

(i) The requirements of this section remain in force until and unless EPA, in delegating enforcement authority to a State under section 111(c) of the Act, approves reporting requirements or an alternative means of compliance surveillance adopted by such States. In this event, affected sources within the State will be relieved of the obligation to comply with this subsection, provided that they comply with the requirements established by the State.

(Approved by the Office of Management and Budget under Control No. 2060-0181.)

§ 60.748 Delegation of authority.

(a) In delegating implementation and enforcement authority to a State under section 111(c) of the Act, the authorities contained in paragraph (b) of this section shall be retained by the Administrator and not transferred to a State.

(b) Authorities that will not be delegated to States: §§ 60.743(a)(3)(v) (A) and (B); 60.743(e); 60.745(a); 60.746.

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Part III

Department of Commerce

Patent and Trademark Office

37 CFR Parts 1 and 2

**Amendments to Patent and Trademark
Rules to Implement Trademark Law
Revision Act; Miscellaneous Trademark
Rule Amendments; Final Rule**

DEPARTMENT OF COMMERCE

Patent and Trademark Office

37 CFR Parts 1 and 2

[Docket No. 90374-9181]

RIN 0651-AA38

Amendments to Patent and Trademark Rules to Implement Trademark Law Revision Act; Miscellaneous Trademark Rule Amendments

AGENCY: Patent and Trademark Office, Commerce.

ACTION: Final rule.

SUMMARY: The Patent and Trademark Office (PTO) is amending the rules of practice in trademark cases, and the rules of practice in patent cases which are applicable to trademark cases, to implement the provisions of the Trademark Law Revision Act of 1988 (Title 1 of Pub. L. 100-667, 102 Stat. 3935 (15 U.S.C. 1051)), codify changes in practice resulting from a Trademark Trial and Appeal Board decision commonly known as the "Crocker" decision, and otherwise codify, clarify, and/or revise certain procedures for the examination of applications.

EFFECTIVE DATE: November 16, 1989.

FOR FURTHER INFORMATION CONTACT: Carlisle E. Walters by telephone at (703) 557-7464 or by mail marked to her attention and addressed to Box 5, Office of the Assistant Commissioner for Trademarks, Commissioner of Patents and Trademarks, Washington, DC 20231.

SUPPLEMENTARY INFORMATION: In a notice of proposed rulemaking published in the Federal Register on May 4, 1989, at 54 FR 19286, the Patent and Trademark Office "Official Gazette" of May 16, 1989, at 1102 O.G. 47-70, and the Bureau of National Affairs' "Patent, Trademark, & Copyright Journal", at 38 PTCJ 43-71, (May 11, 1989), the Patent and Trademark Office proposed to amend Parts 1 and 2 of title 37 of the Code of Federal Regulations by amending or revising §§ 1.1, 1.8, 2.6, 2.18, 2.21, 2.24, 2.31, 2.33, 2.38, 2.39, 2.41, 2.44, 2.45, 2.47, 2.51, 2.52, 2.53, 2.56, 2.57, 2.58, 2.61, 2.64, 2.65, 2.66, 2.69, 2.71, 2.72, 2.73, 2.75, 2.81, 2.82, 2.83, 2.84, 2.86, 2.87, 2.99, 2.101, 2.111, 2.129, 2.133, 2.161, 2.162, 2.181, 2.185 and 2.187; and adding §§ 2.2, 2.59, 2.76, 2.77, 2.88 and 2.89. The notice of proposed rulemaking was designed primarily to implement certain provisions of the Trademark Law Revision Act of 1988 (Title 1 of Pub. L. 100-667, 102 Stat. 3935 (15 U.S.C. 1051)) (hereinafter "Pub. L. 100-667"), which was enacted on November 16, 1988, and will become effective on November 16,

1989. The text of the law was published in the "Congressional Record", S. 1883, 100th Cong., 2d Sess., 134 Cong. Rec. 149, H10411 (daily ed. October 19, 1988), and in "BNA's Patent, Trademark & Copyright Journal", at 36 PTCJ 751 (October 27, 1988).

Written comments were submitted by one firm, eight individuals, and six organizations. Six individuals testified at the oral hearing. Four of those individuals testified on behalf of two organizations, both of which also submitted written comments. Of the two individuals who testified on their own behalf, one also submitted written comments.

The following includes a summary of the "intent-to-use" provisions of Pub. L. 100-667, a summary of the other provisions of Public Law 100-667 which are relevant to PTO practice, a list of rules being changed as a result of Public Law 100-667, a brief discussion of other rules being changed and the reasons for those changes, a detailed section-by-section analysis of the final rules, and an analysis of all comments received in response to the notice of proposed rulemaking.

Discussion of "Intent-to-Use" Provisions of Public Law 100-667

Pub. L. 100-667 substantially revises the Trademark Act of 1946 ("Act"). Previously, the Act permitted the filing of an application for Federal registration of a trademark based upon use of the mark in commerce in connection with goods or services, under section 1 of the Act; or, ownership of a foreign application or registration, under section 44 of the Act. The new law adds a third basis for the filing of an application, namely, a bona fide intention to use a mark in commerce in relation to specific goods or services. For these "intent-to-use" applications, actual use of the mark in commerce will be a prerequisite to the ultimate issuance of a registration.

Section 103, Public Law 100-667, 102 Stat. 3935, amends section 1 of the Act to permit the filing of an application for Federal registration of a trademark based upon either use of the mark in commerce or a bona fide intention to use the mark in commerce. Use-based applications will be governed by an amended and redesignated section 1(a) of the Act. A new section 1(b) of the Act authorizes the filing of "intent-to-use" applications and sets forth the filing requirements of such applications.

Section 113, Public Law 100-667, 102 Stat. 3940, amends section 12 of the Act, concerning examination of applications and publication, to provide that if the Trademark Examining Attorney examines an "intent-to-use" application

and finds that the applicant would be entitled to registration upon the acceptance of a statement of use, the mark will be published in the "Official Gazette" for purposes of opposition.

Section 114, Public Law 100-667, 102 Stat. 3940, amends section 13 of the Act, concerning opposition to registration of marks on the Principal Register, to add a new section 13(b) to govern the handling of applications which are not successfully opposed. New section 13(b) provides that, unless registration is successfully opposed, a notice of allowance will be issued to the applicant in an "intent-to-use" application.

Section 103, Public Law 100-667, 102 Stat. 3935, further amends section 1 of the Act by adding a new section 1(c), which permits an "intent-to-use" applicant, at any time during examination, to amend the application to bring it into conformity with the requirements for an application based on use; and by adding a new section 1(d) which sets forth the registration requirements for an "intent-to-use" application following issuance of a notice of allowance.

Section 1(d)(1) of the Act requires that, within six months after the issuance of the notice of allowance, the applicant must file specimens evidencing use of the mark in commerce, the prescribed fee, and a verified statement which asserts that the mark is in use in commerce and contains certain averments related to that use.

Section 1(d)(2) provides that the time for filing the statement of use will be extended for a period of six months upon written request of the applicant, if the request is filed before expiration of the six-month period for filing a statement of use. The request must be accompanied by the prescribed fee and a verified statement that the applicant has a continued bona fide intention to use the mark in commerce, specifying those goods or services identified in the notice of allowance for which that intention exists.

Section 1(d)(2) provides that further extensions of time for filing a statement of use may be granted by the Commissioner, for periods aggregating not more than 24 months, upon a showing of good cause by the applicant. A written request must be filed before the expiration of the last granted extension and accompanied by the prescribed fee and by a verified statement (of continued bona fide intention to use the mark in commerce) as required for the first extension of time. The Commissioner is to issue regulations setting forth what

constitutes good cause for a further extension of time for filing a statement of use.

Section 1(d)(3) of the Act provides that any applicant who files a statement of use will be notified of the acceptance or refusal thereof and, if the statement is refused, of the reasons for the refusal, and that the statement of use may be amended.

Section 1(d)(4) of the Act provides that the failure of an applicant to timely file a statement of use, as required under section 1(d) of the Act, will result in the abandonment of the application.

Discussion of Other Provisions of Public Law 100-667

The new law includes certain other provisions which significantly affect practice in the PTO. Section 104, Public Law 100-667, 102 Stat. 3937, amends section 2(f) of the Act, pertaining to registration of a mark used by the applicant which has become distinctive of the applicant's goods in commerce. The amendment will permit the Commissioner to accept, as prima facie evidence that a mark has become distinctive, proof of substantially exclusive and continuous use as a mark by the applicant in commerce for "five years before the date on which the claim of distinctiveness is made." The Act previously permitted such a showing by the applicant to be only for "the five years next preceding the date of the filing of the application."

Section 109, Public Law 100-667, 102 Stat. 3938, adds a new section 7(c) to the Act to provide, *inter alia*, that contingent on the registration of a mark on the Principal Register, the filing of an application to register such mark on the Principal Register shall constitute constructive use of the mark and confer nationwide priority.

Section 110, Public Law 100-667, 102 Stat. 3939, amends section 8(a) of the Act to provide that each certificate of registration shall remain in force for ten (rather than twenty) years. Section 110 further amends section 8(a) of the Act to require that the affidavit, which must be filed during the sixth year after issuance of a registration, set forth "those goods or services recited in the registration on or in connection with which the mark is in use in commerce and attaching to the affidavit a specimen or facsimile showing current use of the mark,

* * * instead of the previous requirement for a "showing that said mark is in use in commerce * * *"

Section 111, Public Law 100-667, 102 Stat. 3939, amends section 9(a) of the Act to reduce the term for which a registration may be renewed from twenty years to ten years. Similarly,

section 135, Public Law 100-667, 102 Stat. 3948, amends the Act by adding a new section, section 51, which provides that certificates of registration which issue from applications pending in the PTO on November 16, 1989, the effective date of the new law, shall remain in force for a period of ten years.

