(2) The services specified may include: twenty-four hour emergency caretaker, and homemaker services; day care; crisis counseling; individual and family counseling; emergency shelters; procedures and arrangements for access to available emergency financial assistance; arrangements for the provision of temporary child care to provide respite to the family for a brief period, as part of a plan for preventing children's removal from home; other services which the agency identifies as necessary and appropriate such as home-based family services, self-help groups, services to unmarried parents, provision of, or arrangements for, mental health, drug and alcohol abuse counseling, vocational counseling or vocational rehabilitation; and post adoption services.

(f) The State plan may be written in a form determined by the State.

(g) The jointly developed State plan must be submitted to the appropriate Regional Office, ACYF. The Regional Office, ACYF will notify the State when the State plan meets all the requirements of the Act.

**§ 1357.20 Child abuse and neglect programs.**

The State agency must assure that, with regard to any child abuse and neglect programs or projects funded under title IV–B of the Act, the requirements of paragraph (3) of section 4(b) of the Child Abuse Prevention and Treatment Act of 1974, as amended 42 U.S.C. Sec. 5103(b)(3) (Pub. L. 93–247), are met.

**§ 1357.25 Requirements for eligibility for additional payments under section 427.**

(a) For any fiscal year after FY 1979 in which a sum in excess of $141,000,000 is appropriated under Section 420 of the Act, a State is not eligible for payment of an amount greater than the amount for which it would be eligible if the appropriation were equal to $141,000,000 unless the State complies with the requirements of Section 427(a) of the Act.

(b) In meeting the requirements for the inventory and statewide information system in sections 427 (a)(1) and (2)(A) of the Act, the inventory and statewide information system must include those children under the placement and care responsibility of the State title IV–B or IV–E agencies. At the State's discretion, other children may be included. The six month requirement in section 427(a)(1) and the twelve month requirement in section 427(a)(2)(A) of the Act must also be met.

(The requirement has been approved by the Office of Management and Budget under OMB Control Number 0980–0138.)

(c) If, for each of any two consecutive fiscal years after FY 1979, there is appropriated under Section 420 of the Act a sum equal to or greater than $266,000,000, a State's allotment amount for any fiscal year after two such consecutive fiscal years shall be reduced to an amount equal to what the allotment amount would have been for FY 1979 unless the State has implemented the requirements of Section 427(b) of the Act.

(d) In meeting the requirements of section 427(a)(2)(B) of the Act for dispositional hearings the State agency must meet the requirements of section 475(5)(C) of the Act and 45 CFR 1356.21(e).

(e) A State may appeal a final decision by ACYF that the State has not met the requirements of this section and section 427 of the Act to the Department Grant Appeals Board under the provisions of 45 CFR Part 16.

**§ 1357.40 Direct payments to Indian Tribal Organizations.**

(a) *Who may apply for direct funding?* Any Indian Tribal Organization (ITO) that meets the definitions in section 428(c) of the Act, or any consortium or other group of eligible tribal organizations authorized by the membership of the tribes to act for them is eligible to apply for direct funding if:

(1) The Indian tribe (or tribes comprising the ITO) is providing, under a contract (or grant) with the Secretary of the Interior under section 102 of the Indian Self-Determination Act (25 U.S.C. 450f) child welfare services which would, otherwise, be provided directly by the Secretary of the Interior; and

(2) The Indian tribe, consortium or group has a plan for child welfare services provided by the ITO that is jointly developed by the Indian Tribal Organization and the Department.

(b) *Joint planning.* For purposes of this section, Joint Planning means ITO and Federal review and analysis of the ITO's child welfare services including analysis of the service needs of children and their families, selection of unmet service needs that will be addressed in a plan for program improvement, and development of goals and objectives to enhance the capability of the tribe providing child welfare services.

(c) *Title IV–B plan requirements.* The Indian Tribal Organization's Title IV–B plan must meet all of the requirements of this paragraph. With respect to paragraph (c)(1) through (c)(5), of this section, the Indian Tribe/ITO must meet the requirements applicable to the State/State (or local) agency.

(1) Sections 422(a) and 422(b) (2) through (8) of the Act;

(2) 45 CFR 1355.20 and the definition of child welfare services in 45 CFR 1357.10(c);

(3) 45 CFR 1355.21(a);

(4) 45 CFR 1357.15(e);

(5) 45 CFR 1355.30 except that requirements of paragraphs (i) and (m) do not apply;

(6) The name of the ITO;

(7) A brief description of the ITO;

(8) A brief description of the legal and organizational relationship of the Tribal Organization to the Indians in the area to be served;

(9) A statement of the legal responsibility, if any, for children who are in foster care on the reservation and those awaiting adoption;

(10) A description of tribal jurisdiction in civil and criminal matters, existence or nonexistence of a tribal court and the type of court and codes, if any;

(11) An identification of the standards for foster family homes and institutional care and day care;

(12) The Indian Tribal Organization's political subdivisions, if any;

(13) Whether the Tribal Organization is controlled, sanctioned or chartered by the governing body of Indians to be served and if so, documentation of that fact;

(14) Any limitations on authorities granted the ITO; and

(15) The tribal resolution(s) authorizing it to apply for a direct title IV–B grant under this Part.

(d) *Submittal of the title IV–B services plan and annual budget request.* (1) The ITO's title IV–B Annual Budget Request must be submitted, in a form and manner prescribed by the Department to the appropriate regional Office, ACYF.

(2) The title IV–B services plan must be submitted to the appropriate Regional Office, ACYF, in a form, determined by the ITO.

(3) (i) ITO's title IV–B plan may, at the ITO's option, be submitted in two parts. One part may contain the information and assurances that typically remain in effect on an on-going basis. This part of the plan may be submitted one time only but must be amended when significant changes occur in an ITO's program.

(ii) The items in paragraph (c) of this section that may be submitted on a one time only basis are: the assurances required by section 422(b)(1) through (4) and (7) and (8) of the Act and the information required in paragraphs (c) (6) through (15) of this section.

(iii) The second part of the ITO's IV–B plan must be submitted and in effect for one, two or three fiscal years. The ITO may select which of the three intervals it wishes to use. This part of the plan must contain the information required by section 422(b) (5) and (6) of the Act.

(4) Upon submission to the appropriate Regional Office, ACYF, of a jointly developed plan, the ITO must promptly notify the title IV–B agency of the State(s) in which the tribe is located of the submission.

(e) *Coordination of services.* (1) In meeting the requirements of section 422(b)(2) of the Act, the ITO's plan must assure coordination of services with other Federal, State or tribal programs to ensure maximum availability and utilization of resources that promote and enhance the welfare of children, youth and families served under title IV–B.

(2) For purposes of coordination, the ITO must provide a copy of its plan to the State(s) upon request. The ITO must also make its title IV–B plan and plan amendments available for public review and inspection.

(f) *Requirements for eligibility for additional payments.* (1) For any fiscal year after FY 1979 in which a sum in

excess of $141,000,000 is appropriate under Section 420 of the Act, an ITO is not eligible for payment of an amount greater than the amount for which it would be eligible if the appropriation were equal to $141,000,000 unless the Indian Tribe/ITO has implemented the requirements applicable to the State/State agency in section 427(a) of the Act.

(2) If, for each of any two consecutive fiscal years after fiscal year 1979, there is appropriated under Section 420 of the Act a sum equal to or greater than $266,000,000, a Tribe's allotment amount for any fiscal year after those two consecutive fiscal years must be reduced to an amount equal to what the allotment amount would have been for fiscal year 1979 unless the Indian Tribe/ITO has implemented the requirements applicable to the State/State agency in section 427(b) of the Act.

(3) The provisions applicable to the State/State agency in 45 CFR 1357.25 (d) and (e) apply to the Indian tribe/ITO.

(g) *Grants: General.* (1) Grants may be made to eligible Indian Tribal Organizations in a State which has a jointly developed Child Welfare Services Plan under title IV–B of the Act.

(2) Federal funds made available for a direct grant to an eligible ITO shall be paid by the Department, from the title IV–B allotment for the State in which the ITO is located. Should a direct grant be approved, the Department shall promptly notify the State(s) affected.

(3) If an eligible ITO includes population from more than one State, a proportionate amount of the grant will be paid from each State's allotment.

(4) The receipt of title IV–B funds must be in addition to and not a substitute for funds otherwise previously expended by the ITO for child welfare services.

(5) The Indian Tribe/ITO must adhere to the requirements applicable to the State/State agency in 45 CFR 1357.30, Fiscal Requirements (title IV–B).

## SUBCHAPTER J—[RESERVED]

## PART 1392—[REMOVED]

9. 45 CFR Part 1392 is removed from subchapter J; subchapter J is reserved.

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Monday
May 23, 1983

Part VII

# Department of Commerce

## Patent and Trademark Office

**Trademark Applications and Examination Proceedings; Trademark Interference, Concurrent Use, Opposition and Cancellation Proceedings; Trademark Post-Registration Proceedings; Final Rule and**

**Revision of Foreign Filing License Procedure; Proposed Rule**

**DEPARTMENT OF COMMERCE**

**Patent and Trademark Office**

**37 CFR Part 2**

**[Docket No. 30428-69]**

## Trademark Applications and Examination Proceedings; Trademark Interference, Concurrent Use, Opposition and Cancellation Proceedings; Trademark Post-Registration Proceedings

**AGENCY:** Patent and Trademark Office, Commerce.

**ACTION:** Final rule.

**SUMMARY:** The Patent and Trademark Office is amending the rules of practice in trademark cases to clarify and revise procedures for the examination of applications; appeals from final refusals of registration; the institution and/or conduct of trademark interference, concurrent use, opposition and cancellation proceedings; the examination of affidavits or declarations under section 8 of the Trademark Act of 1946; amendments to registrations under section 7 (d) of the Trademark Act; and petitions to the Commissioner. The procedures revise or codify existing practices, or simplify procedures, or establish periods of time, to assist the orderly and prompt resolution of issues.

**EFFECTIVE DATE:** June 22, 1983.

**FOR FURTHER INFORMATION CONTACT:** Miss Janet E. Rice by telephone at (703) 557-3551 or by mail addressed to the Commissioner of Patents and Trademarks, Attention: Miss Janet E. Rice, Crystal Square 5, Suite 1008, Washington, D.C. 20231.

**SUPPLEMENTARY INFORMATION:** Amendments to §§ 2.20, 2.27, 2.63, 2.64, 2.65, 2.72, 2.81, 2.96, 2.98, 2.99, 2.101, 2.102, 2.103, 2.104, 2.105, 2.106, 2.107, 2.111, 2.112, 2.113, 2.115, 2.116, 2.117, 2.120, 2.121, 2.122, 2.123, 2.124, 2.125, 2.127, 2.128, 2.129, 2.131, 2.132, 2.134, 2.135, 2.142, 2.146, 2.165, 2.173, 2.184, and 2.186 and the removal of §§ 2.88, 2.94, 2.95, 2.97, 2.126, 2.147, and 2.148 were proposed in a rulemaking notice published in the **Federal Register** on June 29, 1982, at 47 FR 28324, the Patent and Trademark Office *Offical Gazette* of July 27, 1982, at 1020 O.G. 25, and Vol. 24 of *BNA's Patent, Trademark & Copyright Journal* (July 1, 1982) at p. 236. The purpose of these proposed amendments was to revise and codify existing practices. One of the proposed amendments (subsequently not adopted) was to interchange §§ 2.101 and 2.102. Interested parties were requested to submit written comments on or before October 4, 1982. An oral hearing was held on the same date. Written comments were submitted by four organizations and four individuals. Three persons testified at the oral hearing. Two of the individuals testified in behalf of organizations which also submitted written comments. Each of the two testified that the organization which he represented approved of the proposed amendments except as indicated in the organization's written comments. The third individual testified concerning the history and purpose of the proposed amendments and expressed his approval of them.

However, further changes to several of these proposed rules, as well as amendments to other trademark rules, were required in order to implement certain trademark provisions of intervening Pub. L. 97-247 enacted August 27, 1982. The text of the law is published in the Patent and Trademark Office *Official Gazette* of October 26, 1982, at 1023 O.G. 31.

Provisions of Pub. L. 97-247 relating to trademark fees were implemented by trademark fee rule changes which were published in the **Federal Register** on July 30, 1982 at 47 FR 33086 and which took effect on October 1, 1982. That final rule document was based alternatively on the law in effect at that time, Pub. L. 96-517, and on H.R. 6260, which was then pending but is now Pub. L. 97-247. As a result of the fee rule changes, which were based on Pub. L. 97-247 and subsequently confirmed in a document published in the **Federal Register** on September 17, 1982 at 47 FR 41282, further changes to § 2.101 [identified in the June 29, 1982 notice as § 2.102] were required.

Additional changes to § 2.101 [identified in the June 29, 1982 notice as § 2.102] and § 2.111, the removal of § 2.103, and changes to §§ 2.161 and 2.162 were required in order to implement the provisions of Sections 8 and 9 of Pub. L. 97-247. Section 8 of the new law amends Section 8 of the Trademark Act of 1946 (15 U.S.C. 1058) to require that an affidavit or declaration filed under Section 8 show use of the mark in commerce. Section 9(a) amends Section 13 of the Trademark Act (15 U.S.C. 1063) to eliminate the requirement for verification of oppositions (thus permitting a party's attorney to sign an opposition before the Trademark Trial and Appeal Board), and to require that additional requests for extension of time to oppose be filed prior to the expiration of the extension. Section 9(b) amends Section 14 of the Trademark Act (15 U.S.C. 1064) to eliminate the requirement for verification of petitions to cancel (thus permitting a party's attorney to sign petitions to cancel before the Trademark Trial and Appeal Board). The provisions of Sections 8 and 9 of the new law became effective February 27, 1983.

The additional proposed changes to § 1.101 (identified in the June 29, 1982 notice as § 2.102) and § 2.111, the changes to §§ 2.161 and 2.162, and the proposed removal of § 2.103, all required as a result of the enactment of Pub. L. 97-247, were published in the **Federal Register** on November 24, 1982 at 47 FR 53054. In that notice, as in the June 29, 1982 notice, §§ 2.101 and 2.102 were interchanged, and it was indicated in the notice that although § 2.102 [identified in the notice as § 2.101] and § 2.112, as proposed in the June 29, 1982 notice, already included the necessary changes called for by Pub. L. 97-247 and thus were not being republished, further comments on the two proposed rules would be entertained. Interested parties were requested to submit written comments on or before January 7, 1983. Comments were received from one organization.

In a notice of final rulemaking published in the **Federal Register** on January 28, 1983 at 48 FR 3972, and in the *Official Gazette* of February 22, 1983 at 1027 O.G. 129, § 2.103 was removed, and §§ 2.101, 2.102, 2.111, 2.112, 2.161, and 2.162 were amended, to incorporate changes adopted both as a result of the notice of proposed rulemaking of June 29, 1982 (to revise and codify existing practices) and as a result of the notice of proposed rulemaking of November 24, 1982 (to implement the provisions of Sections 8 and 9 of Pub. L. 97-247). All of the comments relating to §§ 2.101, 2.102, 2.103, 2.111, 2.112, 2.161, and 2.162 which were received in response to the two notices of proposed rulemaking were discussed in that final rule notice and the rule changes adopted therein became effective on February 27, 1983.

Accordingly, this final rule notice does not include a discussion of the comments relating to §§ 2.101, 2.102, 2.103, 2.111, and 2.112 which were received in response to the June 29, 1982 notice of proposed rulemaking.

Discussion of Specific Sections Changed:

The rules which are being amended are discussed below. (The designation § is used in The Code of Federal Regulations to denominate a rule. If internal division of a section is necessary, it is divided into paragraphs designated as follows: "a", "b", etc. at the first level; "1", "2", etc. at the second level; "i", "ii", etc. at the third level; "A", "B", etc. at the fourth level; "*1*", "*2*", etc.

at the fifth level; and "*i*", "*ii*", etc. at the sixth level.)

In this preamble to the rulemaking, "Patent and Trademark Office" is abbreviated as "PTO" and "Trademark Trial and Appeal Board" is abbreviated as "TTAB".

Section 2.20 was proposed to be amended by the addition of a new paragraph (b) to codify the practice whereby a nonofficer of a corporation or association who is authorized to sign a notice of opposition or petition for cancellation may verify the pleading by a declaration in lieu of an oath or affirmation. Inasmuch as the requirement for verification has been eliminated (see Pub. L. 97–247, enacted August 27, 1982 and the final rule notice published in the **Federal Register** on January 28, 1983 at 48 FR 3972), this proposal is withdrawn as moot.