Section 118, Public Law 100-667, 102 Stat. 3941, amends section 18 of the Act to expand a portion of the description of the actions which may be taken by the Trademark Trial and Appeal Board ("Board"), in an inter partes proceeding, from "may refuse to register the opposed mark, may cancel or restrict the registration of a registered mark, or may refuse to register any or all of several interfering marks, * * *" to "may refuse to register the opposed mark, may cancel the registration, in whole or in part, may modify the application or registration by limiting the goods or services specified therein, may otherwise restrict or rectify with respect to the register the registration of a registered mark, may refuse to register any or all of several interfering marks, * * *". The same section of the new law further amends section 18 of the Act to provide, with respect to inter partes proceedings before the Board, that no final judgment shall be entered in favor of an intent-to-use applicant before the mark is registered, if such applicant cannot prevail without establishing constructive use pursuant to section 7(c) of the Act, as amended by section 109, Public Law 100-667, 102 Stat. 3938.

Section 121, Public Law 100-667, 102 Stat. 3942, amends section 23 of the Act, which governs applications for registration on the Supplemental Register, to delete the requirement that the mark must have been in lawful use in commerce for the year preceding the filing of the application; and to substitute a requirement that the mark must be in lawful use in commerce by the owner.

Section 122, Public Law 100-667, 102 Stat. 3943, amends section 24 of the Act, which governs petitions to cancel registrations on the Supplemental Register, to delete the requirement that such a petition be verified, and to add a provision that (in such a cancellation proceeding) no final judgment shall be entered in favor of an intent-to-use applicant before the mark is registered, if such applicant cannot prevail without establishing constructive use pursuant to section 7(c) of the Act, as amended.

Finally, section 133, Public Law 100-667, 102 Stat. 3946, amends section 44 of the Act to require that an application filed pursuant to section 44(d) or 44(e) of the Act include a statement that the

applicant has a bona fide intention to use the mark in commerce. The new law further amends section 44(e) of the Act to specify that use in commerce shall not be required prior to registration in the case of an application under that section of the Act.

Specific Rules Changed or Added

The existing rules of practice in Parts 1 and 2 of Title 37 of the Code of Federal Regulations which are amended as a result of the enactment of Public Law 100-667 are §§ 1.1, 1.8, 2.6, 2.21, 2.33, 2.38, 2.39, 2.41, 2.44, 2.45, 2.47, 2.51, 2.52, 2.53, 2.56, 2.57, 2.61, 2.64, 2.65, 2.69, 2.71, 2.72, 2.73, 2.75, 2.81, 2.82, 2.84, 2.86, 2.87, 2.99, 2.101, 2.111, 2.129, 2.133, 2.161, and 2.162. In addition, new §§ 2.2, 2.59, 2.76, 2.77, 2.88, and 2.89 are added. The amendments made to existing rules, and the provisions of the new rules which are added, are described in detail hereafter.

Other changes are made in the rules of practice in trademark cases as a result of the decision of the Board in *Crocker National Bank v. Canadian Imperial Bank of Commerce*, 223 USPQ 909 (TTAB 1984) ("Crocker"). Prior to Crocker, an applicant applying under section 44 of the Act was allowed, under present § 2.39, to omit certain of the allegations required for an application based on use, namely, the allegation that the mark sought to be registered was in use in commerce, and the statements of the applicant's date of first use of the mark, and first use of the mark in commerce, on or in connection with the specified goods or services. Nevertheless, it was the practice of the PTO to require such an applicant to allege use of the mark (somewhere in the world) and to submit specimens of the mark as used on or in connection with the specified goods or services. The Board held in Crocker, however, that an applicant filing in accordance with section 44 need not allege use or submit specimens. The practice of the PTO was thereafter modified to bring it into accordance with the Board's decision. The rules of practice which are amended to codify the present practice are §§ 2.21, 2.33, 2.39, 2.41, 2.44, 2.45, 2.47, 2.51, 2.56, and 2.72. As indicated above, those rules are also amended to implement changes in practice required as a result of the enactment of Public Law 100-667.

Additionally, certain miscellaneous amendments are made to codify, clarify, and/or revise procedures for the examination of applications. Specifically, § 2.18 is amended to clarify the practice of the PTO regarding correspondence with foreign applicants.

Section 2.24 is amended to correct a cross-reference. Section 2.31 is amended to indicate that it is preferable that an application be on approximately "lettersize" (i.e., 8½ inches by 11 inches) rather than legal-size, paper. Section 2.52(e) is amended to simplify the drawing color linings for the colors orange and yellow or gold. Sections 2.56 and 2.57 are amended to reduce the number of specimens or facsimiles required to be filed, in those instances where specimens are necessary, from five to three, and to indicate that specimens or facsimiles may not exceed eleven inches in length. When specimens exceeding the size limitations are submitted, the applicant will be required to submit proper substitute specimens. Section 2.83, which governs procedure in the case of conflicting marks, is amended to delete a provision which does not conform to present PTO practice, namely, the provision that a notice will be sent, if practicable, to the applicants involved informing them of the publication or issuance of the earliest-filed mark (or, if the conflicting applications have the same effective filing date, of the publication or issuance of the application with the earliest date of execution). Finally, § 2.187 is amended to revise the conditions under which a certificate of registration will be issued in the name of an applicant's assignee, or in an applicant's new name.

Discussion of Specific Sections Changed or Added

In this discussion, "Patent and Trademark Office" is abbreviated as "PTO," "Trademark Trial and Appeal Board" is abbreviated as "Board," the Trademark Act of 1946 is abbreviated as "the Act," and all references to sections of the Act are as amended by Public Law 100-667, unless otherwise stated.

Section 1.1, which specifies the address to be used on communications intended for the PTO, and also provides special box designations which may be used on certain types of communications to the PTO, is amended to add new paragraph (h) which establishes a new separate receipt box for statements of use under section 1(d) of the Act and requests for extensions of time to file such statements. The new paragraph encourages, but does not require, applicants to use the designation "Box ITU" when submitting the identified papers. Use of the box designation will permit prompt and efficient processing of the identified papers. The proposed rule also included amendments to allege use under section 1(c) of the Act as papers which should be identified by the new "Box ITU" designation. However, as a result of a

change in planned internal workflow, that proposal is withdrawn. Amendments to allege use under section 1(c) of the Act should not be identified with the "Box ITU" designation.

Section 1.8, which provides that certain papers will be considered filed in the PTO on the date the papers are certified as mailed, subject to specified conditions, is amended to add new paragraphs (a)(2)(xiv) through (a)(2)(xvi) to exclude the following papers from the "Certificate of Mailing" procedure established under the section: Statements of use under new § 2.88 (15 U.S.C. 1051(d)), requests for extensions of time to file such statements, and amendments to allege use under new § 2.76 (15 U.S.C. 1051(c)). The specified papers are excluded due to the nature and significance of the papers and the importance of their prompt receipt in the PTO. Before a registration can be issued in an application under section 1(b) of the Act, either an amendment to allege use or a statement of use must be filed and accepted. An amendment to allege use may be submitted only during the examination of an application prior to approval of the mark for publication for opposition in the Trademark "Official Gazette". After issuance of a notice of allowance in an application under section 1(b) of the Act, applicant must file either a statement of use or request a six-month extension of time to file a statement of use within six months thereafter (successive extension requests may not aggregate more than 36 months from the notice of allowance). Each of these papers is required to be filed within tight time frames and should be processed by the PTO expeditiously. Thus, to avoid problems related to mail delays, these papers are excluded from the "Certificate of Mailing" procedure.

Section 2.2 is added to establish a definitions section for part 2 of 37 CFR.

Section 2.2(a) is added to state that all references to "the Act" pertain to the Trademark Act of 1946, as amended.

Section 2.2(b) is added to state that all references, for example in §§ 2.101 and 2.111, to "entity" include both natural and juristic persons.

Section 2.6, which governs trademark fees, is amended to add paragraphs (u) and (v) to establish two new fees for the filing of papers required or permitted under section 1(c) or 1(d) of the Act. Section 2.6(a) establishes the fee for filing an application, per class, and it is applicable to all new applications filed in the PTO, regardless of the basis asserted for filing. Section 2.6(u) is added to establish a filing fee of \$100.00 for an amendment to allege use under new § 2.76 (15 U.S.C. 1051(c)) or for a

statement of use under new § 2.88 (15 U.S.C. 1051(d)). Section 2.6(v) is added to establish a filing fee of \$100.00 for any request, under new § 2.89 (15 U.S.C. 1051(d)), for a six-month extension of time to file a statement of use.

The PTO is amending § 2.6 to establish new fees required under provisions of Public Law 100-667. A fee is required under section 1(b)(2) of the Act for the filing of an application under section 1(b) of the Act ("intent-to-use"). A fee is required under section 1(d)(1) of the Act for the filing of a statement of use in an application under section 1(b) of the Act; and a fee is required under section 1(d)(2) of the Act for the filing of a request for an extension of time to file a statement of use. A fee is being established for an amendment to allege use, which is filed under section 1(c) of the Act, to bring an application under section 1(b) of the Act into conformity with the requirements of section 1(a) of the Act ("use in commerce"). These actions are consistent with section 103(a) of Public Law 100-703 which governs the way fees established under section 31 of the Act may be adjusted.

Section 103(a) of Public Law 100-703 provides that the Commissioner cannot establish additional fees under section 31 of the Act during fiscal years 1989, 1990 and 1991. However, Public Law 100-667 requires that the fees for filing an application under section 1(b) of the Act, a statement of use, and a request for an extension of time to file a statement of use be established. Further, Congressman Kastenmeier has stated that "the Commissioner is not precluded from charging a new fee for a new service or material or from charging a different fee where a significant and material improvement in service or material, such as in promptness or quality is offered. Under any circumstances, augmented fees ought to be clearly justified and reported to the Congress." "Congressional Record," S. 1883, 100th Cong., 2d Sess., 134 Cong. Rec. 149, H9677 (daily ed. October 5, 1988). Amendments to allege use filed under section 1(c) of the Act create a new examination practice that was not contemplated when the fees were established for activities performed under the Act and this fee is clearly not an increase in an existing fee.

On February 15, 1989, a final rule was published in the *Federal Register* at 54 FR 6893 to adjust patent and trademark fees. Effective April 17, 1989, three trademark fees were reduced: The fee for filing an application for trademark registration was reduced from \$200 to \$175 per class, and two fees for recording trademark assignments or

other papers relating to a registered mark or application for registration were reduced from \$100 to \$8.

In establishing the new fees related to Public Law 100-667, the PTO followed the fee methodology which was described in the February 15, 1989, Federal Register notice (54 FR 6893), and is summarized as follows:

Cost Calculations: The PTO calculated unit costs for the new fees based on OMB Circular A-25, "User Fees," and OMB Circular A-130, "Management of Federal Information Resources." Costs were determined from the best available records (for example, the FY 1987 end-of-year financial statements for the Office) and included direct and indirect costs to the PTO for carrying out the activity, as directed by OMB Circular A-25. To estimate costs for the three-year period from November 1989 to October 1992, the 1987 actual costs were adjusted by the Administration's inflation projection ("Budget of the United States Government, Fiscal Year 1990", Part 3, "The Economy and the Budget"). This methodology was utilized in conjunction with an analysis of the worksteps and procedures that will be involved in the processing of a new application to register a mark under section 1(b) of the Act. The PTO has determined that the processing and examination of an application under section 1(b) of the Act from the filing date through issuance of a notice of allowance is expected to cost the same as the processing and examination of an application under section 1(a) of the Act from the filing date through issuance of the certificate of registration. Therefore, the fee for applications filed under section 1(a) or 1(b) is the same.

Workload Projections: The PTO has estimated that there will be a one-time, twenty-five percent (25%) increase in trademark applications filed in FY 1990, bringing the estimated trademark application filings for FY 1990 to approximately 100,000. In FY 1991, the PTO estimates that approximately 86,700 trademark applications will be filed and that, thereafter, trademark application filing increases will drop to normal levels (approximately six percent (6%) over the previous year) for the remainder of the fee cycle. The PTO estimates that sixty percent (60%) of the total applications filed in FY 1990 and subsequent years in this fee cycle will be filed under section 1(b) of the Act.

The PTO estimates that, beginning in FY 1991, the first requests for extensions of time to file a statement of use will be filed; and that these requests will be filed in approximately ten percent (10%) of the section 1(b) applications filed in

the prior year. In FY 1992, the filing of requests for extensions of time to file a statement of use will increase to sixteen percent (16%) of the new section 1(b) applications filed in the previous year and remain at that level during the remainder of the fee cycle.

The PTO estimates that approximately twenty-five percent (25%) of all applications filed under section 1(b) of the Act will be abandoned before the filing of either an amendment to allege use, under section 1(c) of the Act, or a statement of use, under section 1(d) of the Act.

The PTO estimates that twenty-five percent (25%) of all applications filed under section 1(b) of the Act will be amended to conform to the provisions of section 1(a) of the Act (by the filing of an amendment to allege use under new § 2.76) during the first examination of the application, before approval of the mark for publication for opposition; and that this filing will increase first examination processing by a factor of forty percent (40%).

The PTO estimates that a statement of use under new § 2.88 will be filed in fifty percent (50%) of all applications filed under section 1(b) of the Act; and that the second examination required under section 1(d)(1) of the Act will require additional processing time equal to forty percent of the processing time required for the first examination.

Fee Adjustment Methodology: Based on the fee methodology described in the February 15, 1989, Federal Register notice (54 FR 6893), the projected revenue from these fees, when coupled with the fees generated by all other trademark fees, does not exceed the costs associated with the filing and processing of an application for the registration of a trademark or other mark and for all other services performed by, and materials furnished by, the PTO related to trademarks and other marks.

The PTO has detailed cost calculation worksheets for each fee item, which are available for public inspection in Suite 914 of Building 2, Crystal Park at 2121 Crystal Drive, Arlington, Virginia.

Section 2.18, which specifies to whom correspondence will be sent by the PTO, is revised to add a new sentence to the section to clarify PTO policy regarding correspondence with foreign applicants. The new sentence provides that PTO correspondence will be sent to the domestic representative of a foreign applicant unless the application is being prosecuted by an attorney at law or other qualified person duly authorized, in which event correspondence will be sent to the attorney at law or other qualified person duly authorized. The

section, as amended, conforms to present § 2.24.

Section 2.21(a), which governs the requirements for receiving an application filing date, is amended by revising paragraphs (a)(5) and (a)(6) and adding new paragraphs (a)(5)(i), (a)(5)(ii), (a)(5)(iii), and (a)(5)(iv) to revise the minimum filing requirements for applications under section 1(a) or 44 of the Act, and to add minimum filing requirements for applications under section 1(b) of the Act. A requirement that an application be verified by the applicant in order to receive a filing date is added for all types of applications. The minimum filing requirements for an application under section 44 are revised to comply with the Crocker decision and to implement the provisions of Public Law 100-667.

Section 2.21(a)(5), which presently specifies the filing date requirement of at least one specimen or facsimile of the mark as actually used, is revised to delete that requirement from the paragraph and to indicate that the four new paragraphs added thereunder all relate to the assertion of a basis for filing.

Section 2.21(a)(5)(i) is added to specify all filing requirements which pertain only to the assertion of a basis for filing an application under section 1(a) of the Act, namely, the statement of a date of first use in commerce and at least one specimen or facsimile of the mark as actually used.

Section 2.21(a)(5)(ii) is added to specify all filing requirements which pertain only to the assertion of a basis for filing an application under section 44(e) of the Act, namely, a claim of a bona fide intention to use the mark in commerce and a certification or a certified copy of the foreign registration on which the application is based. In accordance with Crocker, the new paragraph contains no requirement for a statement of use of the mark anywhere or for the filing of a specimen or facsimile of the mark as used.

Section 2.21(a)(5)(iii) is added to specify all filing requirements which pertain only to the assertion of a basis for filing an application pursuant to section 44(d) of the Act, namely, a claim of a bona fide intention to use the mark in commerce and a claim of the benefit of a prior foreign application. In accordance with Crocker, the new paragraph contains no requirement for a statement of use of the mark anywhere or for the filing of a specimen or facsimile of the mark as used.

Section 2.21(a)(5)(iv) is added to specify all filing requirements which pertain only to an assertion of a basis

for filing an application under section 1(b) of the Act, namely, a claim of a bona fide intention to use the mark in commerce.

Section 2.21(a)(6), which presently includes certain of the filing requirements incorporated in new paragraphs (a)(5)(i), (a)(5)(ii), and (a)(5)(iii), is revised to require that an application include a verification in accordance with § 2.33(b), signed by the applicant, as a condition for receiving a filing date. The proposed requirement is in accordance with sections 1 and 44 of the Act.

Section 2.24, which relates to the designation of a representative by a foreign applicant, is revised to clarify language concerning official communications from the PTO to indicate that such communications will be addressed to the domestic representative unless the application is being prosecuted by an attorney at law or other qualified person duly authorized, in which event the communication will be sent to the attorney at law or other qualified person duly authorized. Additionally, the section is revised to correct cross-references. Cross-references to § 10.14 of the subchapter, which now governs qualifications of individuals to practice before the PTO in trademark and other non-patent cases, are substituted for the cross-references to § 2.12, which has been removed.

Section 2.31, which presently states that it is preferable that an application be on legal or lettersize paper, is revised to state that it is preferable that an application be on lettersize (i.e., 8½ inches by 11 inches) paper. This amendment conforms generally to the standards of Federal court practice.

Section 2.33, which specifies the complete requirements for a written application, is amended by changing the section title from "Requirements for application." to "Requirements for written application," revising certain existing paragraphs, redesignating and revising certain other existing paragraphs, and adding three new paragraphs to, *inter alia*, incorporate in this section the requirements for an application under section 44 of the Act, and add the requirements for an application under section 1(b) of the Act. The application requirements for an application under section 44 of the Act are in accordance with the Crocker decision.

Section 2.33(a)(1)(ii), which requires a statement of applicant's citizenship, is revised to clarify the language of the section and to codify the requirement that an applicant which is a partnership must specify in the application the state

or nation under the laws of which the partnership is organized.

Section 2.33(a)(1)(iv), which presently requires a statement that applicant has adopted and is using the mark shown in the accompanying drawing, is revised to limit this requirement to an application under section 1(a) of the Act; and to add, for an application under section 1(b) or 44 of the Act, a requirement for a statement that applicant has a bona fide intention to use the mark shown in the accompanying drawing in commerce.

Section 2.33(a)(1)(v), which presently requires an identification of the particular goods on or in connection with which the mark is used, is revised to include a reference to services, as well as goods; to limit the requirement to an application under section 1(a) of the Act; and to add, for an application under section 1(b) or 44 of the Act, the requirement for an identification of the particular goods or services on or in connection with which the applicant has a bona fide intention to use the mark. The paragraph is further amended to incorporate the provision, presently included in § 2.39, that the goods or services specified in an application under section 44 may not exceed the scope of the goods or services covered by the foreign application or registration.