Section 2.27(e) is added to permit the PTO to retain in confidence, not available for public inspection, anything filed under seal pursuant to a protective order [see amended §§ 2.120(f) and 2.125(e)]. Conforming amendments are made in paragraphs (b) and (d) of § 2.27.

Section 2.63 is clarified and designated as paragraph (a).

Section 2.63(b) is added to codify the practice of allowing an applicant to petition to the Commissioner for relief from either an examiner's repeated but nonfinal formal requirement which is appropriate for petition to the Commissioner or a final action which is limited to subject matter which is appropriate for petition to the Commissioner. The paragraph also requires that a petition be timely and sets a time limit for action after denial of a petition. See amended § 2.146(b) for a description of nonpetitionable subject matter and amended § 2.146(d) for the time limit (sixty days) for a petition. The final text includes a phrase that was not included in the proposed paragraph, namely, the phrase "and the subject matter of the requirement is appropriate for petition to the Commissioner" which now appears in the clause "(1) the requirement is repeated, but the examiner's action is not made final, and the subject matter of the requirement is appropriate for petition to the Commissioner;". The phrase has been added in order to further clarify the intent of the paragraph and is not considered to result in a material alteration thereof.

Section 2.64 is designated as paragraph (a) and revised to agree with the provision in § 2.63(b) permitting petitions to the Commissioner concerning some requirements which have been made final.

Section 2.64(b) is added to clarify the existing practice of replying to requests for reconsideration after final action, and to permit entry of amendments accompanying such requests if they comply with the Act of 1946 and the rules of practice in trademark cases.

Section 2.65 is designated as paragraph (a) and amended by the addition of a sentence to provide that a timely and proper petition under § 2.63(b) avoids the abandonment of an application. A new paragraph (b) permits the examiner to allow an applicant additional time to explain and supply an inadvertent omission which would otherwise have resulted in the application being held abandoned. The final text of (b) includes a phrase that was not included in the paragraph as proposed, namely, the phrase "filed within the six-month response period" which now appears in the clause beginning "When action by the applicant filed within the six-month response period is a bona fide attempt to advance the examination of the application * * *." The phrase has been added in order to further clarify the intent of the paragraph and is not considered to result in a material alteration thereof.

Section 2.72 is revised so that the standard for amendment of a mark in an application now is the same in terms as the standard for amendment of a registered mark set forth in section 7(d) of the Act of 1946.

Section 2.72 was proposed to be further revised to allow non-material changes in the drawing to be supported by specimens which were not necessarily in use at the time the original application was filed. However, upon further consideration, it appears that the proposed revision might result in so many amendments to marks as to constitute a burden on the Patent and Trademark Office. Accordingly, this part of the proposal is withdrawn.

Section 2.81 is revised to clarify the language of the section. Proposed § 2.81 has been slightly reworded herein so as to further improve the clarity of the section.

Section 2.88 is deleted because requests to consolidate applications are very rare and the procedure is unworkable. See Official Gazette notice of July 29, 1981, 1009 TMOG 17.

Section 2.94 is deleted because interferences are declared only upon petition [see § 2.91], which assumes proper review before an interference is declared, and existing § 2.94 is unnecessary.

Section 2.95 is deleted because the deletion of § 2.94 makes § 2.95 unnecessary.

Section 2.96 is amended to codify existing practice on the issues determinable in an interference and the order of the parties and burden of proof. The amended rule states who is the junior party if two applications have the same filing date but different dates of execution. The third and fourth sentences of proposed § 2.96 have been reworded herein so as to improve the clarity of the section.

Section 2.97 is deleted because it is unnecessary in veiw of the codification in § 2.96.

Section 2.98 is amended to make the rule consistent with existing § 2.91.

Section 2.99 is reorganized and amended to describe the concurrent use application procedure in greater detail. Paragraph (a) of the amended rule provides that an application for a concurrent use registration will be examined in the same manner as other applications for registration.

Paragraphs (b) and (c) and paragraph (d)(1) of § 2.99 describe the procedure to be used to institute a concurrent use proceeding.

Paragraphs (d) (2) and (3) of § 2.99 codify existing practice on who must file an answer to a notice of institution of a concurrent use proceeding and the effect of not filing an answer.

Section 2.99(e) codifies existing practice on the order of the parties and the burden of proof and states who is the junior party if two applications have the same filing date but different dates of execution. A person specified as an excepted user but who has not filed an application is stated to be a senior party to every party that has an application involved in the proceeding because a party without an application is seeking no relief and therefore has no burden of proving entitlement to relief.

Section 2.99(f) provides for the issuance of a concurrent use registration upon the basis for a court's determination of the rights of the parties to use their marks in commerce, without the institution of a proceeding by the TTAB, when all of the conditions specified in the rule are fulfilled. The first clause in paragraph (f), which, as proposed, read "when a concurrent use registration is sought on the basis of a court's determination of the rights of the parties to use the marks in commerce, * * *", has been modified herein to read "When a concurrent use registration is sought on the basis that a court of competent jurisdiction has finally determined that the parties are entitled to use the same or similar marks in commerce, * * *." The modified clause closely follows the language of that portion of section 2(d) of the Act of 1946

upon which the rule is based. The modification has been made in order to clarify the subsection and is not considered to result in a material alteration thereof.

Section 2.99(g) codifies existing law that registrations and applications to register on the Supplemental Register and registrations under the Act of 1920 are not subject to concurrent use registration proceedings and implements section 26 of the Act of 1946, which provides, inter alia, that applications for and registrations on the Supplemental Register shall not be subject to section 17 of the Act, which is the statutory authority for a concurrent use registration proceeding [cf. existing § 2.91(b)].

Section 2.104 is amended to clarify existing § 2.104.

Section 2.105 is amended to clarify existing § 2.105 and codify the practice thereunder.

Section 2.106(c) is amended to codify the practice under existing § 2.106(c) that, after an answer is filed, an opposition may be withdrawn without prejudice only with the written consent of the applicant.

Section 2.107 is amended to codify the practice under existing § 2.107 whereby any pleading, including the answer, may be amended.

Section 2.113 is amended to clarify existing § 2.113, which described the procedure for notifying a registrant of the filing of a proper petition for cancellation of his registration. The amended section includes cross-references to §§ 2.111 and 2.112 (amended effective February 27, 1983), which pertain to the "filing" of and proper form for a petition for cancellation, and to § 2.118, which pertains to undelivered Office notices.

Section 2.115 is amended to codify the practice under existing § 2.115 whereby any pleading, including the answer, may be amended.

Section 2.116(b) is amended to clarify the language and intent of existing § 2.116(b).

Section 2.116(c) is amended to clarify existing § 2.116(c). Any complaint filed by a party in an interference or concurrent use proceeding would be a petition for cancellation, and the position of the parties in the consolidated proceeding will be set by the TTAB as required.

Section 2.117 is amended by designating the present section as paragraph (a) and adding two new paragraphs, (b) and (c). Section 2.117 as proposed contained four subsections. Proposed paragraph (b) is withdrawn and proposed paragraphs (c) and (d) are redesignated (b) and (c).

Section 2.117(b) codifies existing practice as to determination of a potentially dispositive motion when the question of suspension of proceedings is raised.

Section 2.117(c) permits a party to move, or parties to stipulate, for suspension, which usually occurs when negotiations for settlement are undertaken and the parties want proceedings suspended for that purpose.

Section 2.120 is amended in several respects, commencing with a reorganization of the rule to state how discovery may be taken, then how discovery may be compelled, then how admissions may be requested and the sufficiency of admissions or objections to requests therefor may be tested, and then how the results of discovery may be used in a proceeding.

Section 2.120(a) clarifies the language of the introductory paragraph of existing § 2.120.

Section 2.120(b) clarifies existing § 2.120(a)(1) and codifies the practice thereunder, and is made applicable to domestic parties.

Section 2.120(c)(1) restates in modified form the provisions of existing § 2.120(a)(2), and in addition, permits oral discovery depositions in foreign countries on motion for good cause or by stipulation of the parties.

Section 2.120(c)(2) provides for oral discovery depositions within the United States of foreign parties or their officers, etc. if they will be in the United States during a discovery period.

Section 2.120(d) makes specific provision for requests for production and codifies the practice for this kind of discovery.

Section 2.120(e) clarifies existing § 2.120(c)(1) and codifies the practice on motions to compel discovery.

Section 2.120(f) adds provisions pertaining to protective orders during discovery.

Section 2.120(g) clarifies existing § 2.120(c)(2) and further codifies the practice on sanctions for failing to obey orders pertaining to discovery.

Section 2.120(h) adds to the discovery rules provisions pertaining to requests for admissions and codifies the practice pertaining to requests for admissions.

Section 2.120(i) codifies the practice on the use of telephone and pre-trail conferences to resolve disputes.

Section 2.120(j) clarifies existing § 2.120(a)(3) relating to the use of discovery depositions, and codifies and revises the practice on the filing with the TTAB of matter obtained during discovery and the use thereof at trial.

Section 2.121 clarifies existing § 2.121 and codifies the practice thereunder.

Section 2.122 consolidates in one section the rules governing the introduction and admission of certain types of evidence in inter partes proceedings before the TTAB.

Section 2.122(a) identifies the sources of the law of evidence to be applied in inter partes proceedings.

Section 2.122(b)(1) clarifies the language and codifies the practice under existing § 2.122(a).

Paragraph (b)(2) and paragraph (c) of § 2.122 clarify existing § 2.126 and codify the practice under that section.

Section 2.122(d)(1) incorporates all of the substance of existing § 2.122(b) relating to the introduction in evidence of a plaintiff's pleaded registration with the complaint, except that the provision permitting the submission of an order for status and title copies of a pleaded registration with the complaint has been eliminated.

Section 2.122(d)(2) provides for the introduction in evidence of a registration owned by a party to a proceeding during the taking of testimony or by the filing of a notice of reliance on the registration, together with status and title copies thereof, during that party's testimony period.

Section 2.122(e) [identified in the notice of proposed rulemaking as § 2.122(c)(1)] clarifies and adds to the provisions of existing § 2.122(c) relating to printed publications and official records. Section 2.122(e) requires that an official record or copy thereof offered under the rule be an authentic record or copy pursuant to the Federal Rules of Evidence and also requires that, when a copy of a relevant portion of a printed publication is offered, the copy include the title page and any other page needed to show the place and date of publication, the name and address of the the publisher, and the name of the author or the editor, which information is intended to enable the party against whom the evidence is offered to identify what it is. In the proposed and final rules, a new phrase, namely, "among members of the public or that segment of the public which is relevant under an issue in a proceeding", has been added to the opening clause of existing § 2.122(c), so that that clause now reads "Printed publications, such as books and periodicals, available to the general public in libraries or of general circulation among members of the public or that segment of the public which is relevant under an issue in a proceeding". The phrase was added so that it would be clear that a trade journal, for example, is a printed publication of the type contemplated by the rule notwithstanding the fact that it

may be circulated only among members of the trade rather than among members of the general public; the addition is not to be construed as an indication that an individual company's promotional literature, product booklets, annual reports, etc., are admissible under this section. Cf. Glamorene Products Corporation v. Earl Grissmer Company, Inc., 203 USPQ 1090 (TTAB 1979); Litton Industries, Inc. v. Litronix, Inc., 188 USPQ 407 (TTAB 1975); and Minnesota Mining and Manufacturing Company v. Stryker Corporation, 179 USPQ 433 (TTAB 1973).

Section 2.122(f) clarifies existing § 2.122(d) and codifies the practice thereunder.

Section 2.123 is amended by revising paragraphs (a), (e)(3), (j), and (k) thereof.

Section 2.123(a)(1) provides that testimony may be taken by depositions upon oral questions or upon written questions and further provides that if a party serves a notice of taking a testimonial deposition upon written questions, any adverse party may move to have the deposition taken upon oral questions if the witness, even though he may be a foreign party or a person who usually resides in a foreign country, is, or at the time of the deposition will be, in the United States or any territory under the control and jurisdiction of the United States.

Section 2.123(a)(2) provides that testimony in a foreign country is ordinarily to be taken by a deposition upon written questions but that the party against whom a testimonial deposition will be taken may move for good cause shown to have it taken by oral questions in a foreign country, and further provides that the parties may stipulate to have testimony taken by an oral deposition in a foreign country.

Section 2.123(e)(3) codifies the practice that a party who did not receive a proper notice of the taking of a deposition with respect to any witness may cross-examine that witness under protest while preserving his right to move to strike the whole of the testimony of that witness.

Section 2.123(j) is revised to provide that Rule 32(d) (1), (2), and (3) (A) and (B) of the Federal Rules of Civil Procedure shall apply to errors and irregularities in depositions; that notice will not be taken of merely formal or technical objections which shall not appear to have wrought a substantial injury to the party raising them; and that in case of such injury it must be made to appear that the objection was raised at the time specified in the aforesaid rule.

Section 2.123(k) is revised to provide that objections to the competency of a witness or to the competency, relevancy, or materiality of testimony must be raised at the time required by Rule 32(d)(3)(A) of the Federal Rules of Civil Procedure, and that such objections will not be considered until final hearing.

Section 2.124 sets out the procedure to be followed in taking a discovery deposition or a testimonial deposition upon written questions.

Section 2.124(a) provides that a deposition upon written questions may be taken before any of the persons described in Rule 28 of the Federal Rules of Civil Procedure.

Section 2.124(b)(1) provides for the kind of notice which must be served by a party desiring to take a testimonial deposition upon written questions and further provides that a copy of the notice, without the questions, must be filed with the TTAB.

Section 2.124(b)(2) provides for the kind of notice which must be served by a party desiring to take a discovery deposition upon written questions and further provides that a copy of the notice, without the questions, must be filed with the TTAB. This paragraph also provides that, if the name of the person to be deposed is not known to the party who will take the deposition, a general description sufficient to identify the class or group to whom the prospective witness belongs shall be stated in the notice and the party to be deposed shall designate one or more discovery witnesses.

Section 2.124(c) requires that every notice of deposition upon written questions name or describe by title the officer before whom the deposition will be taken.

Section 2.124(d)(1) specifies the procedure and timetable for serving the questions, objections, and substitute questions for a deposition upon written questions.

Section 2.124(d)(2) provides that the TTAB may reset the times specified in § 2.124(d)(1) and, when a testimonial deposition is to be taken upon written questions, shall suspend or reschedule other proceedings in the matter to allow for the completion of the deposition.

Section 2.124(e) provides the procedure for sending the notice and questions to the officer designated in the notice, the taking of the deposition, and the certification and mailing of the transcript to the party who took the deposition.

Section 2.124(f) provides for the service of copies of the transcript and exhibits, states that the party who took the deposition is responsible for the correctness of the transcript, permits the use of a discovery deposition as provided by § 2.120(j), and provides for the filing with the TTAB of a testimonial deposition, a copy thereof, and the exhibits.

Section 2.124(g) states that objections to questions and answers may be considered at final hearing.

Section 2.125(a) provides for the service of a transcript of an oral testimonial deposition and the exhibits, and, in respect of that requirement, continues the rule of existing § 2.125(a).

Section 2.125(b) makes the party who took a deposition responsible for its correctness and for serving the adverse party with a corrected transcript or corrected pages.

Section 2.125(c) continues the requirement of existing § 2.125(a) that a certified transcript and the exhibits be filed promptly with the TTAB and further provides that notice of filing be served on the adverse party and that a copy of the notice be filed with the TTAB. The requirement for the filing of a copy of the transcript (in addition to the certified transcript), which appeared both in existing § 2.125(a) and in proposed § 2.125(c), has not been retained in the final rule since the TTAB does not really need the copy and the printing of it is an unnecessary expense for parties involved in proceedings before the TTAB.

Section 2.125(d) continues the requirements of existing § 2.125(b).

Section 2.125(e) provides that the TTAB, on motion, may order that any part of a deposition transcript or exhibits that directly disclose a trade secret or other confidential research, development, or commercial information may be filed under seal and kept confidential and provides for sanctions for failure to comply with the order.

Section 2.126 is deleted because the substance of the existing section has been shifted to § 2.122 (b)(2) and (c).

Paragraphs (a), (b), and (c) of § 2.127 clarify, and codify the practice under, existing paragraphs (a), (b), and (c) of that section.

Section 2.127(d) codifies the practice with respect to suspending all matters in a case not germane to a potentially dispositive motion until the determination thereof.

Section 2.128(a)(1) clarifies existing § 2.128(a) except that the rule requiring copies of a brief is shifted to final § 2.128(b).