Section 2.33(a)(1)(vi), which presently requires a statement of the class of merchandise according to the official classification, if known to the applicant, is revised to substitute the words "goods or services" for the word "merchandise."

Section 2.33(a)(1)(vii), which presently requires a statement of the date of applicant's first use of the mark as a trademark on or in connection with goods specified in the application, is revised to include references to a service mark, as well as a trademark, and to services, as well as goods; to limit the requirement to an application under section 1(a) of the Act; and to add for such an application the requirement, presently stated in paragraph (a)(1)(viii) of the section, for a statement of applicant's date of first use of the mark in commerce on or in connection with the goods or services listed in the application, specifying the nature of such commerce.

Section 2.33(a)(1)(viii), which presently requires a statement of the date of applicant's first use in commerce of the mark as a trademark on or in connection with goods specified in the application, specifying the nature of such commerce, is revised to remove this requirement, which is added to paragraph (a)(1)(vii); and to incorporate the requirements, presently stated in

§ 2.39(a), concerning submission, with an application under section 44(e) of the Act, of a certificate of the trademark office of the applicant's country of origin and, if the certificate is not in the English language, of a translation thereof.

Section 2.33(a)(1)(ix), which presently requires a statement of the mode, manner or method of applying, affixing or otherwise using the mark on or in connection with the goods specified, is redesignated as (a)(1)(x); revised to indicate that this requirement pertains only to an application under section 1(a) of the Act; and amended to include a requirement, for an application under section 1(b) of the Act, for a statement of the intended mode, manner or method of applying, affixing or otherwise using the mark on or in connection with the goods or services specified.

A new § 2.33(a)(1)(ix) is added to require, for an application claiming the benefit of a foreign application in accordance with section 44(d) of the Act, that the application comply with the requirements of § 2.39.

Section 2.33(a)(2), which presently provides that if more than one item of goods is specified in the application, the dates of use required in present paragraphs (a)(1)(vii) and (viii) of the section need be for only one of the items specified, provided the particular item to which the dates apply is designated, is revised to refer to services as well as goods and to delete the cross-reference to paragraph (a)(1)(viii), the present substance of which is incorporated in paragraph (a)(1)(vii).

Section 2.33(b), which presently states the requirement that an application include certain averments concerning ownership of the mark, use of the mark in commerce, and the truth of the statements contained in the application, is redesignated as (b)(1); revised to indicate that the requirement of the paragraph pertains only to an application under section 1(a) of the Act; and revised to clarify the language of the paragraph and to make such language gender neutral.

Section 2.33(b)(2) is added to specify, for an application under section 1(b) or 44 of the Act, a requirement that the application include certain averments concerning ownership of the mark, the truth of the statements contained in the application, and applicant's bona fide intention to use the mark in commerce on or in connection with the specified goods or services.

Section 2.33(c), which concerns the applicability of this section to an application for the registration of a mark for goods or services falling within

multiple classes, is revised to correct a cross-reference which presently is correct but would be incorrect when the amendments to §§ 2.86 and 2.87 become effective. Specifically, § 2.33(c) is revised to refer to § 2.86 rather than § 2.87.

Section 2.33(d) is added to state that an applicant may not file under both sections 1(a) and 1(b) of the Act in a single application, nor may an applicant in an application under section 1(a) of the Act amend that application to seek registration under section 1(b) of the Act. An application which is filed under both sections 1(a) and 1(b) of the Act will not be accorded a filing date and will be returned to the applicant. The provision that an applicant under section 1(a) of the Act is precluded from amending the application to seek registration under section 1(b) of the Act is based upon the language of section 1(b) of the Act which requires that an application under the section include, upon filing, a verified statement of a bona fide intention to use the mark in commerce; however, an application filed under section 1(a) of the Act does not include such a statement and cannot be based on a bona fide intention to use a mark. There is no prohibition against amending the basis for an application from section 1(b) to section 1(a) of the Act because section 1(a) requires that an application assert use in commerce prior to the filing date of the application. This is a factual assertion that is verifiable at any time.

Section 2.38 is revised to change a cross-reference which presently is correct but would be incorrect when the amendments to § 2.33 become effective. Specifically, § 2.38 is revised to refer to § 2.33(a)(1)(vii) rather than § 2.33(a)(1)(vii) and (viii).

Section 2.39, which presently contains provisions concerning the omission of an allegation of use in commerce and statements of dates of first use in applications filed under Section 44 of the Act, as well as provisions specifying certain requirements for such applications, is amended by changing the section title from "Omission of allegation of use in commerce by foreign applicants," to "Priority claim based on foreign application," and revising paragraphs (a) and (b). The purpose of the amendments is to delete the omission provisions and the provisions specifying requirements for applications under section 44(e) of the Act which are subsumed by § 2.33 as amended; and to add certain provisions concerning applications claiming the benefit of a prior foreign application in accordance with section 44(d) of the Act.

In the notice of proposed rulemaking, present paragraphs (a) and (b) of § 2.39 were proposed to be revised and a new paragraph (c) was proposed to be added. As the result of a written comment concerning proposed paragraph (a) (see "Response to Comments on the Rules"), paragraph (a) is withdrawn, and proposed paragraphs (b) and (c) are redesignated (a) and (b), respectively.

Section 2.39(a), Which presently contains provisions concerning the omission of an allegation of use in commerce and statements of dates of first use by applicants filing under section 44(e) of the Act, as well as provisions specifying requirements for such applications, is revised to delete those provisions, which are subsumed by § 2.33 as amended; to add requirements, presently specified in paragraph (b) of the section, for filing an application in accordance with section 44(d) of the Act.

Section 2.39(b), which presently contains provisions concerning the omission of an allegation of use in commerce and of statements of dates of first use by applicants filing under section 44(d) of the Act, and a statement of certain other requirements for an application in accordance with section 44(d) of the Act, is revised to delete the omission provisions, which are subsumed by § 2.33 as amended. The paragraph is further revised to provide that before an application filed in accordance with section 44(d) of the Act can be approved for publication, a basis for registration under section 1(a), 1(b) or 44(e) of the Act must be established.

Section 2.41(a), which relates to proof of distinctiveness of a mark, pursuant to section 2(f) of the Act, is revised to indicate that allegations and evidence of acquired distinctiveness must be based upon use of the mark on or in connection with goods or services "in commerce."

Section 2.41(b) is revised in the same manner as § 2.41(a) above, and is revised further to implement section 104 of Public Law 100-667. Section 2(f) of the Act presently requires an applicant relying upon an allegation of five years of substantially exclusive and continuous use of a mark in commerce in support of a claim of distinctiveness to assert that such use was made during the five years next preceding the filing date of the application. Section 104 of Public Law 100-667 amends section 2(f) of the Act to permit an applicant to rely upon such use made for the five years before the date on which the claim of distinctiveness is made.

Section 2.44, which presently requires that an application to register a collective mark include certain statements concerning the class of persons entitled to use the mark, their relationship to the applicant, and the nature of applicant's control over the use of the mark, is amended to redesignate the present paragraph as (a); revise redesignated paragraph (a) to indicate that it pertains only to applications under section 1(a) of the Act; and add a new paragraph (b) which requires, for collective mark applications under section 1(b) or 44 of the Act, that the application include certain statements concerning the class of persons entitled to use the mark, their relationship to the applicant, and the nature of applicant's control over the use of the mark.

Section 2.45, which presently requires that an application to register a certification mark include certain statements concerning the use of the mark, applicant's control thereover, and that applicant is not engaged in the production or marketing of the goods or services to which the mark is applied, is amended to redesignate the present paragraph as (a); revise redesignated paragraph (a) to indicate that it pertains only to applications under section 1(a) of the Act; and add a new paragraph (b) which requires, for certification mark applications under section 1(b) or 44 of the Act, that the application include certain statements concerning the intended use of the mark, applicant's intended control thereover, and that applicant will not engage in the production or marketing of the goods or services to which the mark is applied.

Section 2.47, which governs applications to register on the Supplemental Register, is amended to redesignate the present paragraph as (a); revise redesignated paragraph (a); and add new paragraphs (b), (c) and (d) to implement certain provisions of Public Law 100-667.

Section 2.47(a), as redesignated, is revised to implement section 23 of the Act by eliminating provisions pertaining to the requirement for one year of use of the mark for an application for registration on the Supplemental Register.

Section 2.47(b) is added to provide, in accordance with the Crocker decision, that in an application to register on the Supplemental Register under section 44 of the Act, the statement of lawful use in commerce may be omitted.

Section 2.47(c) is added to provide that a mark in an application to register on the Principal Register under section 1(b) of the Act is eligible for registration

on the Supplemental Register only after an acceptable allegation of use under section 1 (c) or (d) of the Act has been timely filed. Section 23 of the Act requires lawful use in commerce as a prerequisite for an application for registration on the Supplemental Register. This requirement bars an application under section 1(b) of the Act from the Supplemental Register until an acceptable allegation of use has been submitted.

Section 2.47(d) is added to provide that an application for registration on the Supplemental Register must conform to the requirements for registration on the Principal Register under section 1(a) of the Act so far as applicable.

Section 2.51, which specifies certain general requirements for drawings, is amended by redesignating present paragraph (a) as (a)(1), revising paragraph (a)(1), adding new paragraphs (a)(2) and (a)(3), redesignating present paragraph (b) as (b)(1), revising paragraph (b)(1), adding new paragraphs (b)(2) and (b)(3), revising paragraph (c), redesignating and republishing present paragraph (d) as (e), and adding a new paragraph (d) to codify existing practice and to specify certain drawing requirements for applications under sections 1(b) of the Act and applications under section 44 of the Act.

Section 2.51(a), which presently requires that the drawing of a trademark be a substantially exact representation of the mark as used on or in connection with the goods, is redesignated as (a)(1) and revised to indicate that it pertains only to applications under section 1(a) of the Act.

Section 2.51(a)(2) is added to provide that, in an application under section 1(b) of the Act, the drawing of a trademark shall be a substantially exact representation of the mark as intended to be used on or in connection with the goods specified in the application and, that once an amendment to allege use under new § 2.76, or a statement of use under new § 2.88 has been filed, the drawing of the trademark shall be a substantially exact representation of the mark as used.

Section 2.51(a)(3) is added to provide that, in an application under section 44 of the Act, the drawing of the trademark shall be a substantially exact representation of the mark as it appears in the drawing in the registration certificate of a mark duly registered in the country of origin of the applicant.

Section 2.51(b), which presently specifies, for service marks, requirements similar to those specified in paragraph (a) for trademarks, is amended by redesignating the present paragraph as (b)(1) and adding

paragraphs (b)(2) and (b)(3) to parallel, for service marks, the provisions of new paragraphs (a)(1), (a)(2) and (a)(3).

Section 2.51(c), which presently provides that, when appropriate and necessary, the drawing in an application for registration on the Supplemental Register may be the drawing of a package or configuration of goods, is revised to delete that provision, which is outdated, and to add a provision codifying the practice that the drawing of a service mark may be dispensed with in the case of a mark not capable of representation by a drawing, but in any such case the application must contain an adequate description.

Section 2.51(d) is redesignated as (e) and a new paragraph (d) is added to provide that broken lines should be used in the drawing of a mark to show placement of the mark on the goods, or on the packaging, or to show matter not claimed as part of the mark, or both, as appropriate, and to provide further that, in an application to register a mark with three-dimensional features, the drawing shall depict the mark in perspective in a single rendition. These proposed provisions codify existing practice.

Section 2.52(a), which pertains to the character of drawings, is revised to correct a cross-reference which presently is correct but would be incorrect when the amendments made herein to § 2.51 become effective. Specifically, § 2.52(a) is amended to refer to paragraph (e), rather than (d), of § 2.51.

Section 2.52(d), which pertains to drawing headings and which presently includes, *inter alia*, a requirement that the heading of a drawing (except for a drawing in an application under section 44 of the Act) not exceed one-fourth of the sheet and specify dates of use, is revised to indicate that the heading should not exceed one-third of the sheet and that the dates of use requirement pertains only to an application under 1(a) of the Act; to add a requirement that the heading of a drawing in an application filed in accordance with section 44(d) of the Act specify the priority filing date of the relevant foreign application; and to add a provision that, if a drawing is in special form, the heading of the drawing should include a description of the essential elements of the mark.

Section 2.52(e), which pertains to drawing linings for color, is revised to simplify the conventional color linings for orange and yellow or gold.

Section 2.53 is revised to change a cross-reference which presently is correct but would be incorrect when the amendments made herein to § 2.51 become effective. Specifically, § 2.53 is

amended to refer to paragraph (e), rather than (d), of § 2.51.

Section 2.56, which concerns specimens for trademarks, is revised to indicate that the requirement for the filing of specimens pertains only to an application under section 1(a) of the Act, an amendment to allege use under new § 2.76, and a statement of use under new § 2.88; remove the redundant word "actually," in accordance with section 1(a)(1)(C) of the Act; add a provision, in accordance with section 45 of the Act, that if placement of the mark on labels, tags, containers or displays associated with the goods is impracticable, then specimens may be documents associated with the goods or their sale; and reduce the maximum size limit for specimens (the proposed maximum size limit parallels the preferable size of paper for a trademark application as specified in amended § 2.31). When specimens exceeding the size limitations are submitted, the applicant will be required to submit proper substitute specimens. The paragraph is revised further to reduce the number of specimens required from five to three. The present requirement for five specimens was adopted to permit members of the public to obtain specimens directly from the application file. Advances in copying technology have rendered the requirement for five specimens unnecessary because members of the public may now obtain quality photocopies of the specimens in the file, making removal of specimens unnecessary in most cases. The requirement for three specimens will provide one specimen for the file and make two specimens available for removal by third parties.

Section 2.57, which pertains to facsimiles in the case of a trademark, is amended to revise paragraph (a) to reduce the number of facsimiles required from five to three, and to reduce the maximum size limit for specimens (the maximum size limit parallels the preferable size of paper for a trademark application as specified in amended § 2.31); and to revise paragraph (b) by removing the redundant word "actually," in accordance with section 1(a)(1)(C) of the Act. When facsimiles exceeding the size limitations are submitted, the applicant will be required to submit proper substitute specimens.

Section 2.58, which concerns the filing of audio cassette tape recordings as specimens for service marks not used in written or printed form, was proposed to be amended to reduce the number of audio tapes required from three to two. As a result of comments received with

respect to this proposal, it has been withdrawn.

Section 2.59, entitled "Filing substitute specimens," is added to specify the requirements related to the filing of substitute specimens for applications under section 1(a) or 1(b) of the Act. The new section codifies existing practice with respect to applications under section 1(a) of the Act and sets forth the requirements which will apply to applications under section 1(b) of the Act.

Section 2.59(a) is added to provide that, in an application based upon use in commerce, the applicant may submit substitute specimens of the mark as used on or in connection with the goods, or in the sale or advertising of the services, provided that any substitute specimens are properly verified as to their use in commerce at least as early as the filing date of the application; and that the verification requirement shall not apply if the specimens are duplicates or facsimiles, such as photographs, of specimens already of record in the application. The new provision is in accordance with section 1(a) of the Act, which requires use in commerce, evidenced by specimens, as a prerequisite to the filing of an application thereunder.

Section 2.59(b) is added to provide that, after filing either an amendment to allege use under new § 2.76 or a statement of use under new § 2.88, in an application under section 1(b) of the Act, the applicant may submit substitute specimens of the mark as used on or in connection with the goods, or in the sale or advertising of the services, provided that the use in commerce of any substitute specimens submitted is supported by applicant's affidavit or declaration in accordance with § 2.20; and to provide further that, in the case of a statement of use under new § 2.88, the applicant must verify that the substitute specimens were in use in commerce prior to the filing of the statement of use or prior to the expiration of the time allowed to applicant for filing a statement of use. Since use in commerce is not required before filing an application under section 1(b) of the Act, there is no requirement that a substitute specimen have been in use at the time of the filing of the application. Furthermore, because an applicant may file a statement of use at any time during the six-month period following the notice of allowance, or at any time during any extension of time for filing a statement of use, a substitute specimen need not be in use any earlier than the expiration of the relevant period.

Section 2.61, which concerns the examination of an application, is amended to provide also for the examination of amendments to allege use under section 1(c) of the Act and statements of use under section 1(d) of the Act.

Section 2.61(a) is revised to indicate that not only applications for registration, but also amendments to allege use under section 1(c) of the Act and statements of use under section 1(d) of the Act will be examined.

Section 2.61(c) is revised to clarify the language.

Section 2.64, which relates to final action by the Trademark Examining Attorney and the applicant's permissible responses thereto, is amended by adding new paragraphs (c)(1), (c)(2), and (c)(3) concerning examination of an amendment to allege use under new § 2.76, filed during the six-month response period after issuance of a final action.

Section 2.64(c)(1) is added to provide that if an amendment to allege use under new § 2.76 is filed during the six-month response period after issuance of a final action, the Trademark Examining Attorney shall examine the amendment, but that the filing of such an amendment will not extend the time for filing an appeal or petitioning the Commissioner.

Section 2.64(c)(2) is added to provide that if the amendment to allege use under new § 2.76 is acceptable in all respects, the applicant will be notified of its acceptance.

Section 2.64(c)(3) is added to provide that if a new refusal or requirement is necessary as a result of the examination of the amendment to allege use under new § 2.76, the final action will be withdrawn and all unresolved refusals or requirements will be stated in a new non-final action.

Section 2.65(c) is added to provide that if an applicant in an application under section 1(b) of the Act fails to timely file a statement of use under new § 2.88, the application shall be deemed to be abandoned. The new paragraph is in conformity with section 1(d)(4) of the Act.

Section 2.66, which governs the revival of abandoned applications, is amended by redesignating the present paragraph as (a), and revising redesignated paragraph (a), which presently provides for the filing of a petition to revive an application abandoned for failure to respond, to pertain also to an application abandoned for failure to timely file a statement of use under new § 2.88, in an application under section 1(b) of the Act. Section 2.66 is further amended by

transferring the last sentence of paragraph (a), which states the requirements for a petition to revive for failure to respond, to new paragraph (b), and by adding new paragraphs (c) and (d).

Section 2.66(c) is added to state the requirements for a petition to revive an application abandoned for failure to timely file a statement of use under new § 2.88, in an application under section 1(b) of the Act. The requirements parallel those stated in present § 2.66 and new paragraph (b).

Section 2.66(d) is added to provide that a petition to revive must be filed promptly, but that no petition to revive will be granted in an application under section 1(b) of the Act if granting the petition would permit the filing of a statement of use more than 36 months after the issuance of a notice of allowance under section 13(b)(2) of the Act. The 36-month limit for the filing of a statement of use is in accordance with the provisions of section 1(d) of the Act. Usually a petition to revive will be considered filed promptly if it is filed within two months of the date the application was abandoned for failure to respond.

Section 2.69, which pertains to inquiry by a Trademark Examining Attorney as to the applicant's compliance with other laws, is revised to delete the words "before allowance." The word "allowance," as presently used in the section, signifies approval of a mark for publication. The purpose of the deletion is to prevent confusion between this word and the new "notice of allowance" provided in section 13(b)(2) of the Act.