Section 2.128(a)(2) codifies the practice of having the TTAB set the briefing schedule by order when proceedings are consolidated, or when there is a counterclaim, or when more than two parties are involved.

Section 2.128(a)(3) contains a new provision enabling the TTAB to enter judgment against a plaintiff who fails to

file a brief at final hearing and also fails to respond to an order to show cause why such judgment should not be entered against him or files a response indicating that he has lost interest in the case.

Section 2.128(b) clarifies and codifies the practice under the last sentence of existing § 2.128(a) and existing § 2.128(b).

Section 2.129(a) clarifies and codifies the practice under existing § 2.128(c) and existing § 2.129(a).

Section 2.129(b) clarifies existing § 2.129(b).

Section 2.129(c) clarifies existing § 2.129(c), from which the language referring to a decision on a motion which is finally dispositive of a case has been deleted because any requests for reconsideration or modification of a decision issued on a motion would be made under final § 2.127(b).

Section 2.131 clarifies and codifies the practice under existing § 2.131. The effect is to eliminate the dichotomy between inter partes and ex partes issues and to provide for the determination by the TTAB of all issues that have been expressly pleaded by the parties or tried by their express or implied consent and to reserve for remand to the examiner for reexamination only issues neither pleaded nor tried but which appear to make the mark of an applicant unregistrable.

Section 2.132(a) changes the practice under existing § 2.132(a) by eliminating the step of having the TTAB issue an order to the plaintiff to show cause why judgment should not be entered against him. Under amended § 2.132(a), the plaintiff will have fifteen days from the date of service of the defendant's motion for dismissal within which to show cause why judgment should not be rendered against the plaintiff.

Section 2.132(b) clarifies existing § 2.132(b).

Section 2.134(a) codifies the practice under existing § 2.134 that the written consent of the adverse party is required to avoid judgment against a cancellation respondent who applies to cancel his registration under section 7(d) of the Act of 1946 while the registration is involved in a proceeding.

Section 2.134(b) provides that, after the commencement of a cancellation proceeding, if it comes to the attention of the TTAB that a respondent (registrant) has permitted his registration to be cancelled under section 8 of the Act of 1946 or has failed to renew his registration under section 9 of the Act, an order may be issued allowing respondent until a set time in which to show cause why the resulting demise of the registration should not be deemed to be the equivalent of a cancellation of the registration by request of the respondent without the written consent of the adverse party and should not result in entry of judgment against the respondent; and that, in the absence of a showing of good and sufficient cause, judgment may be entered against respondent. Section 2.134(b) is added to avoid situations where a respondent in a cancellation proceeding may moot the case and avoid judgment because of the fortuitous circumstance that his registration happens to reach its sixth anniversary or twentieth anniversary while a proceeding is pending and the respondent exploits this situation by simply failing to file an affidavit under section 8 of the Act or a renewal application under section 9 of the Act.

Section 2.135 codifies the practice under existing § 2.135, which is parallel to the practice under existing § 2.134 and final § 2.134(a), that the written consent of the adverse party is required to avoid judgment against an applicant who abandons his application or mark while the application is involved in an opposition, concurrent use or interference proceeding. It should be noted that existing § 2.135 begins, "If, in a proceeding, an applicant * * *", but that the section as proposed referred only to "an opposition proceeding". The narrowing of the application of the rule in the section as proposed was an inadvertent error. In order to correct the error, the proposal to revise the section to include only a reference to an opposition proceeding is withdrawn. The wording of the beginning of final § 2.135, namely, "After commencement of an opposition, concurrent use, or interference proceeding, if the applicant * * *", is legally equivalent to the beginning of existing § 2.135.

Section 2.142(a) clarifies existing § 2.142(a).

Section 2.142(b) requires the examiner to file with the TTAB a brief answering the appellant's brief and requires the examiner to file the brief within sixty days after appellant's brief is sent to the examiner by the TTAB. Section 2.142(b) as proposed required that the examiner's brief (referred to therein as a "statement") answer "every point in" the appellant's brief, whereas existing § 2.142(b) requires only that the examiner furnish a written statement "in answer to" appellant's brief. Upon further consideration, the proposal to modify § 2.142(b) to require that the examiner's brief answer "every point in" the appellant's brief is withdrawn since it is likely to result in briefs which are unduly lengthy. An appellant's brief may contain points which are so insignificant, immaterial, etc. as to require no response.

Section 2.142(c) codifies the practice that all requirements made by the examiner and not the subject of appeal shall be complied with prior to the filing of an appeal.

Section 2.142(d) provides that the record in the application should be complete prior to the filing of an appeal, states that the TTAB will ordinarily not consider additional evidence filed with the TTAB by the appellant or by the examiner after an appeal is filed, and provides that either the appellant or the examiner may request the TTAB to suspend the appeal and remand the application for further examination if the appellant or the examiner desires to introduce additional evidence.

Section 2.142(e)(1) amends existing § 2.142(c), and codifies the practice under the existing rule, by changing the due date for a request for an oral hearing on an appeal from the date when the appellant's brief is filed to a date ten days after the due date for a reply brief.

Section 2.142(e)(2) requires the examiner to present an oral argument if an oral argument is requested by the appellant.

Section 2.142(e)(3) allots twenty minutes to the appellant for oral argument and ten minutes to the examiner for oral argument.

Section 2.142(f) provides for situations where, during an appeal, it appears to the TTAB that an issue not previously raised may render the mark of the appellant unregistrable, that is, when something on the face of the record on appeal indicates that a question concerning the registrability of the mark may exist but has not been considered. The paragraph provides the procedure to be followed by the TTAB, the Examiner, and the appellant when the TTAB suspends an appeal and remands an application on the TTAB's own initiative. The paragraph as amended includes certain words, namely, "to be completed", appearing in the phrase "and remand the application to the examiner for further examination to be completed within thirty days", which were not included in the paragraph as proposed. The words have been added in order to further clarify the intent of the paragraph and are not considered to result in a material alteration thereof. Further, for the reason indicated in connection with § 2.142(b), the words "every point in" have been omitted from § 2.142(f)(4).

Section 2.146 collects in one section the rules on petitions to the

Commissioner in existing §§ 2.146, 2.147, and part of § 2.148. For this reason existing § 2.147 is removed. In the notice of proposed rulemaking, it was also proposed that existing § 2.148 be deleted. The reason for the proposal was a belief that the entire substance of § 2.148 was incorporated in proposed § 2.146(a)(5), which provides that petition may be taken to the Commissioner in any extraordinary situation, when justice requires and no other party is injured thereby, to request a suspension or waiver of any requirement of the rules not being a requirement of the Act of 1946. However, existing § 2.148 provides that in an extraordinary situation, when justice requires and no other party is injured thereby, any requirement of the rules not being a requirement of the statute may be suspended or waived by the Commissioner. That rule is not limited to waiver upon petition but rather also encompasses waiver upon the Commissioner's own initiative. Inasmuch as the entire substance of existing § 2.148 is not incorporated in proposed and final § 2.146(a)(5), the proposal to remove § 2.148 is withdrawn.

Section 2.146(a) reflects the change in § 2.63(b) permitting petitions concerning some requirements which have been made final.

Section 2.146(b) delineates classes of questions which are not considered to be appropriate subject matter for petitions to the Commissioner. These questions are substantive issues of registrability of marks and are considered to be appropriate for appeal to the TTAB. Section 2.146(b) as proposed read "Questions arising under Sections 2, 3, 4, 5, 6 and 23 of the Trademark Act during the ex parte prosecution of applications are not considered to be appropriate subject matter for petitions to the Commissioner.", whereas paragraph (b) as adopted herein reads "Questions of substance arising during the ex parte prosecution applications, including, but not limited to, questions arising of under Sections 2, 3, 4, 5, 6, and 23 of the Act of 1946, are not considered to be appropriate subject matter for petitions to the Commissioner." The wording of the paragraph has been modified for purposes of clarification, and such modification is not considered to result in a material alteration of the paragraph.

Section 2.146(c) specifies the contents of a petition to the Commissioner, and in this respect clarifies requirements previously included in § 2.146(b).

Section 2.146(d) specifies the time limit for filing a petition on any matter not otherwise specifically provided for. In proposed § 2.146(d), an attempt was made to list the matters otherwise specifically provided for. However, several matters were inadvertently omitted. In order to ensure that the rule is correct, the list has been omitted from the final rule.

Section 2.146(e) provides time limits and specifies the procedure for a petition to the Commissioner from the denial of a request for an extension of time to file an opposition or from an interlocutory order of the TTAB. Section 2.146(e)(1) contains a new requirement that a petition from the denial of a request for an extension of time to oppose must be served on the applicant or his attorney and provides for a response by the applicant to the petition.

Section 2.146(f) clarifies a provision previously included in § 2.146(c).

Section 2.146(g) clarifies and codifies the practice previously under § 2.146(d) and, in addition, makes § 2.146 consistent with §§ 2.63(b) and 2.65, as adopted herein.

Section 2.146(h) codifies the practice previously under § 2.146(e) whereby authority to act on classes of petitions, in addition to any particular petition, may be delegated.

Paragraphs (a), (b), and (c) of § 2.165 specify the procedure when an affidavit or declaration filed under section 8 of the Act of 1946 is refused. The steps to be taken by the registrant to request reconsideration and to petition to the Commissioner and the time limits for such requests and petitions are stated.

Section 2.165(d) states that a petition to the Commissioner for review of the action refusing the affidavit or declaration under section 8 of the Act of 1946 shall be a condition precedent to an appeal to or action for review by any court. This implements section 21 (a)(1) and (b)(1) of the Act, which provides, inter alia, that a registrant who has filed an affidavit under section 8 of the Act who is dissatisfied with the decision of the Commissioner may appeal to the U.S. Court of Appeals for the Federal Circuit or may have remedy by a civil action.

Section 2.173(b) clarifies the circumstances in which an amendment of the indentification of goods or services of a registration is permitted. The rules states that an identification of goods or services can be restricted or can be otherwise changed in ways that would not require republication of the mark.

Paragraphs (a), (b), and (c) of § 2.184 specify procedures and time limits for relief when an application for renewal of a registration under section 9 of the Act of 1946 is refused, in parallel with final § 2.165.

Section 2.184(d) is parallel to final § 2.165(d) and has the same statutory basis.

Section 2.186 clarifies and codifies the practice under existing § 2.186 that action with respect to an assigned application or registration may be taken by the assignee provided that the assignment has been recorded.

**Response to Comments on the Rules**

The written comments and oral testimony offered in response to the notice of proposed rulemaking published in the **Federal Register** on June 29, 1982 have been given careful consideration, and a substantial number of the suggested modifications have been adopted. The comments and responses (except those pertaining to §§ 2.101, 2.102, 2.103, 2.111, and 2.112, which were included in the final rule notice published in the **Federal Register** on January 28, 1983 at 48 FR 3972) appear below:

*Comment*: In response to the proposal to amend § 2.20 by adding a new paragraph (b) to codify a particular practice relating to the verification of oppositions and petitions for cancellation, one organization noted that the question of verification of oppositions and petitions for cancellation appeared to be moot in view of Pub. L. 97-247; indicated its belief, with respect to the phrase "person who is authorized to sign" in proposed § 2.20(b), that the rules pertaining to oppositions and petitions for cancellation should be amended to require that when an opposition or petition for cancellation is signed on behalf of a corporation or an association by a person who is authorized to sign the document but who is not an officer, the person must represent that he has such authority; and submitted its proposal for a substitute § 2.20 (modeled on the corresponding patent rule, § 1.68) which is broader in scope than present § 2.20.

*Response*: Inasmuch as Pub. L. 97-247 has amended the Tradmark Act of 1946 so as to eliminate the requirement for verification of oppositions and petitions for cancellation, the proposal to amend § 2.20 by adding a new paragraph (b) relating to verification of oppositions and petitions for cancellation has been withdrawn. The other two suggestions involve substantive rule changes which are outside the scope of the proposed rule changes as published and hence cannot be adopted without affording members of the public an opportunity to comment thereon. However, these

suggestions will be considered in connection with any future proposals to amend the rules in question. In this regard, it should be noted that when an opposition or petition for cancellation is signed by a person whose authority to sign is not apparent, it is the practice of the Trademark Trial and Appeal Board to inquire as to that person's authority to sign.

*Comment*: One organization suggested that the word "Anything" be substituted in proposed § 2.27(e) for the phrase "Any documents, tangible things, answer to interrogatories, or all or any part of any discovery or testimonial deposition transcripts" because the attempt to list all of the types of things subjected to the rule might invite disputes as to whether particular items are covered. The same organization suggested that the following sentence be added to paragraph (e): "When possible, only confidential portions of filings with the Board shall be filed under seal."

*Response*: The parapraph has been modified as suggested.

*Comment*: One organization and three members of another organization suggested that proposed § 2.64(b), which concerns requests for reconsideration after final action by the examiner, be modified to require that any request for reconsideration filed within three months of the final action be responded to by the examining attorney before the time for appeal.

*Response:* The six-month period for appealing from a final refusal of registration, or for complying with a requirement which has been made final, or for petitioning the Commissioner [if permitted by § 2.63(b)] with respect to such a requirement, is statutory, and the Patent and Trademark Office cannot guarantee that any request for reconsideration filed within three months of the final action will be responded to by the examining attorney before the time for appeal. However, the paragraph has been modified to provide that normally the examiner will reply to a request for reconsideration before the end of the six-month period if the request is filed within three months after the date of the final action.

*Comment:* Two organizations expressed disapproval of the final sentence of proposed § 2.64(b), which reads: "Amendments accompanying requests for reconsideration after final action will be entered if they place the application in condition for publication or in better form for appeal." The organizations criticized this provision as being unduly restrictive and vague, and suggested that the subsection be modified to permit any amendment that complies with the Trademark Act of 1946 and the Rules of Practice in Trademark Cases.

*Response:* The paragraph has been modified as suggested.

*Comment:* One organization suggested that proposed § 2.65(a), which includes a reference to proposed § 2.63(b), be modified to include also a reference to proposed § 2.146, for the asserted reason that if reference is made to other sections of the rules, the reference should include all the most pertinent rules.

*Response:* The Paragraph has been modified as suggested.

*Comment:* Two organizations urged with respect to proposed § 2.65(b) (which concerns the filing of an incomplete response to an examiner's action), that the word "may" in the clause "opportunity to explain and supply the omission may be given before the question of abandonment is considered" be changed to "shall".

*Response:* The suggestion has not been adopted. A requirement that an opportunity to explain and supply an omission be given in every case would result in a significant increase in the work load of the Trademark Examining Operation and hence an undue burden upon the Patent and Trademark Office. Accordingly, the word "may" has been retained in the final paragraph so as to leave the Trademark Examining Attorney with the descretion to determine whether such an opportunity should be given, depending upon the nature of the omission. The final paragraph parallels corresponding patent § 1.135(c).

*Comment:* One member of one of the organizations commented that as a result of the proposed revision of § 2.72 (which would allow non-material changes in the drawing of a mark to be supported by specimens which were not necessarily in use at the time the original application was filed), an applicant might amend its mark sought to be registered in order to overcome a reference under section 2(d) of the Trademark Act of 1946.

*Response:* The proposed revision might well have the result suggested in the comment, and an amendment for such a purpose would not be wrong, in and of itself. However, upon further consideration it appears that the proposed revision might result in so many amendments to marks as to constitute a burden upon the Patent and Trademark Office. Accordingly, the proposal to revise § 2.72 in the manner described above is withdrawn. A second proposal to change the last sentence of § 2.72 from "Amendments may not be made if the nature of the mark is changed thereby." to "Amendments may not be made if the character of the mark is materially altered.", so that the standard for amendment will be the same as the standard for amendment of registered marks (see section 7(d) of the Act of 1946), is adopted.

*Comment:* One organization commented, with respect to proposed § 2.81, that there is a typographical error in the first line of the section, namely, that "with" should be "within." Another organization noted certain errors in the corrections to proposed § 2.121(b)(1) and (c) published in the **Federal Register** at 47 FR 32955.

*Response:* The noted errors were made in printing. They do not appear in the original text of the notice of proposed rulemaking which was prepared and retained by the Patent and Trademark Office.

*Comment:* One individual, one organization, and one member of another organization expressed their belief that the second sentence in proposed § 2.99(a) (which states, "The examiner may require an applicant for registration as a concurrent user to make a prima facie showing that the applicant is entitled to a concurrent use registration") is too vague to be of help in drafting a concurrent use application, and suggested that this portion of the paragraph either be deleted or made more specific.