Section 2.71, which concerns amendments to correct informalities in applications, is amended by changing the section title from "Amendments to application" to "Amendments to correct informalities"; revising paragraphs (a), (b), and (c); and adding new paragraphs (d)(1), (d)(2), and (d)(3) to govern amendments to the dates of use.

Section 2.71(a), which presently provides for the amendment of applications to correct informalities and for other reasons, and also contains a provision concerning amendments to dates of use, is revised by deleting the provision concerning dates of use, which is transferred to a new paragraph designated as (d)(1).

Section 2.71(b), which presently provides that additions to the identification of goods or services will not be permitted unless certain specified conditions are met, is revised to provide that the identification of goods or services may be amended to clarify or limit the identification, but that

additions thereto will not be permitted. The purposes of the requirement for the identification of goods or services are to give notice to third parties of the scope of the rights claimed by the applicant and to permit an accurate search for conflicting marks. Addition of goods or services to the identification, after the filing of an application, would frustrate these purposes. Moreover, section 7(c) of the Act provides that, contingent on the registration of a mark on the Principal Register, the filing of the application to register such mark shall constitute constructive use of such mark on or in connection with the goods or services specified in the registration.

Section 2.71(c), which presently provides, in essence, that a defect in the verification or declaration may be corrected only by filing a substitute or supplemental verification or declaration, is revised to clarify the language. The paragraph is further revised to provide that a verification or declaration required under §§ 2.21(a)(6), 2.76(e)(3) or 2.88(e)(3), to be properly signed, must be signed by the applicant, a member of the applicant firm, or an officer of the applicant corporation or association; that a verification or declaration which is signed by a person having color of authority to sign is acceptable for the purpose of determining the timely filing of the paper; but that a properly signed substitute verification or declaration must be submitted before the application will be approved for publication or registration, as the case may be. Persons having color of authority to sign are those who have first-hand knowledge of the truth of the statements in the verification or declaration and who also have actual or implied authority to act on behalf of the applicant. In the case of a corporate applicant, a person having color of authority might include, within the contemplation of the amended section, managers or similar persons who are in positions of authority, although not actually officers, if they have first-hand knowledge of the truth of the statements in the application and actual or implied authority to act on behalf of the applicant. However, an applicant's attorney ordinarily will not be considered a person having color of authority to sign.

Section 2.71(d)(1) is added to provide that no amendment to the dates of use will be permitted unless the amendment is supported by applicant's affidavit or declaration in accordance with § 2.20 and by such showing as may be required. This provision, which is the second sentence of present § 2.71(a), is transferred to new paragraph (d)(1) to

be grouped with two other new paragraphs, designated (d)(2) and (d)(3), relating to amendments to the dates of use.

Section 2.71(d)(2) is added to codify the practice that, in an application under section 1(a) of the Act, no amendment to specify a date of use which is subsequent to the filing date of the application will be permitted. The new provision is in accordance with section 1(a) of the Act, which requires use in commerce as a prerequisite to the filing of an application thereunder.

Section 2.71(d)(3) is added to provide that after the filing of a statement of use under new § 2.88, in an application under section 1(b) of the Act, no amendment will be permitted to the statement of use to recite dates of use which are subsequent to the expiration of the time allowed to applicant for filing a statement of use. The reason for this limitation is that section 1(d) of the Act requires use of the mark in commerce, in an application under section 1(b) of the Act, within a specified period of time and imposes certain absolute limitations on extensions of that period. Any use later than the time permitted would not comply with the requirements of section 1(d) of the Act.

Section 2.72, which governs amendments to the description or drawing of a mark, is amended by redesignating the present paragraph as (b), revising redesignated paragraph (b), and adding new paragraphs (a), (c), and (d).

Section 2.72(a) is added to provide that amendments may not be made to the description or drawing of the mark if the character of the mark is materially altered, and that the Trademark Examining Attorney will determine whether a proposed amendment materially alters the character of the mark by comparing the proposed amendment with the description or drawing of the mark as originally filed. Concerning material alteration of a mark see *Torres v. Cantine Torresella S.r.l.*, 808 F.2d 46, 1 USPQ 2d 1483 (Fed. Cir. 1986); *In re Holland American Wafer Co.*, 737 F.2d 1015, 222 USPQ 273 (Fed. Cir. 1984); *United Rum Merchants, Ltd. v. Distillers Corp. (S.A.) Ltd.*, 9 USPQ 2d 1481 (TTAB 1988); *Visa International Service Assn. v. Life-Code Systems, Inc.*, 220 USPQ 740 (TTAB 1983). The first of these two provisions is the last sentence of present § 2.72. The second provision is added to codify present practice, the purpose of which is to prevent an applicant from repeatedly amending the mark sought to be registered until it

bears little resemblance to the mark as originally filed.

Section 2.72(b), as redesignated, is revised to transfer the last sentence, which specifies the general rule concerning amendments to marks, to new paragraph 2.72(a). The remainder of the paragraph, which presently provides that amendments to the description or drawing of the mark may be permitted only if warranted by the specimens (or facsimiles) as originally filed, or supported by additional specimens (or facsimiles) verified as to their use prior to the filing date of the application, is further revised to indicate that the provisions of the paragraph pertain only to applications under section 1(a) of the Act. The amendment is in accordance with section 1(a) of the Act, which requires use in commerce as a prerequisite to the filing of an application thereunder.

Section 2.72(c) is added to provide that, in applications under section 1(b) of the Act, amendments to the description or drawing of the mark, which are filed after submission of an amendment to allege use under new § 2.76 or a statement of use under new § 2.88, may be permitted only if warranted by the specimens (or facsimiles) filed, or supported by additional specimens (or facsimiles) and a supplemental affidavit or declaration in accordance with § 2.20 alleging that the mark shown in the amended drawing is in use in commerce; and that in the case of a statement of use under new § 2.88, applicant must verify that the mark shown in the amended drawing was in use in commerce prior to the filing of the statement of use or prior to the expiration of the time allowed to applicant for filing a statement of use. The reason for the latter requirement, in the case of a statement of use, is that section 1(d) of the Act requires use of the mark in commerce, in an application under section 1(b) of the Act, within a specified period of time and imposes certain absolute limitations on extensions of that period. Any use later than the time permitted would not comply with the requirements of section 1(d) of the Act.

Section 2.72(d) is added to codify the practice that in applications under section 44 of the Act, amendments to the description or drawing of the mark may be permitted only if warranted by the description or drawing of the mark in the foreign registration certificate.

Section 2.73, which governs amendments to recite concurrent use, is amended by redesignating the present paragraph as (a), revising redesignated

paragraph (a), and adding new paragraph (b).

Section 2.73(a), as redesignated, which presently provides that an application may be amended so as to be treated as an application for a concurrent registration, provided the application as amended satisfies the requirements of § 2.42, is revised to indicate that this provision pertains only to an application under section 1(a) of the Act. The Trademark Examining Attorney will determine whether the application, as amended, is acceptable.

Section 2.73(b) is added to provide that an application under section 1(b) of the Act may not be amended so as to be treated as an application for a concurrent registration until an acceptable amendment to allege use under new § 2.76 or statement of use under new § 2.88 has been filed in the application, after which time such an amendment may be made, provided the application as amended satisfies the requirements of § 2.42. To provide otherwise would be to permit an application for concurrent registration based on an intent to use concurrently, which would be in conflict with the well-established legal principle that an applicant for concurrent registration must have adopted and used the mark in good faith without knowledge of the prior right of another in the same or similar mark for the same or similar goods or services. The Trademark Examining Attorney will determine whether the application, as amended, is acceptable.

Section 2.75, which governs amendments to change register, is amended to redesignate the present paragraph (a), revise redesignated paragraph (a), and add new paragraph (b).

Section 2.75(a), as redesignated, which presently provides for amendments to change applications from one register to another and also contains provisions relating to the effect of such an amendment on the filing date of an application, is revised to indicate that the paragraph pertains only to applications under section 1(a) or 44 of the Act; and to delete the provisions concerning the effect on the filing date. Prior to the enactment of Public Law 100-667, section 23 of the Act required that the mark in an application for registration on the Supplemental Register have been in use for one year prior to the filing of the application, whereas there is no such requirement for an application to register on the Principal Register. However, section 23, as amended, does not require use of a mark for one year prior to application on the Supplemental Register. Thus, under

the Act, as amended, an amendment to change registers has no effect on the filing date of an application under section 1(a) or 44 of the Act.

Section 2.75(b) is added to provide that an application under section 1(b) of the Act may be amended to change the application to a different register only after submission of an acceptable amendment to allege use under new § 2.76 or statement of use under new § 2.88, and that when such an application is changed from the Principal Register to the Supplemental Register, the effective filing date of the application is the date of the filing of the allegation of use under section 1(c) or 1(d) of the Act. The amendment is in accordance with section 23 of the Act, both in its prior and amended forms, which requires use in commerce as a prerequisite to filing an application thereunder.

Section 2.76, entitled "Amendment to allege use," is added to govern amendments to allege use under section 1(c) of the Act in an application under section 1(b) of the Act.

Section 2.76(a) is added to specify the time when such an amendment may be filed, namely, at any time between the filing of the application and the date the Trademark Examining Attorney approves the mark for publication or the date of expiration of the six-month response period after issuance of a final action, and to specify further that, thereafter, an allegation of use may be submitted only as a statement of use under new § 2.88 after the issuance of a notice of allowance under section 13(b)(2) of the Act. If an amendment to allege use is filed outside the time period specified, it will be returned to the applicant. The paragraph is in accordance with section 1(c) of the Act, which provides that an amendment to allege use may be filed at any time during examination of an application. The examination of an application extends from the filing of the application to the date the mark is approved for publication or the expiration of the six-month response period after issuance of a final action. The date a mark is approved for publication is the date the approval is entered into the TRAM (Trademark Reporting and Monitoring) System. The date of approval for publication is immediately available to the public through TRAM.

Section 2.76(b) is added to specify the elements of a complete amendment to allege use, namely, three specimens or facsimiles, conforming to the requirements of §§ 2.56, 2.57 and 2.58, of the mark as used in commerce; the fee prescribed in § 2.6; and a verified statement by the applicant containing

certain averments concerning applicant's ownership of the mark and use of the mark in commerce, specifying the date of the applicant's first use of the mark and first use of the mark in commerce, the type of commerce, those goods or services specified in the application on or in connection with which the mark is in use in commerce and the mode or manner in which the mark is used on or in connection with such goods or services.

Section 2.76(c) is added to provide that an amendment to allege use may only be filed when the applicant has made use of the mark in commerce on or in connection with all of the goods or services, as specified in the application, for which applicant will seek registration in that application, unless the amendment is accompanied by a request, in accordance with amended § 2.87, to divide out from the application the goods or services to which the amendment pertains; and that if more than one item of goods or services is specified in the amendment to allege use, the dates of use required in paragraph (b)(1) of the section need be for only one of the items specified in each class, provided the particular item to which the dates apply is designated. The first provision in the paragraph prevents piecemeal prosecution of an application. The second provision in the paragraph is in conformity with both present and amended § 2.33(a)(2).

Section 2.76(d) is added to provide that the title "Amendment to allege use under § 2.76," should appear at the top of the first page of the paper.

Section 2.76(e) is added to specify minimum requirements for an amendment to allege use, namely, that the amendment be filed within the time period specified in paragraph (a) of the section, and include the fee prescribed in § 2.6, at least one specimen or facsimile of the mark as used in commerce, and a verification or declaration signed by the applicant stating that the mark is in use in commerce. The paragraph corresponds in principle to § 2.21, which sets forth minimum requirements for the filing of an application.

Section 2.76(f) is added to provide that a timely filed amendment to allege use which meets the minimum requirements specified in paragraph (e) of this section will be examined in accordance with §§ 2.61 through 2.69. If, as a result of the examination of the amendment to allege use, applicant is found not entitled to registration for any reason not previously stated, applicant will be notified and advised of the reasons and of any formal requirements or refusals.

The notification shall incorporate all unresolved refusals or requirements previously stated. The amendment to allege use may be amended in accordance with §§ 2.59 and 2.71 through 2.75. If the amendment to allege use is acceptable in all respects, the applicant will be notified of its acceptance. The filing of such an amendment shall not constitute a response to any outstanding action by the Trademark Examining Attorney.

Section 2.76(g) is added to provide that if the amendment to allege use is filed within the permitted time period but does not meet the minimum requirements specified in paragraph (e) of this section, applicant will be notified of the deficiency. The deficiency may be corrected provided the mark has not been approved for publication or the six-month response period after issuance of a final action has not expired. If an acceptable amendment to correct the deficiency is not filed prior to approval of the mark for publication or prior to the expiration of the six-month response period after issuance of a final action, the amendment will not be examined.

Section 2.76(h) is added to provide that an amendment to allege use may be withdrawn for any reason prior to approval of a mark for publication or expiration of the six-month response period after issuance of a final action.

Section 2.77, entitled "Amendments between notice of allowance and statement of use," is added to provide that an application under section 1(b) of the Act may not be amended during the period between the issue date of the notice of allowance under section 13(b)(2) of the Act and the filing of a statement of use under new § 2.88, except to delete specified goods or services. Other amendments filed during this period will be placed in the application file and considered when the statement of use is examined.

The heading entitled "Publication and Allowance," for §§ 2.80 through 2.84, is changed to "Publication and Post Publication." The amended heading more accurately reflects the scope of the sections which follow. The word "allowance," as presently used in the heading, signifies approval of a mark for registration. The purpose of the deletion is to prevent confusion between the word "allowance" and the new "notice of allowance" provided in section 13(b)(2) of the Act.

Section 2.81 is amended by changing the section title from "Allowance of application," to "Post publication,"; redesignating the present paragraph as (a); revising redesignated paragraph (a), which presently concerns the

preparation of an application for registration after publication, to indicate that it does not apply to applications under section 1(b) of the Act for which no amendment to allege use under new § 2.76 has been submitted and accepted; and adding new paragraph (b) concerning the post-publication processing of applications under section 1(b) of the Act for which no amendment to allege use under new § 2.76 has been submitted and accepted. The word "allowance," as presently used in the section title, signifies approval of a mark for registration. The purpose of the title change is to prevent confusion between this word and the new "notice of allowance" provided in section 13(b)(2) of the Act.

Section 2.81(b) is added to provide that, in an application under section 1(b) of the Act, for which no amendment to allege use under new § 2.76 has been submitted and accepted, if no opposition is filed within the time permitted or all oppositions filed are dismissed, and if no interference is declared, a notice of allowance will issue stating the serial number of the application, the name of the applicant, the correspondence address, the mark, the identification of goods or services, and the issue date of the notice of allowance; that the mailing date that appears on the notice of allowance will be the issue date of the notice of allowance; and that thereafter, the applicant shall submit a statement of use under new § 2.88. The paragraph is in accordance with the provisions of section 13(b)(2) of the Act.

Section 2.82, which concerns the processing of an application for registration on the Supplemental Register after the examiner has approved the application for issuance, is revised to clarify the language of the section.

Section 2.83, which concerns the processing of conflicting marks, is amended by revising paragraph (a) to delete a provision stating "a notice will be sent, if practicable, to the applicants involved informing them of the publication or issuance of the earliest filed mark," and by revising paragraph (b) to delete a provision stating "a notice will be sent, if practicable, to the applicants involved informing them of the publication or issuance of the application with the earliest date of execution." These provisions are deleted because they do not conform to present practice.

Section 2.84, which concerns jurisdiction over published applications, is amended by deleting the words "or allowed" from the section title, which presently reads "Jurisdiction over published or allowed applications,"; and

revising paragraphs (a) and (b) to clarify the provisions and to add provisions concerning jurisdiction over applications under section 1(b) of the Act which have been published. The words "allowed" and "allowance," as presently used in the section title and in paragraphs (a) and (b), signify approval of a mark for registration. The purpose of the amendments deleting these words is to prevent confusion between the words "allowed" and "allowance" and the new "notice of allowance" provided in section 13(b)(2) of the Act.

Section 2.86, which presently concerns applications with a plurality of goods or services comprised in a single class, is amended by changing the section title from "Plurality of goods or services comprised in single class may be covered by single application," to "Application may include multiple goods or services comprised in single class or multiple classes,"; redesignating the present paragraph as (a); and adding new paragraphs (b) and (c).

Section 2.86(a), as redesignated, which presently provides that an application may recite a plurality of goods or services comprised in a single class provided the particular identification of goods or services is stated and the mark has actually been used in connection with all of the goods or services specified, is revised to clarify the language of the paragraph and to add, as an alternative to the requirement of use, a requirement that the applicant have a bona fide intention to use the mark on or in connection with all the goods or services specified.

Section 2.86(b) is added to incorporate in § 2.86 the provisions of the present § 2.87, which governs the filing of an application to register a mark for goods and/or services which fall within a plurality of classes; clarify the language of those provisions; and add certain requirements relating to multiple class applications under section 1(b) of the Act.

Section 2.86(c) is added to prohibit applicants from alleging use as to certain goods or services and a bona fide intention to use as to other goods or services in the same application, regardless of the number of classes contained therein.

Section 2.87, which presently governs the filing of an application to register a mark for goods and/or services which fall within a plurality of classes, is amended by changing the section title from "Combined applications," to "Dividing an application,"; redesignating the present paragraph as (a); revising redesignated paragraph (a); and adding

new paragraphs (b) and (c), to govern the division of applications.

Section 2.87(a), as redesignated, is revised by deleting the existing paragraph, which is incorporated in revised form in new paragraph (b) of amended § 2.86, and adding the new provisions that an application may be physically divided into two or more separate applications upon submission by the applicant of a request therefor; that in the case of a request to divide out some, but not all, of the goods or services in a class, a fee for each new separate application to be created by the division must be submitted; and that any outstanding time period for action by the applicant in the original application at the time of the division will be applicable to each new separate application created by the division.

Section 2.87(b) is added to provide that an application may be divided at any time between the filing of the application and the date the Trademark Examining Attorney approves the mark for publication or the date of expiration of the six-month response period after issuance of a final action; or during an opposition, upon motion granted by the Board. The paragraph provides further that an application under section 1(b) of the Act also may be divided upon request filed with a statement of use under new § 2.88 or at any time between the filing of a statement of use and the date the Trademark Examining Attorney approves the mark for registration or the date of expiration of the six-month response period after issuance of a final action. The date a mark is approved for publication is the date the approval is entered into the TRAM (Trademark Reporting and Monitoring) System. The date of approval for publication is immediately available to the public through TRAM.

Section 2.87(c) is added to provide that a request to divide an application should be made in a separate paper from any other amendment or response in the application. The title "Request to divide application" should appear at the top of the first page of the paper. Failure to make the request to divide in a separate paper or to title it as a "Request to divide application" will delay action on the request.

A new heading, entitled "Post Notice of Allowance," and two new sections, designated §§ 2.88 and 2.89, are added to govern the filing of statements of use, and requests for extensions of time, under section 1(d) of the Act, in applications under section 1(b) of the Act, after issuance of a notice of allowance under section 13(b)(2) of the Act.

Section 2.88, entitled "Filing statement of use after notice of allowance," is added to govern statements of use under section 1(d) of the Act in an application under section 1(b) of the Act.