*Response:* Upon further consideration, it appears that the subject matter of this portion of the subsection should be developed either through decisional law or in the Trademark Manual of Examining Procedure. Accordingly, the sentence has been deleted.

*Comment:* Proposed § 2.99(f) lists the conditions which must be met when an applicant seeks to obtain a concurrent use registration under the provisions of section 2(d) of the Act of 1946 based on a court decree, without the necessity of a concurrent use proceeding in the Patent and Trademark Office. One organization urged that the fifth condition (which states: "the excepted use specified in the concurrent use application does not involve a registration") be deleted for the reason that it is vague and, in any event, inappropriate where the registration involved was otherwise before the court.

*Response:* When the excepted use specified in a concurrent use application based on a court decree involves an unrestricted registration, a concurrent use registration proceeding must be instituted in order that the Trademark Trial and Appeal Board may restrict the registration in accordance with the court decree. In such cases, the concurrent use

registration proceeding does not go forward to trial but rather is terminated on the basis of the court decree immediately after institution of the proceeding. However, if the registration has been restricted by the Commissioner in accordance with the court decree, and the other conditions listed in paragraph (f) have been met, there is ordinarily no need for a concurrent use registration proceeding. Accordingly, paragraph (f) has been modified to read: "the excepted use specified in the concurrent use application does not involve a registration, or any involved registration has been restricted by the Commissioner in accordance with the court decree."

*Comment:* One organization noted that in §§ 2.104 and 2.105, as proposed, the term "opposition", when used to refer to the complaint in an opposition proceeding, has been changed to "notice of opposition". The organization expressed its belief that there is no reason for reverting to the phrase "notice of opposition" except tradition, and that that phrase is confusingly similar to the phrase "notification of opposition".

*Response:* The proposal to change "opposition" to "notice of opposition" in certain instances has not been adopted.

*Comment:* One organization commented that proposed § 2.113 should be modified to indicate that the effective filing date of a petition for cancellation will be the date that the statutory requirements, including payment of the required fee(s), are satisfied. The organization indicated that it was concerned here and elsewhere (see comment and response pertaining to § 2.111 in the final rule notice published in the **Federal Register** on January 28, 1983 at 48 FR 3972) about cases in which an incomplete filing is made within five years of the date of registration and not perfected until the five-year period of section 14(a) of the Act of 1946 has passed. The organization also suggested that the section be modified to include a cross-reference to existing § 2.118, which pertains to undelivered notifications.

*Reponse:* The section has been modified to include a cross-reference to § 2.118. Additionally, the first clause in the section, which as proposed read "When a petition for cancellation has been filed in proper form and the correct fee(s) have been submitted,", has been modified by the inclusion of a cross-reference to §§ 2.111 and 2.112 and by the deletion of the words "and the correct fee(s) have been submitted,", so that the modified clause reads "When a petition for cancellation has been filed in proper form (see §§ 2.111 and 2.112),". Section 2.111, as amended effective February 27, 1983 (see the final rule notice published in the **Federal Register** on January 28, 1983 at 47 FR 3972) provides in effect that the filing date of a petition for cancellation with respect to each named party petitioner and each class sought to be cancelled is the date of receipt in the Patent and Trademark Office of the petition together with the required fee for that party petitioner and class, and that is those cases where the five-year limitation of sections 14 (a) and (b) of the Acts of 1946 is applicable, the petition and required fee(s) must be filed prior to the expiration of the five-year period. Section 2.112, as amended effective February 27, 1983, pertains to the proper form for a petition for cancellation.

*Comment:* One organization stated, with respect to proposed § 2.117(b), that it failed to appreciate the necessity for requiring that issue be joined in both the civil action and the proceeding in the Patent and Trademark Office before the Trademark Trial and Appeal Board will consider suspension of the Board proceeding pending the outcome of the civil action. The organization also noted that the retained paragraph of § 2.117 needs a paragraph reference, i.e., "(a)".

*Response:* The retained paragraph of § 2.117 has designated been "a". Insofar as proposed paragraph (b) is concerned, it is not in fact the practice of the Board to require that issue be joined in the civil action before suspension of the Board proceeding will be considered [see Tokaido v. Honda Associates, Inc., 179 USPQ (TTAB 1973)]. Moreover, while it may not be possible in some cases to determine whether a civil action is likely to be determinative of a proceeding before the Board until an answer has been filed in one or both proceedings, in other cases it is feasible and advantangeous to suspend prior to answer. Accordingly, proposed § 2.117(b) has been withdrawn, and proposed paragraphs (c) and (d) have been redesignated (b) and (c).

*Comment:* One organization suggested that suspension be considered automatic upon the showing of the institution of a civil action between the parties provided that the party in the position of plaintiff in the Board proceeding has neither commenced taking testimony nor filed any evidence in such proceeding.

*Response:* It is the normal practice of the Board to suspend under the circumstances outlined in the comment if it appears that the civil action may be dispositive of the proceeding before the Board. However, even under these circumstances there are times when it may be desirable to go forward with the Board proceeding, as, for example, when the civil court has a large backlog or suspends its own action pending the final determination of the Board proceeding. Accordingly, it is believed that the matter of suspension should be left to the discretion of the Board, and the suggested amendment has not been adopted.

*Comment:* With respect to § 2.117(b) [identified in the notice of proposed rulemaking as § 2.117(c)], which as proposed reads "Whenever there is pending, at the time when the question of the suspension of proceedings is raised, a motion which is potentially dispositive of the case, the motion will be decided before the question of suspension will be considered.", one organization and two members of another organization suggested that the phrase "the motion will be decided" be changed to "the motion may be decided", so that the Board will have the discretion to either suspend or rule in such a case, and will not be compelled to determine the motion before it if, for example, a similar motion is pending in the civil action.

*Response:* The paragraph has been modified in accordance with this suggestion.

*Comment:* Four members of one organization objected to proposed § 2.120(c)(2) (which provides in effect that whenever a foreign party or its officers, etc., is or will be in the United States during a discovery period, such party may be deposed in the United States by oral examination upon notice by the party seeking discovery). The reason given for the objection was that the foreign officer could be seriously inconvenienced because of the proposed rule, which invites abuse.

*Response:* While it is true that a foreign officer who is traveling in the United States on other business might find it inconvenient to have his oral discovery deposition taken, it is equally true that there are instances in which it is inconvenient for a domestic officer to have his oral deposition taken. Further, there can be no doubt that the oral deposition is a far better discovery device than the deposition upon written questions. It is believed that the advantages offered by the oral deposition outweigh the disadvantage of possible inconvenience. Accordingly, proposed § 2.120(c)(2) is being adopted herein as a final rule.

*Comment:* With respect to proposed § 2.120(d), which provides for the production of documents, in response to a request for production of documents, at the place where the documents are usually kept, or where the parties agree, or where and in the manner which the

Trademark Trial and Appeal Board, upon motion, orders, one individual suggested that the paragraph be modified to require that the party upon which the request is served respond to the request by sending copies of all documents requested to the party making the request.

*Response:* The purpose of § 2.120(d) is to permit the Board, upon motion, to order that a party produce requested documents by photocopying and mailing them to the requesting party at the latter's expense. However, inasmuch as there are cases in which some other manner of production is more appropriate or feasible, the manner of production is a matter which is better left to the discretion of the Board. Accordingly, the suggestion has not been adopted.

*Comment:* One individual suggested that proposed § 2.120(e), which concerns motions to compel discovery, be modified to provide that if counsel for the parties reach an agreement relating to a disputed discovery matter, a motion may be brought to enforce the agreement.

*Response:* Inasmuch as it is not the function of the Board to enforce agreements between parties, this suggestion has not been adopted. However, a party may always argue the existence of such an agreement as a factor bearing on the merits of a motion to compel discovery.

*Comment:* With respect to proposed § 2.120(i) (which provides, in essence, that the Board may at its discretion request that the parties come to its offices for a pre-trial conference when pre-trial questions or issues have been so complex that their resolution by correspondence or telephone conference is not practical), one individual, noting that the paragraph provides for a pre-trial conference at the Board's option and discretion, suggested that the paragraph be modified to indicate that such a conference may also be requested by a party to a proceeding but that the Board be left with the discretion to grant the request. The same individual also suggested that the paragraph, which as proposed contains only a passing reference to a "telephone conference", be broken into two parts, the first being devoted to the telephone conference (with provision therefor at the option of the Board or at the request of a party to a proceeding, but again leaving the Board with discretion to grant the request), and the second being devoted to the pre-trial conference. The individual expressed his belief that attorneys should be made aware of the telephone conference procedure since it can be very useful to them as well as to the Board.

*Response:* The paragraph has been modified as suggested to include two paragraphs and to provide that the Board may utilize the telephone and pre-trial conference procedures either upon its own initiative or upon request made by one or both of the parties. Although neither of the new paragraphs contains the words "at its discretion," both contain the words "the Board may," which clearly indicate that the utilization of these procedures is a matter which is left to the discretion of the Board.

*Comment:* A number of comments were received with respect to proposed § 2.120(j), which pertains to the use of discovery depositions, admissions, or answers to interrogatories. Two organizations noted that proposed § 2.120(j)(2) (which incorporates the "fairness exception" of Rule 32(a)(4) of the Federal Rules of Civil Procedure ("F.R.C.P.") apparently limits the use of discovery depositions only to the inquiring party, while Rule 32(a)(4) F.R.C.P. allows the use of the deposition for any purpose by either party once the adverse party has relied upon any part of it. These organizations recommended that the paragraph be modified to follow Rule 32(a)(4) F.R.C.P. One organization objected to proposed § 2.120(j)(3) (which permits the introduction into evidence on motion of the discovery deposition of a non-party under certain circumstances provided that the motion is filed promptly after the circumstances claimed to justify use of the deposition become known) on the ground that the timing requirement for the motion is unnecessary and unduly restrictive and that the better practice would be to let the motion be filed at the time of the purported offer of the deposition into evidence. Another organization recommended that consideration be given to permitting much greater use of non-party discovery depositions than permitted by proposed § 2.120(j)(3), or at least that the burden imposed by the last of the listed instances in which such depositions may be introduced into evidence, namely, "upon a showing of extraordinary circumstances and necessity in the interest of justice", should be lessened. Three members of one organization commented that any party, not just the deposing party, should be able to make a discovery deposition of record if its use at trial is permitted by Rule 32 F.R.C.P. Finally, one individual noted that proposed § 2.120(j), which permits only the inquiring party to introduce a discovery deposition into evidence (unless the "fairness exception" applies), conflicts with Rule 32(a)(2) F.R.C.P., which provides that a deposition of a party "may be used by an adverse party for any purpose", and with Rule 32(a)(3) F.R.C.P., which provides that the deposition of "a witness, whether or not a party, may be used by any party for any purpose" in the limited circumstances corresponding to those set forth in proposed § 2.120(j)(3) (except for the 100-mile exception, which is not applicable to proceedings before the Trademark Trial and Appeal Board). This individual submitted a suggested alternative text for § 2.120(j) which conforms to Rule 32(a) F.R.C.P. by (a) eliminating the restriction in proposed § 2.120(j) (1) and (2) that only the inquiring party may offer a discovery deposition in evidence, and (b) broadening proposed § 2.120(j)(2) to cover any "witness, whether or not a party". In the suggested text, paragraphs (1)–(3) of proposed § 2.120(j) are also reorganized and rearranged for clarity.

*Response:* The text suggested by the individual has been adopted with certain modifications in order to resolve the conflicts and objections noted by this individual and others, as outlined above. In the final paragraph, the text of § 2.120(j)(1) follows the text of Rule 32(a)(2) F.R.C.P. The text of the discovery deposition "fairness exception", which appears in final § 2.120(j)(4), is essentially the same as the text of Rule 32(a)(4) F.R.C.P. The provision relating to the introduction into evidence, by order of the Board upon motion, of the discovery deposition of a non-party under certain circumstances [which appears in final § 2.120(j)(2)] has been broadened to permit the introduction, by order of the Board upon motion, of the discovery deposition of a witness, whether or not a party, by any party under the stated circumstances. The final such circumstance, which in the proposed paragraph read "upon a showing of extraordinary circumstances and necessity in the interest of justice", has been modified to read "upon a showing that such exceptional circumstances exist as to make it desirable, in the interest of justice, to allow the deposition to be used," which closely follows the wording of Rule 32(a)(3) F.R.C.P. The timing requirement for a motion filed under the paragraph has been changed from "filed promptly after the circumstances claimed to justify use of the deposition became known" to "filed at the time of the purported offer of the deposition in evidence" for all such motions except those based upon a claim of exceptional circumstances. In

the latter instance, the proposed timing requirement, namely, "filed promptly after the circumstances claimed to justify use of the deposition became known", has been retained in the final rule for two reasons; first, to provide an adverse party with the best possible opportunity to investigate the claim of exceptional circumstances, and second, so that in those cases where the circumstances become known prior to the taking of the deposition, the motion will be filed, and hence can be determined, before the deposition is taken. Finally, in order to make it clear that once a discovery deposition, or a part thereof, or an answer to an interrogatory, or an admission, has been properly made of record by one party, it may be referred to by any party for any purpose permitted by the Federal Rules of Evidence, a provision to that effect, identified as paragraph (j)(7), has been included in the final paragraph.

*Comment:* With respect to proposed § 2.122(c)(2) (which provides that a registration owned by a party to a proceeding may be made of record by that party by filing a notice of reliance accompanied by a certified copy of the registration showing current status and title), two organizations and three members of another organization objected to the requirement for certification of the status and title copies as being unnecessary, expensive, and unduly harsh. One of these organizations, noting that proposed § 2.122 is modified to eliminate the practice set forth in existing § 2.122(b) (which provides that a registration of an opposer or petitioner pleaded in an opposition or petition to cancel will be received in evidence and made part of the record if two copies showing status and title of the registration or an order for such copies accompany the opposition or petition), expressed its belief that, accepting the Patent and Trademark Office's position that the practice set forth in existing § 2.122(b) has caused delays and problems for the Office, still there is no reason for requiring that the status and title copies of the registration be certified when made of record, pursuant to proposed § 2.120(c)(2), by the filing of a notice of reliance during the testimony period of the party filing the notice.

*Response:* The proposal to require that status and title copies of registrations also be certified has not been adopted herein. Further, since the only part of existing § 2.122(b) which caused trouble was the provision involving the submission of an *order* for status and title copies with the complaint, the proposal to modify existing § 2.122 by eliminating that provision is adopted herein, but the proposal to eliminate the provision involving the submission of actual status and title copies with the complaint is withdrawn. Hence, final § 2.122 provides, in paragraph (d)(1), that a registration of the opposer or petitioner pleaded in an opposition or petition to cancel will be received in evidence and made part of the record if the opposition or petition is accompanied by two copies of the registration prepared and issued by the Patent and Trademark Office showing both the current status of and current title to the registration.

*Comment:* One organization suggested that the word "competent" should be inserted before the word "evidence" in two (unspecified) places in proposed § 2.122(b)(2) and in one place in proposed § 2.122(b)(3), and that the first clause in proposed § 2.122(c)(2) be changed from "A registration owned by any party to a proceeding may be made of record in the proceeding by that party by filing a notice of reliance," to "A registration owned by any party to a proceeding may be made of record in the proceeding by that party by appropriate identification and introduction during the proper testimony period or by filing a notice of reliance,". The same organization also submitted a suggested plan for reorganizing proposed § 2.122 and for giving each paragraph therein a heading. Three members of another organization expressed their agreement with these suggestions.

*Response:* The suggested plan for reorganization and for headings has been adopted herein with certain minor modifications necessitated by the response to the foregoing comment (e.g., the comment concerning the introduction of registrations in evidence).

The word "competent" has been inserted before the word "evidence" only once in final § 2.122(b)(2) and not at all in final § 2.122(c) [identified in the notice of proposed rulemaking as § 2.122(b)(3)]. The clauses in these paragraphs where the word "competent" might have been, but was not, inserted before the word "evidence" read "The allegation in an application for registration, or in a registration, of a date of use is not evidence on behalf of the applicant or registrant;"; "Specimens in the file of an application for registration, or in the file of a registrant, are not evidence on behalf of the applicant or registrant * * *"; and "An exhibit attached to a pleading is not evidence on behalf of the party to whose pleading the exhibit is attached * * *" The reason why the word "competent" was not inserted in these instances is that in each one the matter in question is not evidence *on behalf of the named party* at all (although specimens, or the allegation of a date of use, for example, may be used as evidence against an applicant or registrant, e.g., as an admission against interest).

Finally, the first clause in proposed § 2.122(c)(2) [identified herein as § 2.122(d)(2)] has been modified to read "A registration owned by any party to a proceeding may be made of record in the proceeding by that party by appropriate identification and introduction during the taking of testimony or by filing a notice of reliance." There is a slight difference between the clause as adopted and the clause as suggested by the organization (the organization's suggested wording "during the proper testimony period" has been changed to "during the taking of testimony"). The change in the wording was made so that it would be clear that this portion refers to identification and introduction during the taking of testimony as distinguished from identification and introduction by notice of reliance. This change is not to be construed as an indication that such identification and introduction does not have to be made "during the proper testimony period"; with the deception of status and title copies of a plaintiff's pleaded registration submitted with the complaint, any evidence which a party offers on the case must be offered during the proper testimony period.

*Comment:* With respect to proposed § 2.123(a)(1) (which provides, inter alia, that if a party serves notice of the taking of a testimonial deposition upon written questions of a witness within the United States, any adverse party may, within fifteen days from the date of service of the notice, file a motion with the Trademark Trial and Appeal Board, for good cause, for an order that the deposition be taken by oral examination), one individual, noting that the procedure for taking testimony by written questions is unsatisfactory and often frustrating, suggested that the paragraph be changed to require that a party seeking to utilize this procedure (in lieu of an oral examination) file a motion requesting, for good cause shown, permission to by-pass the oral examination of its witness, that is, that the burden of filing a motion and showing good cause be shifted to the party who wants to take testimony upon written questions.

*Response:* If the burden of filing the motion were shifted in the manner suggested, the Trademark Trial and

Appeal Board would have to rule on a motion in every case where a party desires to take testimony by written questions. Under the rule as proposed, the Board would have to rule on a motion only in those cases where one party desires to take testimony by written questions and the adverse party objects to the use of this procedure in lieu of an oral deposition. Often, the adverse party does not object. Moreover, Rule 31 F.R.C.P., which provides for the use of depositions upon written questions in federal district courts, does not require that a party who wishes to use this procedure file a motion requesting permission to do so. Accordingly, this suggestion has not been adopted.

*Comment:* Two organizations commented that proposed paragraphs (j) and (k) of § 2.123, which relate to the raising of objections to testimony depositions taken in inter partes proceedings, appear to be inconsistent and unclear as to the timing of objections. Both organizations suggested that the paragraphs be modified to rely upon the pertinent portion of the Federal Rules of Civil Procedure, namely, Rule 32(d)(3). Similarly, one individual commented that proposed paragraph (k) is ambiguous as to the timing of an objection to testimony based upon lack of competency of the witness.

*Response:* In order to improve their consistency and clarity, the paragraphs have been modified as suggested. It should be noted that the result of the modification of paragraph (j) is that if a party fails to attend the taking of a deposition, he thereby waives any objection which under Rule 32(d)(3)(A) and (B) F.R.C.P. is deemed to be waived if not made at the taking of the deposition. This is a significant change from existing § 2.123(j), which permits the raising of formal or technical objections as soon as a party becomes aware of them, e.g., in the case of a party who did not attend the taking of a deposition, at the time when such party receives a copy of a transcript of the deposition.

*Comment:* With respect to the same paragraphs, one individual suggested that the Trademark Trial and Appeal Board entertain and determine, prior to the briefing period, motions to strike testimony, so that parties to a proceeding before the Board will know exactly what is in the record when they write their briefs.

*Response:* The adoption of this suggestion would put an intolerable burden on the Board because the Board would have to read testimony depositions both at the time of determination of a motion to strike them and again at final hearing. It is the longstanding policy of the Board not to read trial testimony taken in a proceeding before it, or to examine other evidence offered by the parties in support of their respective cases, until final hearing. See, for example: *Curtice-Burns, Inc.* v. *Northwest Sanitation Products, Inc.*, 182 USPQ 572 (Comr. 1974), and *Clairol Incorporated* v. *Holland Hall Products, Inc.*, 161 USPQ 616 (TTAB 1969). Accordingly, the suggestion has not been adopted.

*Comment:* With respect to proposed § 2.124(d)(2) (which provides in part that when one or more testimonial depositions are to be taken upon written questions, the Trademark Trial and Appeal Board may suspend or reschedule other proceedings in the matter to allow for the orderly completion of the depositions upon written questions), one individual expressed his belief that when the Board receives notice that a deposition is to be taken upon written questions, it should immediately suspend proceedings for a sixty-day period to allow for the completion of the deposition, thereby avoiding unnecessary motions to extend the trial periods.

*Response:* The paragraph has been modified to provide that in such situations the Board "shall" suspend or reschedule other proceedings in the matter to allow for the orderly completion of the deposition. The length of the suspension has been left to the discretion of the Board since the time required to complete the taking of a deposition upon written questions varies according to the place where the witness is located.

*Comment:* One organization, noting that the words "the letter" in proposed § 2.124(e) have no antecedent and hence create an unnecessary ambiguity, suggested that the words "the notice and of all of the questions mailed" be substituted therefor. With respect to the statement in proposed § 2.124(f) that it is the responsibility of the party who takes a deposition upon written questions to assure that the transcript is correct, the same organization suggested that the paragraph be modified to include a cross-reference to proposed § 2.125(b), which specifies procedures for correcting transcripts.

*Response:* The paragraphs have been modified as suggested.

*Comment:* With respect to proposed §§ 2.27(e), 2.120(f), and 2.125(e), which relate to the provision, in inter partes proceedings before the Trademark Trial and Appeal Board, of certain types of discovery information, and the submission of certain types of trial evidence, under protective order, one individual commented that the proposed rules would appear to permit parties to keep virtually all relevant information confidential from the public at large.

*Response:* Under the rules as proposed and adopted, only trade secrets and confidential information are held under seal and kept confidential by the Board. Very little of the evidence offered in inter partes proceedings before the Trademark Trial and Appeal Board is of this nature.

*Comment:* Two organizations objected to proposed § 2.128(a)(3) (which provides in essence that when a party fails to file a brief on the case, the Trademark Trial and Appeal Board may treat such failure as a concession of the case) on the grounds that the proposed rule is unduly harsh; that it constitutes an abrogation of the Board's responsibility to decide cases on the record before it, regardless of the absence of briefs; that the granting or denial of a registration with its evidentiary presumptions is too important an issue to be decided on the basis of a presumed concession; and that a party who fails to file a brief should at least be given an opportunity to show cause why judgment should not be entered against him for such failure. Similarly, one member of another organization believes that the proposed rule would encourage the filing of spurious oppositions in cases where the opposer feels that the applicant may not be in a position to afford the legal fees required for preparing a brief.

*Response:* For the reasons indicated in the comments, proposed § 2.128(a)(3) has been modified to refer only to the party in the position of plaintiff, and proposed § 2.128(a)(1) has been modified to make it clear that the filing of a brief on the case is not mandatory for the party in the position of defendant. Further, the primary purpose of proposed § 2.128(a)(3) was to save the Board the burden of determining cases of the merits in instances where the parties have settled, but have failed to inform the Board thereof, or where one party, particularly the plaintiff, has lost interest in the case. It is not the intention of the Board to enter judgment against a plaintiff for failure to file a brief on the case if the plaintiff still desires to obtain a determination of the case on the merits. Accordingly, proposed § 2.128(a)(3) has been modified herein to provide an opportunity for the plaintiff who fails to file a main brief on the case to show cause why such failure should not be treated as a concession of the case. Additionally, the paragraph has been modified to indicate that judgment may

be entered against a plaintiff for failure to file a main brief only if plaintiff fails to file a response to the order to show cause or files a response indicating that he has lost interest in the case.

*Comment:* One organization, noting that proposed § 2.128(b) permits briefs to be filed on legal or letter size paper, suggested that since the federal courts now permit only the use of letter size paper, consideration should be given to requiring that briefs and all other formal papers filed in the Patent and Trademark Office by on letter size paper only. With respect to the same paragraph, one individual recommended, because of the different paper sizes permitted under the rule, that the rule be modified to specify the number of words that a brief can contain or, alternatively, to specify separately the number of pages permitted for briefs written on each size of paper. The same individual suggested that it should be made clear that the permitted number of pages in a brief does not include pages containing the index and the alphabetical list of cases.

*Response:* The paragraph has been modified to require that briefs be submitted on letter size paper. As to what is included within the specified page limitations, the paragraph as proposed and adopted states in part that "no brief shall contain more that fifty pages *of argument* and, in the case of a reply brief, *the entire brief* shall not exceed twenty-five pages" (emphasis added). It is believed that the paragraph as written clearly indicates that the fifty-page limitation for a main brief applies only to the length of the argument and does not include the index and case list pages, but that the twenty-five page limitation for a reply brief applies to the entire brief, e.g., argument, index, case list, and all. Accordingly, no further modification has been made.

*Comment:* With respect to proposed § 2.134(b) (which provides that if the respondent in a cancellation proceeding permits his involved registration to be cancelled under section 8 of the Act of 1946 or fails to renew the registration under section 9 of the Act of 1946, such cancellation or failure to renew shall be deemed to be the equivalent of a cancellation by request of respondent without the consent of the adverse party and shall result in entry of judgment against respondent), two organizations commented that the judgment entered against a respondent under the proposed paragraph would have a res judicata effect; that the entry of such a judgment would be unduly harsh where the cancellation or expiration was the result of an inadvertence or mistake; and that, at a minimum, a respondent should be allowed to "show cause" why such a judgment should be entered. Similarly one individual commented that in such situations, a respondent whose use of its registered mark has in fact been discontinued should be put in a position whereby it can terminate the dispute with prejudice only as to the ground of abandonment.

*Response:* The paragraph has been modified to provide an opportunity for the respondent in such situation to "show cause" why judgment should not be entered against it. If respondent submits a showing that the cancellation or expiration was the result of an inadvertence or mistake, judgment will not be entered against it. If respondent submits a showing that the cancellation or expiration was occasioned by the fact that its registered mark had been abandoned and that such abandonment was not made for purposes of avoiding the proceeding but rather was the result, for example, of a two-year period of nonuse which commenced well before respondent learned of the existence of the proceeding, judgment will be entered against it only and specifically on the ground of abandonment.

*Comment:* Apparently with respect to proposed § 2.135 (which provides that after the commencement of an opposition proceeding, if applicant files a written abandonment of the application or of the mark without the written consent of every adverse party, judgment shall be entered against the applicant), one individual expressed his belief that if an applicant involved in an opposition were allowed to abandon its mark or application without the consent of the opposer without incurring entry of judgment against itself, more applicants would abandon, thus saving money for the Patent and Trademark Office.

*Response:* The purpose of § 2.135 is to prevent an applicant involved in an opposition from abandoning its opposed application and then refiling, thus putting opposer (and the Patent and Trademark Office) to the expense of multiple proceedings. A rule to the contrary would be inequitable. Accordingly, § 2.135 has not been modified in the manner suggested by this comment.

*Comment:* One individual questioned the necessity for the requirement in proposed § 2.142(e)(2) that if the appellant in an ex parte proceeding requests an oral argument, the examiner who issued a refusal of registration or a requirement from which an appeal is taken, or in lieu thereof another examiner from the same examining division as designated by the supervisory attorney thereof, shall present an oral argument.

*Response:* The purpose of the requirement is to ensure that the examining attorney will be present at the oral hearing to respond to any new arguments raised by appellant and to answer any questions which the members of the panel assigned to hear the case may have. The examining attorney's oral argument need not be lengthy; if he(she) has nothing to add to what he(she) has already said in his(her) appeal brief, he(she) may simply say so.

*Comment:* With respect to the last sentence of proposed § 2.165(a) (which states in essence that the certificate of mailing procedure provided by § 1.8 does not apply to affidavits or declarations filed under section 8 (a) or (b) of the Act), one organization expressed its belief that the sentence should be deleted in light of H.R. 6260.

*Response:* H.R. 6260, which was enacted on August 27, 1982 as Pub. L. 97–247, amended 35 U.S.C. 21 to include a provision that the Commissioner may by rule prescribe that any paper or fee required to be filed in the Patent and Trademark Office will be considered filed in the Office on the date on which it was deposited with the United States Postal Service or would have been deposited with the United States Postal Service but for postal service interruptions or emergencies designated by the Commissioner. As a result thereof, a new section, § 1.10, effective February 27, 1983, has been added, by final rule notice published in the **Federal Register** on January 20, 1983 at 48 FR 2696, to Part I of Title 37 CFR. The new section provides a procedure for assigning the date on which any paper or fee is deposited as "Express Mail" with the United States Postal Service as the filing date of the paper or fee in the Patent and Trademark Office. Inasmuch as this new section applies to "any paper or fee", it applies to affidavits or declarations filed under section 8 (a) or (b) of the Act of 1946. However, the § 1.8 certificate of mailing procedure has not been eliminated, and that section still specifically provides that the procedure outlined therein does not apply to affidavits filed under section 8 (a) or (b) of the Act. In view thereof, the last sentence of § 2.165(a) has been amended by the addition of a final clause, namely, "but the certificate of mailing by 'Express Mail' procedure provided by § 1.10 does apply thereto."

*Comment:* One organization has submitted suggestions for changes to rules not involved herein.

*Response:* The suggested changes cannot be adopted without affording

members of the public an opportunity to comment thereon. However, these suggestions will be considered in connection with any future proposals to amend the rules in question.

Environmental, energy and other considerations: The rule change will not have a significant impact on the quality of the human environment or the conservation of energy resources.

The rule change will not have a significant adverse economic impact on a substantial number of small entities (Regulatory Flexibility Act, Pub. L. 96–354). The rule change includes no additional or increased fees. Substantive rights to use valuable trademarks are not adversely affected.

The rule change does not impose a record keeping or reporting burden under the Paperwork Reduction Act of 1980, 44 U.S.C. 3501 et seq. No additional information is required from the public. No additional records are required to be maintained by the Patent and Trademark Office because there are no additional fees or proceedings to monitor.

The Patent and Trademark Office has determined that this rule change is not a major rule under Executive Order 12291. The annual effect on the economy will be less than $100 million. There will be no major increases in costs or prices for consumers, individual industries, Federal, State, or local government agencies, or geographic regions. There will be no significant, adverse effects on competition, employment, investment, productivity, innovation, or on the ability of United States based enterprises to compete with foreign based enterprises in domestic or export markets.

**List of Subjects in 37 CFR Part 2**

Administrative practice and procedures, Courts, Lawyers, Trademarks.

*Amendment of Regulations*

After consideration of the comments received and pursuant to the authority contained in 15 U.S.C. 1123, Part 2 of Title 37 of the Code of Federal Regulations is amended as set forth below.

## PART 2—RULES OF PRACTICE IN TRADEMARK CASES

1. Section 2.27 is amended by revising paragraphs (b) and (d) and adding paragraph (e) to read as follows:

**§ 2.27 Pending trademark application index; access to applications.**

* * * * *

(b) Except as provided in paragraph (e) of this section, access to the file of a particular pending application will be permitted prior to publication under § 2.80 upon written request.

* * * * *

(d) Except as provided in paragraph (e) of this section, after a mark has been registered, or published for opposition, the file of the application and all proceedings relating thereto are available for public inspection and copies of the papers may be furnished upon paying the fee therefor.

(e) Anything ordered to be filed under seal pursuant to a protective order issued or made by any court or by the Trademark Trial and Appeal Board in any proceeding involving an application or a registration shall be kept confidential and shall not be made available for public inspection or copying unless otherwise ordered by the court or the Board, or unless the party protected by the order voluntarily discloses the matter subject thereto. When possible, only confidential portions of filing with the Board shall be filed under seal.

2. Section 2.63 is revised to read as follows:

**§ 2.63 Reexamination.**

(a) After response by the applicant, the application will be reexamined or reconsidered. If registration is again refused or any formal requirement[s] is repeated, but the examiner's action is not stated to be final, the applicant may respond again.

(b) After reexamination the applicant may respond by filing a timely petition to the Commissioner for relief from a formal requirement if: (1) The requirement is repeated, but the examiner's action is not made final, and the subject matter of the requirement is appropriate for petition to the Commissioner (see § 2.146(b)); or (2) the examiner's action is made final and such action is limited to subject matter appropriate for petition to the Commissioner. If the petition is denied, the applicant shall have until six months from the date of the Office action which repeated the requirement or made it final or thirty days from the date of the decision on the petition, whichever date is later, to comply with the requirement. A formal requirement which is the subject of a petition decided by the Commissioner may not subsequently be the subject of an appeal to the Trademark Trial and Appeal Board.

3. Section 2.64 is revised to read as follows:

**§ 2.64 Final action.**

(a) On the first or any subsequent reexamination or reconsideration the refusal of the registration or the insistence upon a requirement may be stated to be final, whereupon applicant's response is limited to an appeal, or to a compliance with any requirement, or to a petition to the Commissioner if permitted by § 2.63(b).

(b) During the period between a final action and expiration of the time for filing an appeal, the applicant may request the examiner to reconsider the final action. The filing of a request for reconsideration will not extend the time for filing an appeal or petitioning the Commissioner, but normally the examiner will reply to a request for reconsideration before the end of the six-month period if the request is filed within three months after the date of the final action. Amendments accompanying requests for reconsideration after final action will be entered if they comply with the rules of practice in trademark cases and the Act of 1946.

4. Section 2.65 is revised to read as follows:

**§ 2.65 Abandonment.**

(a) If an applicant fails to respond, or to respond completely, within six months after the date an action is mailed, the application shall be deemed to have been abandoned. A timely petition to the Commissioner pursuant to §§ 2.63(b) and 2.146 is a response which avoids abandonment of an application.

(b) When action by the applicant filed within the six-month response period is a bona fide attempt to advance the examination of the application and is substantially a complete response to the examiner's action, but consideration of some matter or compliance with some requirement has been inadvertently omitted, opportunity to explain and supply the omission may be given before the question of abandonment is considered.

5. Section 2.72 is revised to read as follows:

**§ 2.72 Amendments to description or drawing of the mark.**

Amendments to the description or drawing of the mark may be permitted only if warranted by the specimens (or facsimilies) as originally filed, or supported by additional specimens (or facsimilies) and a supplemental affidavit or declaration in accordance with § 2.20 alleging that the mark shown in the amended drawing was in actual use prior to the filing date of the application. Amendments may not be made if the character of the mark is materially altered.

6. Section 2.81 is revised to read as follows:

**§ 2.81 Allowance of application.**

If no opposition is filed within the time permitted or all oppositions filed are dismissed, and if no interference is declared and no concurrent use proceeding is instituted, the application will be prepared for issuance of the certificate of registration as provided in § 2.151.

**§ 2.88 [Removed]**

7. Section 2.88 is removed.

**§ 2.94 [Removed]**

8. Section 2.94 is removed.

**§ 2.95 [Removed]**

9. Section 2.95 is removed.

10. Section 2.96 is revised to read as follows:

**§ 2.96 Issue; burden of proof.**

The issue in an interference between applications is normally priority of use, but the rights of the parties to registration may also be determined. The party whose application involved in the interference has the latest filing date is the junior party and has the burden of proof. When there are more than two parties to an interference, a party shall be a junior to and shall have the burden of proof as against every other party whose application involved in the interference has an earlier filing date. If the involved applications of any parties have the same filing date, the application with the latest date of execution will be deemed to have the latest filing date and that applicant will be the junior party. The issue in an interference between an application and a registration shall be the same, but in the event the final decision is adverse to the registrant, a registration to the applicant will not be authorized so long as the interfering registration remains on the register.

**§ 2.97 [Removed]**

11. Section 2.97 is removed.

12. Section 2.98 is revised to read as follows:

**§ 2.98 Adding party to interference.**

A party may be added to an interference only upon petition to the Commissioner by that party. If an application which is or might be the subject of a petition for addition to an interference is not added, the examiner may suspend action on the application pending termination of the interference proceeding.

13. Section 2.99 is revised to read as follows:

**§ 2.99 Application to register as concurrent user.**

(a) An application for registration as a lawful concurrent user will be examined in the same manner as other applications for registration.

(b) When it is determined that the mark is ready for publication, the applicant may be required to furnish as many copies of this application, specimens and drawing as may be necessary for the preparation of notices for each applicant, registrant or user specified as a concurrent user in the application for registration.

(c) Upon receipt of the copies required by paragraph (b) of this section, the examiner shall forward the application for concurrent use registration for publication in the Official Gazette as provided by § 2.80. If no opposition is file, or if all oppositions that are filed are dismissed or withdrawn, the Trademark Trial and Appeal Board shall prepare a notice for the applicant for concurrent use registration and for each applicant, registrant or user specified as a concurrent user in the application. The notices for the specified parties shall state the name and address of the applicant and of the applicant's attorney or other authorized representative, if any, together with the serial number and filing date of the application.

(d)(1) The notices shall be sent to each applicant, in care of his attorney or other authorized representative, if any, to each user, and to each registrant. A copy of the application shall be forwarded with the notice to each party specified in the application.

(2) An answer to the notice is not required in the case of an applicant or registrant whose application or registration is specified as a concurrent user in the application, but a statement, if desired, may be filed within forty days after the mailing of the notice; in the case of any other party specified as a concurrent user in the application, and answer must be filed within forty days after the mailing of the notice.

(3) If an answer, when required, is not filed, judgment will be entered precluding the specified user from claiming any right more extensive than that acknowledged in the application(s) for concurrent use registration, but the applicant(s) will remain with the burden of proving entitlement to registration(s).

(e) The applicant for a concurrent use registration has the burden of proving entitlement thereto. If there are two or more applications for concurrent use registration involved in a proceeding, the party whose application has the latest filing date is the junior party. A party whose application has a filing date between the filing dates of the earliest involved application and the latest involved application is a junior party to every party whose involved application has an earlier filing date. If any applications have the same filing date, the application with the latest date of execution will be deemed to have the latest filing date and that applicant will be the junior party. A person specified as an excepted user in a concurrent use application but who has not filed an application shall be considered a party senior to every party that has an application involved in the proceeding.

(f) When a concurrent use registration is sought on the basis that a court of competent jurisdiction has finally determined that the parties are entitled to use the same or similar marks in commerce, a concurrent use registration proceeding will not be instituted if all of the following conditions are fulfilled:

(1) The applicant is entitled to registration subject only to the concurrent lawful use of a party to the court proceeding; and

(2) The court decree specifies the rights of the parties; and

(3) A true copy of the court decree is submitted to the examiner; and

(4) The concurrent use application complies fully and exactly with the court decree; and

(5) The excepted use specified in the concurrent use application does not involve a registration, or any involved registration has been restricted by the Commissioner in accordance with the court decree.

If any of the conditions specified in this paragraph is not satisfied, a concurrent use registration proceeding shall be prepared and instituted as provided in paragraphs (a) through (e) of this section.

(g) Registrations and applications to register on the Supplemental Register and registrations under the Act of 1920 are not subject to concurrent use registration proceedings.

14. Section 2.104 is revised to read as follows:

**§ 2.104 Contents of opposition.**

The opposition must set forth a short and plain statement showing how the opposer would be damaged by the registration of the opposed mark and state the grounds for opposition. A duplicate copy of the opposition, including exhibits, shall be filed with the opposition.

15. Section 2.105 is revised to read as follows:

**§ 2.105 Notification of opposition proceeding(s).**

When an opposition in proper form has been filed and the correct fee(s) have been submitted, a notification shall be prepared by the Trademark Trial and Appeal Board, which shall identify the title and number of the proceeding and the application involved and shall designate a time, not less than thirty days from the mailing date of the notification, within which an answer must be filed. A copy of the notification shall be forwarded to the attorney or other authorized representative of the opposer, if any, or to the opposer. The duplicate copy of the opposition and exhibits shall be forwarded with a copy of the notification to the attorney or other authorized representative of the applicant, if any, or to the applicant.

16. Section 2.106 is amended by revising paragraph (c) to read as follows:

**§ 2.106 Answer.**

* * * * *

(c) The opposition may be withdrawn without prejudice before the answer is filed. After the answer is filed, the opposition may not be withdrawn without prejudice except with the written consent of the applicant.

17. Section 2.107 is revised to read as follows:

**§ 2.107 Amendment of pleadings in an opposition proceeding.**

Pleadings in an opposition proceeding may be amended in the same manner and to the same extent as in a civil action in a United States district court.

18. Section 2.113 is revised to read as follows:

**§ 2.113 Notification of cancellation proceeding.**

(a) When a petition for cancellation has been filed in proper form (see §§ 2.111 and 2.112), a notification shall be prepared by the Trademark Trial and Appeal Board, which shall identify the title and number of the proceeding and the registration or registrations involved and shall designate a time, not less than thirty days from the mailing date of the notification, within which an answer must be filed. A copy of the notification shall be forwarded to the attorney or other authorized representative of the petitioner, if any, or to the petitioner. The duplicate copy of the petition for cancellation and exhibits shall be forwarded with a copy of the notification to the respondent (see § 2.118). If the petition is found to be defective as to form, the party filing the petition shall be so advised and allowed a reasonable time for correcting the informality.

19. Section 2.115 is revised to read as follows:

**§ 2.115 Amendment of pleadings in a cancellation proceeding.**

Pleadings in a cancellation proceeding may be amended in the same manner and to the same extent as in a civil action in a United States district court.

20. Section 2.116 is amended by revising paragraphs (b) and (c) to read as follows:

**§ 2.116 Rules of Procedure.**

* * * * *

(b) The opposer in an opposition proceeding or the petitioner in a cancellation proceeding shall be in the position of plaintiff, and the applicant in an opposition proceeding or the respondent in a cancellation proceeding shall be in the position of defendant. A party that is a junior party in an interference proceeding or in a concurrent use registration proceeding shall be in the position of plaintiff against every party that is senior, and the party that is a senior party in an interference proceeding or in a concurrent use registration proceeding shall be a defendant against every party that is junior.

(c) The opposition or the petition for cancellation and the answer correspond to the complaint and answer in a court proceeding.

21. Section 2.117 is revised to read as follows:

**§ 2.117 Suspension of proceedings.**

(a) Whenever it shall come to the attention of the Trademark Trial and Appeal Board that parties to a pending case are engaged in a civil action which may be dispositive of the case, proceedings before the Board may be suspended until termination of the civil action.

(b) Whenever there is pending, at the time when the question of the suspension of proceedings is raised, a motion which is potentially dispositive of the case, the motion may be decided before the question of suspension is considered.

(c) Proceedings may also be suspended, for good cause, upon motion or a stipulation of the parties approved by the Board.

22. Section 2.120 is revised to read as follows:

**§ 2.120 Discovery.**

(a) *In general.* The provisions of the Federal Rules of Civil Procedure relating to discovery shall apply in opposition, cancellation, interference and concurrent use registration proceedings except as otherwise provided in this section. The Trademark Trial and Appeal Board will specify the closing date for the taking of discovery.

(b) *Discovery deposition within the United States.* The deposition of a natural person shall be taken in the Federal judicial district where the person resides or is regularly employed or at any place on which the parties agree by stipulation. The responsibility rests wholly with the party taking discovery to secure the attendance of a proposed deponent other than a party or anyone who, at the time set for the taking of the deposition, is an officer, director, or managing agent of a party, or a person designated under Rule 30(b)(6) or Rule 31(a) of the Federal Rules of Civil Procedure. See 35 U.S.C. 24.

(c) *Discovery deposition in foreign countries.* (1) The discovery deposition of a natural person residing in a foreign country who is a party or who, at the time set for the taking of the deposition, is an officer, director, or managing agent of a party, or a person designated under Rule 30(b)(6) or Rule 31(a) of the Federal Rules of Civil Procedure, shall, if taken in a foreign country, be taken in the manner prescribed by § 2.124 unless the Trademark Trial and Appeal Board, upon motion for good cause, orders or the parties stipulate, that the deposition be taken by oral examination.

(2) Whenever a foreign party is or will be, during a time set for discovery, present within the United States or any territory which is under the control and jurisdiction of the United States, such party may be deposed by oral examination upon notice by the party seeking discovery. Whenever a foreign party has or will have, during a time set for discovery, an officer, director, managing agent, or other person who consents to testify on its behalf, present within the United States or any territory which is under the control and jurisdiction of the United States, such officer, director, managing agent, or other person who consents to testify in its behalf may be deposed by oral examination upon notice by the party seeking discovery. The party seeking discovery may have one or more officers, directors, managing agents, or other persons who consent to testify on behalf of the adverse party, designated under Rule 30(b)(6) of the Federal Rules of Civil Procedure. The deposition of a person under this paragraph shall be taken in the Federal judicial district where the witness resides or is regularly employed, or, if the witness neither resides nor is regularly employed in a

Federal judicial district, where the witness is at the time of the deposition. This paragraph does not preclude the taking of a discovery deposition of a foreign party by any other procedure provided by paragraph (c)(1) of this section.

(d) *Request for production.* The production of documents and things under the provisions of Rule 34 of the Federal Rules of Civil Procedure will be made at the place where the documents and things are usually kept, or where the parties agree, or where and in the manner which the Trademark Trial and Appeal Board, upon motion, orders.

(e) *Motion for an order to compel discovery.* If a party fails to designate a person pursuant to Rule 30(b)(6) or Rule 31(a) of the Federal Rules of Civil Procedure, or if a party, or such designated person, or an officer, director or managing agent of a party fails to attend a deposition or fails to answer any question propounded in a discovery deposition, or any interrogatory, or fails to produce and permit the inspection and copying of any document or thing, the party seeking discovery may file a motion before the Trademark Trial and Appeal Board for an order to compel a designation, or attendance at a deposition, or an answer, or production and an opportunity to inspect and copy. The motion shall include a copy of the request for designation or of the relevant portion of the discovery deposition; or a copy of the interrogatory with any answer or objection that was made; or a copy of the request for production, any proffer of production or objection to production in response to the request, and a list and brief description of the documents or things that were not produced for inspection and copying. The motion must be supported by a written statement from the moving party that such party or the attorney therefor has made a good faith effort, by conference or correspondence, to resolve with the other party or the attorney therefor the issues presented in the motion and has been unable to reach agreement. If issues raised in the motion are subsequently resolved by agreement of the parties, the moving party should inform the Board in writing of the issues in the motion which no longer require adjudication.

(f) *Motion for a protective order.* Upon motion by a party from whom discovery is sought, and for good cause, the Trademark Trial and Appeal Board may make any order which justice requires to protect a party from annoyance, embarrassment, oppression, or undue burden or expense, including one or more of the types of orders provided by clauses (1) through (8), inclusive, of Rule 26(c) of the Federal Rules of Civil Procedure. If the motion for a protective order is denied in whole or in part, the Board may, on such conditions (other than an award of expenses to the party prevailing on the motion) as are just, order that any party provide or permit discovery.

(g) *Failure to comply with order.* If a party fails to comply with an order of the Trademark Trial and Appeal Board relating to discovery, including a protective order, the Board may make any appropriate order, including any of the orders provided in Rule 37(b)(2) of the Federal Rules of Civil Procedure, except that the Board does not have authority to hold any person in contempt or to award any expenses to any party. The Board may impose against a party any of the sanctions provided by this subsection in the event that said party or any attorney, agent, or designated witness of that party fails to comply with a protective order made pursuant to Rule 26(c) of the Federal Rules of Civil Procedure.

(h) *Request for admissions.* Requests for admissions shall be governed by Rule 36 of the Federal Rules of Civil Procedure except that the Trademark Trial and Appeal Board does not have authority to award any expenses to any party. A motion by a party to determine the sufficiency of an answer or objection to a request made by that party for an admission shall include a copy of the request for admission and any exhibits thereto and of the answer or objection. The motion must be supported by a written statement from the moving party that such party or the attorney therefor has made a good faith effort, by conference or correspondence, to resolve with the other party or the attorney therefor the issues presented in the motion and has been unable to reach agreement. If issues raised in the motion are subsequently resolved by agreement of the parties, the moving party should inform the Board in writing of the issues in the motion which no longer require adjudication.

(i) *Telephone and pre-trial conferences.* (1) Whenever it appears to the Trademark Trial and Appeal Board that a motion filed in an inter partes proceeding is of such nature that its resolution by correspondence is not practical, the Board may, upon its own initiative or upon request made by one or both of the parties, resolve the motion by telephone conference.

(2) Whenever it appears to the Trademark Trial and Appeal Board that questions or issues arising during the interlocutory phase of an inter partes proceeding have become so complex that their resolution by correspondence or telephone conference is not practical and that resolution would be likely to be facilitated by a conference in person of the parties or their attorneys with a Member or Attorney-Examiner of the Board, the Board may, upon its own initiative or upon motion made by one or both of the parties, request that the parties or their attorneys, under circumstances which will not result in undue hardship for any party, meet with the Board at its offices for a pre-trial conference.

(j) *Use of discovery deposition, admission, or answer to interrogatory.* (1) The discovery deposition of a party or of anyone who at the time of taking the deposition was an officer, director or managing agent of a party, or a person designated by a party pursuant to Rule 30(b)(6) or Rule 31(a) of the Federal Rules of Civil Procedure, may be offered in evidence by an adverse party.

(2) Except as provided in paragraph (j)(1) of this section, the discovery deposition of a witness, whether or not a party, shall not be offered in evidence unless the person whose deposition was taken is, during the testimony period of the party offering the deposition, dead; or out of the United States (unless it appears that the absence of the witness was procured by the party offering the deposition); or unable to testify because of age, illness, infirmity, or imprisonment; or cannot be served with a subpoena to compel attendance at a testimonial deposition; or there is a stipulation by the parties; or upon a showing that such exceptional circumstances exist as to make it desirable, in the interest of justice, to allow the deposition to be used. The use of a discovery deposition by any party under this paragraph will be allowed only by stipulation of the parties approved by the Trademark Trial and Appeal Board, or by order of the Board on motion, which shall be filed at the time of the purported offer of the deposition in evidence, unless the motion is based upon a claim that such exceptional circumstances exist as to make it desirable, in the interest of justice, to allow the deposition to be used, in which case the motion shall be filed promptly after the circumstances claimed to justify use of the deposition became known.

(3) A discovery deposition, an answer to an interrogatory, or an admission to a request for admission, which may be offered in evidence under the provisions of paragraph (j) of this section may be made of record in the case by filing the deposition or any part thereof with any

exhibit to the part that is filed, or a copy of the interrogatory and answer thereto with any exhibit made part of the answer, or a copy of the request for admission and any exhibit thereto and the admission (or a statement that the party from whom an admission was requested failed to respond thereto), together with a notice of reliance. The notice of reliance and the material submitted thereunder should be filed during the testimony period of the party who files the notice of reliance. An objection made at a discovery deposition by a party answering a question subject to the objection will be considered at final hearing.

(4) If only part of a discovery deposition is submitted and made part of the record by a party, an adverse party may introduce under a notice of reliance any other part of the deposition which should in fairness be considered so as to make not misleading what was offered by the submitting party.

(5) An answer to an interrogatory, or an admission to a request for admission, may be submitted and made part of the record by only the inquiring party except that, if fewer than all of the answers to interrogatories, or fewer than all of the admissions, are offered in evidence by the inquiring party, the responding party may introduce under a notice of reliance any other answers to interrogatories, or any other admissions, which should in fairness be considered so as to make not misleading what was offered by the inquiring party.

(6) Paragraph (j) of this section will not be interpreted to preclude the reading or the use of a discovery deposition, or answer to an interrogatory, or admission as part of the examination or cross-examination of any witness during the testimony period of any party.

(7) When a discovery deposition, or a part thereof, or an answer to an interrogatory, or an admission, has been made of record by one party in accordance with the provisions of paragraph (j)(3) of this section, it may be referred to by any party for any purpose permitted by the Federal Rules of Evidence.

(8) Interrogatories, requests for production, requests for admissions, and materials or depositions obtained during the discovery period should not be filed with the Board except when submitted with a motion to compel discovery, or in support of or response to a motion for summary judgment, or under a notice of reliance during a party's testimony period.

23. Section 2.121 is revised to read as follow:

**§ 2.121 Assignment of times for taking testimony.**

(a)(1) The Trademark Trial and Appeal Board will issue a trial order assigning to each party the time for taking testimony. No testimony shall be taken except during the times assigned, unless by stipulation of the parties approved by the Board, or, upon motion, by order of the Board. Testimony periods may be rescheduled by stipulation of the parties approved by the Board, or upon motion granted by the Board, or by order of the Board. The resetting of the closing date for discovery will result in the rescheduling of the testimony periods without action by any party.

(2) The initial trial order will be mailed by the Board after issue is joined.

(b)(1) The Trademark Trial and Appeal Board will schedule a testimony period for the plaintiff to present its case in chief, a testimony period for the defendant to present its case and to meet the case of the plaintiff, and a testimony period for the plaintiff to present evidence in rebuttal.

(2) When there is a counterclaim, or when proceedings have been consolidated and one party is in the position of plaintiff in one of the involved proceedings and in the position of defendant in another of the involved proceedings, or when there is an interference or a concurrent use registration proceeding involving more than two parties, the Board will schedule testimony periods so that each party in the position of plaintiff will have a period for presenting its case in chief against each party in the position of defendant, each party in the position of defendant will have a period for presenting its case and meeting the case of each plaintiff, and each party in the position of plaintiff will have a period for presenting evidence in rebuttal.

(c) A testimony period which is solely for rebuttal will be set for fifteen days. All other testimony periods will be set for thirty days. The periods may be extended by stipulation of the parties approved by the Trademark Trial and Appeal Board, or upon motion granted by the Board, or by order of the Board.

(d) when parties stipulate to the rescheduling of testimony periods or to the rescheduling of the closing date for discovery and the rescheduling of testimony periods, a stipulation presented in the form used in a trial order, signed by the parties, or a motion in said form signed by one party and including a statement that every other party has agreed thereto, and submitted in one original plus as many photocopies as there are parties, will, if approved, be so stamped, signed, and dated, and the copies will be promptly returned to the parties.

24. Section 2.122 is revised to read as follows:

**§ 2.122 Matters in evidence.**

(a) *Rules of evidence.* The rules of evidence for proceedings before the Trademark Trial and Appeal Board are the Federal Rules of Evidence, the relevant provisions of the Federal Rules of Civil Procedure, the relevant provisions of Title 28 of the United States Code, and the provisions of this Part of Title 37 of the Code of Federal Regulations.

(b) *Application files.* (1) The file of each application or registration specified in a declaration of interference, of each application or registration specified in the notice of a concurrent use registration proceeding, of the application against which a notice of opposition is filed, or of each registration against which a petition or counterclaim for cancellation is filed forms part of the record of the proceeding without any action by the parties and reference may be made to the file for any relevant and competent purpose.

(2) The allegation in an application for registration, or in a registration, of a date of use is not evidence on behalf of the applicant or registrant; a date of use of a mark must be established by competent evidence. Specimens in the file of an application for registration, or in the file of a registration, are not evidence on behalf of the applicant or registrant unless identified and introduced in evidence as exhibits during the period for the taking of testimony.

(c) *Exhibits to pleadings.* Except as provided in paragraph (d)(1) of this section, an exhibit attached to a pleading is not evidence on behalf of the party to whose pleading the exhibit is attached unless identified and introduced in evidence as an exhibit during the period for the taking of testimony.

(d) *Registrations.* (1) A registration of the opposer or petitioner pleaded in an opposition or petition to cancel will be received in evidence and made part of the record if the opposition or petition is accompanied by two copies of the registration prepared and issued by the Patent and Trademark Office showing both the current status of and current title to the registration. For the cost of a copy of a registration showing status and title, see § 2.6(n).

(2) A registration owned by any party to a proceeding may be made of record

in the proceeding by that party by appropriate identification and introduction during the taking of testimony or by filing a notice of reliance, which shall be accompanied by a copy of the registration prepared and issued by the Patent and Trademark Office showing both the current status of and current title to the registration. The notice of reliance shall be filed during the testimony period of the party that files the notice.

(e) *Printed publications and official records.* Printed publications, such as books and periodicals, available to the general public in libraries or of general circulation among members of the public or that segment of the public which is relevant under an issue in a proceeding, and official records, if the publication or official record is competent evidence and relevant to an issue, may be introduced in evidence by filing a notice of reliance on the material being offered, which notice shall specify the printed publication or the official record and the pages to be read, indicate generally the relevance of the material being offered, and be accompanied by the official record or a copy thereof whose authenticity is established under the Federal Rules of Evidence, or by the printed publication or a copy of the relevant portion thereof, including the title page and any other page needed to show the place and date of publication, the name and address of the publisher, and the name of the author or the editor. A copy of an official record of the Patent and Trademark Office need not be certified to be offered in evidence. The notice of reliance shall be filed during the testimony period of the party that files the notice.

(f) *Testimony from other proceedings.* By order of the Trademark Trial and Appeal Board, on motion, testimony taken in another proceeding, or testimony taken in a suit or action in a court, between the same parties or those in privity may be used in a proceeding, so far as relevant and material, subject, however, to the right of any adverse party to recall or demand the recall for examination or cross-examination of any witness whose prior testimony has been offered and to rebut the testimony.

25. Section 2.123 is amended by revising paragraphs (a), (e)(3), (j) and (k) to read as follows:

**§ 2.123 Trial testimony in inter partes cases.**

(a)(1) The testimony of witnesses in inter partes cases may be taken by depositions upon oral examination as provided by this section or by depositions upon written questions as provided by § 2.124. If a party serves notice of the taking of a testimonial deposition upon written questions of a witness who is, or will be at the time of the deposition, present within the United States or any territory which is under the control and jurisdiction of the United States, any adverse party may, within fifteen days from the date of service of the notice, file a motion with the Trademark Trial and Appeal Board, for good cause, for an order that the deposition be taken by oral examination.

(2) A testimonial deposition taken in a foreign country shall be taken by deposition upon written questions as provided by § 2.124, unless the Board, upon motion for good cause, orders that the deposition be taken by oral examination, or the parties so stipulate.

* * * * *

(e) *Examination of witnesses.* * * *

(3) Every adverse party shall have full opportunity to cross-examine each witness. If the notice of examination of witnesses which is served pursuant to paragraph (c) of this section is improper or inadequate with respect to any witness, an adverse party may cross-examine that witness under protest while reserving the right to object to the receipt of the testimony in evidence. Promptly after the testimony is completed, the adverse party, if he wishes to preserve the objection, shall move to strike the testimony from the record, which motion will be decided on the basis of all of the relevant circumstances. A motion to strike the testimony of a witness for lack of proper or adequate notice of examination must request the exclusion of the entire testimony of that witness and not only a part of that testimony.

* * * * *

(j) *Effect of errors and irregularities in depositions:* Rule 32(d) (1), (2), and (3) (A) and (B) of the Federal Rules of Civil Procedure shall apply to errors and irregularities in depositions. Notice will not be taken of merely formal or technical objections which shall not appear to have wrought a substantial injury to the party raising them; and in case of such injury it must be made to appear that the objection was raised at the time specified in said rule.

(k) *Objections to admissibility:* Subject to the provisions of paragraph (j) of this section, objection may be made to receiving in evidence any deposition, or part thereof, or any other evidence, for any reason which would require the exclusion of the evidence from consideration. Objections to the competency of a witness or to the competency, relevancy, or materiality of testimony must be raised at the time specified in Rule 32(d)(3)(A) of the Federal Rules of Civil Procedure. Such objections will not be considered until final hearing.

26. Section 2.124 is revised to read as follows:

**§ 2.124 Depositions upon written questions.**

(a) A deposition upon written questions may be taken before any person before whom depositions may be taken as provided by Rule 28 of the Federal Rules of Civil Procedure.

(b)(1) A party desiring to take a testimonial deposition upon written questions shall serve notice thereof upon each adverse party within ten days from the opening date of the testimony period of the party who serves the notice. The notice shall state the name and address of the witness. A copy of the notice, but not copies of the questions, shall be filed with the Trademark Trial and Appeal Board.

(2) A party desiring to take a discovery deposition upon written questions shall serve notice thereof upon each adverse party and shall file a copy of the notice, but not copies of the questions, with the Board. The notice shall state the name and address, if known, of the person whose deposition is to be taken. If the name of the person is not known, a general description sufficient to identify him or the particular class or group to which he belongs shall be stated in the notice, and the party from whom the discovery deposition is to be taken shall designate one or more persons to be deposed in the same manner as is provided by Rule 30(b)(6) of the Federal Rules of Civil Procedure.

(c) Every notice given under the provisions of paragraph (b) of this section shall be accompanied by the name or descriptive title of the officer before whom the deposition is to be taken.

(d)(1) Every notice served on any adverse party under the provisions of paragraph (b) of this section shall be accompanied by the written questions to be propounded on behalf of the party who proposes to take the deposition. Within twenty days from the date of service of the notice, any adverse party may serve cross questions upon the party who proposes to take the deposition; any party who serves cross questions shall also serve every other adverse party. Within ten days from the date of service of the cross questions, the party who proposes to take the deposition may serve redirect questions on every adverse party. Within ten days from the date of service of the redirect

questions, any party who served cross questions may serve recross questions upon the party who proposes to take the deposition; any party who serves recross questions shall also serve every other adverse party. Written objections to questions may be served on a party propounding questions; any party who objects shall serve a copy of the objections on every other adverse party. In response to objections, substitute questions may be served on the objecting party within ten days of the date of service of the objections; substitute questions shall be served on every other adverse party.

(2) Upon motion for good cause by any party, or upon its own initiative, the Trademark Trial and Appeal Board may extend any of the time periods provided by paragraph (d)(1) of this section. Upon receipt of written notice that one or more testimonial depositions are to be taken upon written questions, the Trademark Trial and Appeal Board shall suspend or reschedule other proceedings in the matter to allow for the orderly completion of the depositions upon written questions.

(e) Within ten days after the last date when questions, objections, or substitute questions may be served, the party who proposes to take the deposition shall mail a copy of the notice and copies of all the questions to the officer designated in the notice; a copy of the notice and of all the questions mailed to the officer shall be served on every adverse party. The officer designated in the notice shall take the testimony of the witness in response to the questions and shall record each answer immediately after the corresponding question. The officer shall then certify the transcript and mail the transcript and exhibits to the party who took the deposition.

(f) The party who took the deposition shall promptly serve a copy of the transcript, copies of documentary exhibits, and duplicates or photographs of physical exhibits on every adverse party. It is the responsibility of the party who takes the deposition to assure that the transcript is correct (see § 2.125(b)). If the deposition is a discovery deposition, it may be made of record as provided by § 2.120(j). If the deposition is a testimonial deposition, the original, together with copies of documentary exhibits and duplicates or photographs of physical exhibits, shall be filed promptly with the Trademark Trial and Appeal Board.

(g) Objections to questions and answers in depositions upon written questions may be considered at final hearing.

27. Section 2.125 is revised to read as follows:

**§ 2.125 Filing and service of testimony.**

(a) One copy of the transcript of testimony taken in accordance with § 2.123, together with copies of documentary exhibits and duplicates or photographs of physical exhibits, shall be served on each adverse party within thirty days after completion of the taking of that testimony.

(b) The party who takes testimony is responsible for having all typographical errors in the transcript and all errors of arrangement, indexing and form of the transcript corrected, on notice to each adverse party, prior to the filing of one certified transcript with the Trademark Trial and Appeal Board. The party who takes testimony is responsible for serving on each adverse party one copy of the corrected transcript or, if reasonably feasible, corrected pages to be inserted into the transcript previously served.

(c) One certified transcript and exhibits shall be filed promptly with the Trademark Trial and Appeal Board. Notice of such filing shall be served on each adverse party and a copy of each notice shall be filed with the Board.

(d) Each transcript shall comply with § 2.123(g) with respect to arrangement, indexing and form.

(e) Upon motion by any party, for good cause, the Trademark Trial and Appeal Board may order that any part of a deposition transcript or any exhibits that directly disclose any trade secret or other confidential research, development, or commercial information may be filed under seal and kept confidential under the provisions of § 2.27(e). If any party or any attorney or agent of a party fails to comply with an order made under this paragraph, the Board may impose any of the sanctions authorized by § 2.120(g).

**§ 2.126 [Removed]**

28. Section 2.126 is removed.

29. Section 2.127 is revised to read as follows:

**§ 2.127 Motions**

(a) Every motion shall be made in writing, shall contain a full statement of the grounds, and shall embody or be accompanied by a brief. A brief in response to a motion shall be filed within fifteen days from the date of service of the motion unless another time is specified by the Trademark Trial and Appeal Board or the time is extended by order of the Board on motion for good cause. When a party fails to file a brief in response to a motion, the Board may treat the motion as conceded. An oral hearing will not be held on a motion except on order by the Board.

(b) Any request for reconsideration or modification of an order or decision issued on a motion must be filed within thirty days from the date thereof. A brief in response must be filed within fifteen days from the date of service of the request.

(c) Interlocutory motions, requests, and other matters not actually or potentially dispositive of a proceeding may be acted upon by a single Member of the Trademark Trial and Appeal Board or by an Attorney-Examiner of the Board to whom authority so to act has been delegated.

(d) When any party files a motion to dismiss, or a motion for judgment on the pleadings, or a motion for summary judgment, or any other motion which is potentially dispositive of a proceeding, the case will be suspended by the Trademark Trial and Appeal Board with respect to all matters not germane to the motion and no party should file any paper which is not germane to the motion. If the case is not disposed of as a result of the motion, proceedings will be resumed pursuant to an order of the Board when the motion is decided.

30. Section 2.128 is revised to read as follows:

**§ 2.128 Briefs at final hearing.**

(a)(1) The brief of the party in the position of plaintiff shall be due not later than sixty days after the date set for the close of rebuttal testimony. The brief of the party in the position of defendant, if filed, shall be not later than thirty days after the due date of the first brief. A reply brief by the party in the position of plaintiff, if filed, shall be due not later than fifteen days after the due date of the defendant's brief.

(2) When there is a counterclaim, or when proceedings have been consolidated and one party is in the position of plaintiff in one of the involved proceedings and in the position of defendant in another of the involved proceedings, or when there is an interference or a concurrent use registration proceeding involving more than two parties, the Trademark Trial and Appeal Board will set the due dates for the filing of the main brief, and the answering brief, and the rebuttal brief by the parties.

(3) When a party in the position of plaintiff fails to file a main brief, an order may be issued allowing plaintiff until a set time, not less than fifteen days, in which to show cause why the Board should not treat such failure as a concession of the case. If plaintiff fails to file a response to the order, or files a response indicating that he has lost

interest in the case, judgment may be entered against plaintiff.

(b) Briefs shall be submitted in typewritten or printed form, double spaced, on letter size paper. Without leave of the Trademark Trial and Appeal Board, no brief shall contain more than fifty pages of argument and, in the case of a reply brief, the entire brief shall not exceed twenty-five pages. Each brief shall contain an alphabetical index of cases cited therein. One original and two legible copies, on good quality paper, of each brief shall be filed.

31. Section 2.129 is revised to read as follows:

**§ 2.129 Oral argument; reconsideration.**

(a) If a party desires to have an oral argument at final hearing, the party shall request such argument by a separate notice filed not later than ten days after the due date for the filing of the last reply brief in the proceeding. Oral arguments will be heard by three Members of the Trademark Trial and Appeal Board at the time specified in the notice of hearing. If any party appears at the specified time, that party will be heard. If the Board is prevented from hearing the case at the specified time, a new hearing date will be set. Unless otherwise permitted, oral arguments in an inter partes case will be limited to thirty minutes for each party. A party in the position of plaintiff may reserve part of the time allowed for oral argument to present a rebuttal argument.

(b) The date or time of a hearing may be reset, so far as is convenient and proper, to meet the wishes of the parties and their attorneys or other authorized representatives.

(c) Any request for rehearing or reconsideration or modification of a decision issued after final hearing must be filed within thirty days from the date of the decision. A brief in response must be filed within fifteen days from the date of service of the request. The times specified may be extended by order of the Trademark Trial and Appeal Board on motion for good cause.

32. Section 2.131 is revised to read as follows:

**§ 2.131 Remand after decision in inter partes proceeding.**

If, during an inter partes proceeding, facts are disclosed which appear to render the mark of an applicant unregistrable, but such matter has not been tried under the pleadings as filed by the parties or as they might be deemed to be amended under Rule 15(b) of the Federal Rules of Civil Procedure to conform to the evidence, the Trademark Trial and Appeal Board, in lieu of determining the matter in the decision on the proceeding, may refer the application to the examiner for reexamination in the event the applicant ultimately prevails in the inter partes proceeding. Upon receiving the application, the examiner shall withhold registration pending reexamination of the application in the light of the reference by the Board. If, upon reexamination, the examiner finally refuses registration to the applicant, an appeal may be taken as provided by §§ 2.141 and 2.142.

33. Section 2.132 is revised to read as follows:

**§ 2.132 Involuntary dismissal for failure to take testimony.**

(a) If the time for taking testimony by any party in the position of plaintiff has expired and that party has not taken testimony or offered any other evidence, any party in the position of defendant may, without waiving the right to offer evidence in the event the motion is denied, move for dismissal on the ground of the failure of the plaintiff to prosecute. The party in the position of plaintiff shall have fifteen days from the date of service of the motion to show cause why judgment should not be rendered against him. In the absence of a showing of good and sufficient cause, judgment may be rendered against the party in the position of plaintiff. If the motion is denied, testimony periods will be reset for the party in the position of defendant and for rebuttal.

(b) If no evidence other than a copy or copies of Patent and Trademark Office records is offered by any party in the position of plaintiff, any party in the position of defendant may, without waiving the right to offer evidence in the event the motion is denied, move for dismissal on the ground that upon the law and the facts the party in the position of plaintiff has shown no right to relief. The party in the position of plaintiff shall have fifteen days from the date of service of the motion to file a brief in response to the motion. The Trademark Trial and Appeal Board may render judgment against the party in the position of plaintiff, or the Board may decline to render judgment until all of the evidence is in the record. If judgment is not rendered, testimony periods will be reset for the party in the position of defendant and for rebuttal.

(c) Any motion filed under paragraph (a) or (b) of this section must be filed before the opening of the testimony period of the moving party.

34. Section 2.134 is revised to read as follows:

**§ 2.134 Surrender or voluntary cancellation of registration.**

(a) After the commencement of a cancellation proceeding, if the respondent applies for cancellation of the involved registration under section 7(d) of the Act of 1946 without the written consent of every adverse party, judgment shall be entered against the respondent.

(b) After the commencement of a cancellation proceeding, if it comes to the attention of the Trademark Trial and Appeal Board that the respondent has permitted his involved registration to be cancelled under section 8 of the Act of 1946 or has failed to renew his involved registration under section 9 of the Act of 1946, an order may be issued allowing respondent until a set time, not less than fifteen days, in which to show cause why such cancellation or failure to renew should not be deemed to be the equivalent of a cancellation by request of respondent without the consent of the adverse party and should not result in entry of judgment against respondent as provided by paragraph (a) of this section. In the absence of a showing of good and sufficient cause, judgment may be entered against respondent as provided by paragraph (a) of this section.

35. Section 2.135 is revised to read as follows:

**§ 2.135 Abandonment of application or mark.**

After the commencement of an opposition, concurrent use, or interference proceeding, if the applicant files a written abandonment of the application or of the mark without the written consent of every adverse party, judgment shall be entered against the applicant.

36. Section 2.142 is proposed to be revised to read as follows:

**§ 2.142 Time and manner of ex parte appeals.**

(a) Any appeal filed under the provisions of § 2.141 must be filed within six months from the date of final refusal or the date of the action from which the appeal is taken. An appeal is taken by filing a notice of appeal and paying the appeal fee.

(b) The brief of appellant shall be filed within sixty days from the date of appeal. If the brief is not filed within the time allowed, the appeal may be dismissed. The examiner shall, within sixty days after the brief of appellant is sent to the examiner, file with the Trademark Trial and Appeal Board a written brief answering the brief of appellant and shall mail a copy of the

brief to the appellant. The appellant may file a reply brief within twenty days from the date of mailing of the brief of the examiner.

(c) All requirements made by the examiner and not the subject of appeal shall be complied with prior to the filing of an appeal.

(d) The record in the application should be complete prior to the filing of an appeal. The Trademark Trial and Appeal Board will ordinarily not consider additional evidence filed with the Board by the appellant or by the examiner after the appeal is filed. After an appeal is filed, if the appellant or the examiner desires to introduce additional evidence, the appellant or the examiner may request the Board to suspend the appeal and to remand the application for further examination.

(e)(1) If the appellant desires an oral hearing, a request therefor should be made by a separate notice filed not later than ten days after the due date for a reply brief. Oral argument will be heard by three Members of the Trademark Trial and Appeal Board at the time specified in the notice of hearing, which may be reset if the Board is prevented from hearing the argument at the specified time or, so far as is convenient and proper, to meet the wish of the appellant or his attorney or other authorized representative.

(2) If the appellant requests an oral argument, the examiner who issued the refusal of registration or the requirement from which the appeal is taken, or in lieu thereof another examiner from the same examining division as designated by the supervisory attorney thereof, shall present an oral argument. If no request for an oral hearing is made by the appellant, the appeal will be decided on the record and briefs.

(3) Oral argument will be limited to twenty minutes by the appellant and ten minutes by the examiner. The appellant may reserve part of the time allowed for oral argument to present a rebuttal argument.

(f)(1) If, during an appeal from a refusal of registration, it appears to the Trademark Trial and Appeal Board that an issue not previously raised may render the mark of the appellant unregistrable, the Board may suspend the appeal and remand the application to the examiner for further examination to be completed within thirty days.

(2) If the further examination does not result in an additional ground for refusal of registration, the examiner shall promptly return the application to the Board, for resumption of the appeal, with a written statement that further examination did not result in an additional ground for refusal of registration.

(3) If the further examination does result in an additional ground for refusal of registration, the examiner and appellant shall proceed as provided by §§ 2.61, 2.62, 2.63 and 2.64. If the ground for refusal is made final, the examiner shall return the application to the Board, which shall thereupon issue an order allowing the appellant sixty days from the date of the order to file a supplemental brief limited to the additional ground for the refusal of registration. If the supplemental brief is not filed by the appellant within the time allowed, the appeal may be dismissed.

(4) If the supplemental brief of the appellant is filed, the examiner shall, within sixty days after the supplemental brief of the appellant is sent to the examiner, file with the Board a written brief answering the supplemental brief of appellant and shall mail a copy of the brief to the appellant. The appellant may file a reply brief within twenty days from the date of mailing of the brief of the examiner.

(5) If an oral hearing on the appeal had been requested prior to the remand of the application but not yet held, an oral hearing will be set and heard as provided in paragraph (e) of this section. If an oral hearing had been held prior to the remand or had not been previously requested by the appellant, an oral hearing may be requested by the appellant by a separate notice filed not later than ten days after the due date for a reply brief on the additional ground for refusal of registration. If the appellant files a request for an oral hearing, one will be set and heard as provided in paragraph (e) of this section.

(g) An application which has been considered and decided on appeal will not be reopened except for the entry of a disclaimer under section 6 of the Act of 1946 or upon order of the Commissioner, but a petition to the Commissioner to reopen an application will be considered only upon a showing of sufficient cause for consideration of any matter not already adjudicated.

37. Section 2.146 is revised to read as follows:

**§ 2.146 Petitions to the Commissioner.**

(a) Petition may be taken to the Commissioner: (1) From any repeated or final formal requirement of the examiner in the ex parte prosecution of an application if permitted by § 2.63(b); (2) in any case for which the Act of 1946, or Title 35 of the United States Code, or this Part of Title 37 of the Code of Federal Regulations specifies that the matter is to be determined directly or reviewed by the Commissioner; (3) to invoke the supervisory authority of the Commissioner in appropriate circumstances; (4) in any case not specifically defined and provided for by this part of Title 37 of the Code of Federal Regulations; (5) in an extraordinary situation, when justice requires and no other party is injured thereby, to request a suspension or waiver of any requirement of the rules not being a requirement of the Act of 1946.

(b) Questions of substance arising during the ex parte prosecution of applications, including, but not limited to, questions arising under sections 2, 3, 4, 5, 6 and 23 of the Act of 1946, are not considered to be appropriate subject matter for petitions to the Commissioner.

(c) Every petition to the Commissioner shall include a statement of the facts relevant to the petition, the points to be reviewed, the action or relief that is requested, and the requisite fee (see § 2.6). Any brief in support of the petition shall be embodied in or accompany the petition. When facts are to be proved in ex parte cases (as in a petition to revive an abandoned application), the proof in the form of affidavits or declarations in accordance with § 2.20, and any exhibits, shall accompany the petition.

(d) A petition on any matter not otherwise specifically provided for shall be filed within sixty days from the date of mailing of the action from which relief is requested.

(e)(1) A petition from the denial of a request for an extension of time to file a notice of opposition shall be filed within fifteen days from the date of mailing of the denial of the request and shall be served on the attorney or other authorized representative of the applicant, if any, or on the applicant. Proof of service of the petition shall be made as provided by § 2.119(a). The applicant may file a response within fifteen days from the date of service of the petition and shall serve a copy of the response on the petitioner, with proof of service as provided by § 2.119(a). No further paper relating to the petition shall be filed.

(2) A petition from an interlocutory order of the Trademark Trial and Appeal Board shall be filed within thirty days after the date of mailing of the order from which relief is requested. Any brief in response to the petition shall be filed, with any supporting exhibits, within fifteen days from the date of service of the petition. Petitions and responses to petitions, and any papers accompanying a petition or

response, under this subsection shall be served on every adverse party pursuant to § 2.119(a).

(f) An oral hearing will not be held on a petition except when considered necessary by the Commissioner.

(g) The mere filing of a petition to the Commissioner will not act as a stay in any appeal or inter partes proceeding that is pending before the Trademark Trial and Appeal Board nor stay the period for replying to an Office action in an application except when a stay is specifically requested and is granted or when §§ 2.63(b) and 2.65 are applicable to an ex parte application.

(h) Authority to act on petitions, or on any petition, may be delegated by the Commissioner.

**§ 2.147 [Removed]**

38. Section 2.147 is removed.

39. Section 2.165 is revised to read as follows:

**§ 2.165 Reconsideration of affidavit or declaration.**

(a)(1) If the affidavit or declaration filed pursuant to § 2.162 is insufficient or defective, the affidavit or declaration will be refused and the registrant will be notified of the reason. Reconsideration of the refusal may be requested within six months from the date of the mailing of the action. The request for reconsideration must state the grounds for the request. A supplemental or substitute affidavit or declaration required by section 8 of the Act of 1946 cannot be considered unless it is filed before the expiration of six years from the date of the registration or from the date of publication under section 12(c) of the Act. The certificate of mailing procedure provided by § 1.8 does not apply to affidavits or declarations or to supplemental or substitute affidavits or declarations filed under section 8 (a) or (b) of the Act, but the certificate of mailing by "Express Mail" procedure provided by § 1.10 does apply thereto.

(2) A request for reconsideration shall be a condition precedent to a petition to the Commissioner to review the refusal of the affidavit or declaration unless the first action refusing the affidavit or declaration directs the registrant to petition the Commissioner for relief, in which event the petition must be filed within six months from the date of mailing of the action.

(b) If the refusal of the affidavit or declaration is adhered to, the registrant may petition the Commissioner to review the action under § 2.146(a)(2). The petition to the Commissioner requesting review of the action adhering to the refusal of the affidavit or declaration must be filed within six months from the date of mailing of the action which denied reconsideration.

(c) The decision of the Commissioner on the petition will constitute the final action of the Patent and Trademark Office. If there is no petition to the Commissoner, the Commissioner will notify the registrant of the refusal of the affidavit or declaration after the expiration of six years from the date of registration or from the date of publication under section 12(c) of the Act of 1946, and such notice will constitute the final action of the Office.

(d) A petition to the Commissioner for review of the action shall be a condition precedent to an appeal to or action for review by any court.

40. Section 2.173 is amended by revising paragraph (b) to read as follows:

**§ 2.173 Amendment; disclaimer in part.**

* * * * *

(b) No amendment in the identification of goods or services in a registration will be permitted except to restrict the identification or otherwise to change it in ways that would not require republication of the mark. No amendment seeking the elimination of a disclaimer will be permitted.

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41. Section 2.184 is revised to read as follows:

**§ 2.184 Refusal of renewal.**

(a) If the application for renewal is incomplete or defective, the renewal will be refused. The application may be completed or amended in response to a refusal, subject to the provisions of § 2.183. If a response to a refusal of renewal is not filed within six months from the date of mailing of the action, the application for renewal will be considered abandoned. A request to reconsider a refusal of renewal shall be a condition precedent to a petition to the Commissioner to review the refusal of renewal.

(b) If the refusal of renewal is adhered to, the registrant may petition the Commissioner to review the action under § 2.146(a)(2). The petition to the Commissioner requesting review of the action adhering to the refusal of the renewal must be filed within six months from the date of mailing of the action which adhered to the refusal. If a timely petition to the Commissioner is not filed, the application for renewal will be considered abandoned.

(c) The decision of the Commissioner on the petition will constitute the final action of the Patent and Trademark Office.

(d) A petition to the Commissioner for review of the action shall be a condition precedent to an appeal to or action for review by any court.

42. Section 2.186 is revised to read as follows:

**§ 2.186 Action may be taken by assignee of record.**

Any action with respect to an assigned application or registration which may or must be taken by a registrant or applicant may be taken by the assignee provided that the assignment has been recorded.

Dated: April 28, 1983.

**Donald J. Quigg,**

*Deputy Commissioner of Patents and Trademarks.*

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