Section 2.88(a) is added to specify the time when such an amendment may be filed, namely, within six months after the date on which the notice of allowance under section 13(b)(2) of the Act is issued to an applicant under section 1(d)(2) of the Act. A statement of use filed prior to the issue date of a notice of allowance is premature, will not be considered, and will be returned to the applicant.

Section 2.88(b) is added to specify the elements of a complete statement of use under section 1(d) of the Act, namely, three specimens or facsimiles, conforming to the requirements of §§ 2.56 and 2.57, as amended, and § 2.58, of the mark as used in commerce; the fee prescribed in amended § 2.6; and a verified statement by the applicant containing certain averments concerning applicant's ownership of the mark and use of the mark in commerce, specifying the date of the applicant's first use of the mark and first use of the mark in commerce, the type of commerce, those goods or services specified in the application on or in connection with which the mark is in use in commerce and the mode or manner in which the mark is used on or in connection with such goods or services.

Section 2.88(c) is added to provide that a statement of use under section 1(d) of the Act may only be filed when the applicant has made use of the mark in commerce on or in connection with all of the goods or services, as specified in the application, for which applicant will seek registration in that application, unless the statement of use is accompanied by a request in accordance with amended § 2.87 to divide out from the application the goods or services to which the statement of use pertains; and that if more than one item of goods or services is specified in the statement of use, the dates of use required in proposed paragraph (b)(1) of this section need be for only one of the items specified in each class, provided the particular item to which the dates apply is designated. The latter provision in the paragraph is in conformity with both present and amended § 2.33(a)(2).

Section 2.88(d) is added to provide that the title "Statement of use under § 2.88" should appear at the top of the first page of the paper.

Section 2.88(e) is added to specify minimum requirements for a statement of use, namely, that the statement be filed within the time period specified in

paragraph (a) of the section, and include the fee prescribed in amended § 2.6, at least one specimen or facsimile of the mark as used in commerce, and a verification or declaration signed by the applicant stating that the mark is in use in commerce. The paragraph corresponds in principle to amended § 2.21, which sets forth minimum requirements for the filing of an application.

Section 2.88(f) is added to provide that a timely filed statement of use which meets, at least, the minimum requirements specified in paragraph (e) of this section will be examined in accordance with §§ 2.61 through 2.69. If, as a result of the examination of the statement of use, applicant is found not entitled to registration, applicant will be notified and advised of the reasons and of any formal requirements or refusals. The statement of use may be amended in accordance with §§ 2.59 and 2.71 through 2.75. If the statement of use is acceptable in all respects, the applicant will be notified of its acceptance. The provision of the new paragraph permitting amendment of the statement of use is in accordance with section 1(d)(3) of the Act, which specifically provides that an applicant may amend the statement of use.

Section 2.88(g) is added to provide that if the statement of use does not meet the minimum requirements specified in paragraph (e) of this section, applicant will be notified of the deficiency. If the time permitted for applicant to file a statement of use has not expired, applicant may correct the deficiency. After the filing of a statement of use during a permitted time period for such filing, the applicant may not withdraw the statement to return to the previous status of awaiting submission of a statement of use, regardless of whether the statement is in compliance with paragraph (e) of this section.

Section 2.88(h) is added to provide that the failure to timely file a statement of use which meets the minimum requirements specified in paragraph (e) of this section shall result in the abandonment of the application. The new paragraph is in conformity with section 1(d)(4) of the Act.

Section 2.88(i)(1) is added to provide that the goods or services specified in a statement of use must conform to those goods or services identified in the notice of allowance; and that an applicant may specify the goods or services by stating "those goods or services identified in the notice of allowance" or, if appropriate, "those goods or services identified in the notice of allowance except * * *"

followed by an identification of the goods or services to be deleted. The requirement that the goods or services specified in the statement of use must conform to those goods or services identified in the notice of allowance is in accordance with section 1(d)(1) of the Act. The suggested format for specifying goods or services in the statement of use will prevent inadvertent errors in the applicant's recital of the goods or services and facilitate examination of statements of use by the PTO.

Section 2.88(i)(2) is added to provide that if any goods or services specified in the notice of allowance are omitted from the identification of goods or services in the statement of use, the Trademark Examining Attorney shall inquire about the discrepancy and permit the applicant to amend the statement of use to include any omitted goods or services, provided that the amendment is supported by a verification that the mark was in use in commerce, on or in connection with each of the goods or services sought to be included, prior to the expiration of the time allowed to applicant for filing a statement of use. The paragraph is in accordance with section 1(d)(3) of the Act, which specifically provides that the applicant may amend the statement of use.

Section 2.88(i)(3) is added to provide that the statement of use may be accompanied by a separate request to amend the identification of goods or services in the application, as stated in the notice of allowance, in accordance with amended § 2.71(b). The paragraph is in conformance with new § 2.77, which provides that an application under section 1(b) of the Act may not be amended during the period between issuance of the notice of allowance under section 13(b)(2) of the Act and the filing of a statement of use, except to delete specified goods or services. Other amendments filed during this period will be placed in the application file and considered when the statement of use is examined.

In the notice of proposed rulemaking, § 2.88(j) was proposed to be added to provide that the mark shown in the specimens submitted with the statement of use must be materially the same as the mark depicted in the drawing of record. However, because this provision duplicates requirements already stated in §§ 2.51 and 2.72, the provision is withdrawn. The provision that was proposed as § 2.88(k) is redesignated as § 2.88(j).

Section 2.88(j) is added to provide that the statement of use may be accompanied by a separate request to amend the drawing in the application in

accordance with amended §§ 2.51 and 2.72.

Section 2.89, entitled "Extensions of time for filing a statement of use," is added to govern the filing and examination of requests for extensions of time for filing statements of use under new § 2.88.

Section 2.89(a) is added to provide that an applicant may request a six-month extension of time to file the statement of use under new § 2.88 by submitting a written request, before the expiration of the six-month period following the issue date of a notice of allowance under section 13(b)(2) of the Act, accompanied by the fee prescribed in amended § 2.6 and a verified statement by the applicant that the applicant has a continued bona fide intention to use the mark in commerce, specifying those goods or services identified in the notice of allowance on or in connection with which the applicant has a continued bona fide intention to use the mark in commerce. The paragraph is in conformity with section 1(d)(2) of the Act.

Section 2.89(b) is added to provide that an applicant may request further six-month extensions of time for filing the statement of use by submitting a written request, prior to the expiration of a previously granted extension of time, accompanied by the fee prescribed in amended § 2.6; a verified statement by the applicant that the applicant has a continued bona fide intention to use the mark in commerce, specifying those goods or services identified in the notice of allowance on or in connection with which the applicant has a continued bona fide intention to use the mark in commerce; and a showing of good cause, as specified in paragraph (d) of this section.

Section 2.89(c) is added to provide that extensions of time, for good cause, under § 2.89(b) will be granted only in six-month increments and may not aggregate more than 24 months. The provision is in conformity with section 1(d)(2) of the Act.

Section 2.89(d) is added to provide that the showing of good cause which is required as part of a request for an extension of time under § 2.89(b) must include certain specified elements listed in paragraphs (d)(1) and (d)(2).

Section 2.89(d)(1) is added to require that the showing of good cause which is required as part of a request for an extension of time under § 2.89(b) must include, in part, an allegation that the applicant has not yet made use of the mark in commerce on all the goods or services specified in the notice of allowance on or in connection with

which the applicant has a continued bona fide intention to use the mark in commerce.

Section 2.89(d)(2) is added to require that the showing of good cause which is required as part of a request for an extension of time under § 2.89(b) must include, in part, a statement of applicant's ongoing efforts to make use of the mark in commerce on or in connection with each of the goods or services specified in the verified statement of continued bona fide intention to use required under § 2.89(b); that the efforts may include, without limitation, product or service research or development, market research, manufacturing activities, promotional activities, steps to acquire distributors, steps to obtain required governmental approval, or other similar activities; and that, in the alternative, a satisfactory explanation for the failure to make such efforts must be submitted. The paragraph is in compliance with section 1(d)(2) of the Act, which requires the Commissioner to issue regulations setting forth what constitutes good cause for a request for an extension of time for filing a statement of use under section 1(d)(2) of the Act. The listing in the paragraph of examples of efforts to make use of the mark in commerce is intended to be illustrative rather than exhaustive. The inclusion in the examples of "steps to obtain required governmental approval" is not intended to imply that any use of a mark prior to such approval may not constitute "use in commerce" as that term is defined in section 45 of the Act.

Section 2.89(e)(1) is added to provide that at the time of the filing of a statement of use, or during any time remaining in the existing six-month period in which a statement of use is filed, the applicant may file one request, in accordance with paragraph (a) or (b) of the section, for a six-month extension of time for filing a statement of use, provided that the time requested would not extend beyond 36 months from the issue date of the notice of allowance; and that, thereafter, applicant may not request any further extension of time. This paragraph permits an applicant to obtain additional time to submit a substitute statement of use in case the original statement of use is rejected, as fatally defective, by the PTO near or after the expiration of the six-month period in which such original statement was filed.

Section 2.89(e)(2) is added to provide that a request for an extension of time that is filed at the time of the filing of a statement of use, or during any time remaining in the existing six-month

period in which a statement of use is filed, must comply with all the requirements of paragraph (a) of this section, if it is applicant's first extension request, or paragraph (b) of this section, if it is a second or subsequent extension request. The new rule further provides that in a request under paragraph (b), applicant may satisfy the requirement for a showing of good cause by asserting that applicant believes it has made valid use of the mark in commerce, as evidenced by the submitted statement of use, but that if the statement of use is found by the PTO to be fatally defective, applicant will need additional time in which to file a new statement of use.

Final § 2.89(e)(2) includes a provision which was not included in the proposed rule, namely, a request for an extension of time that is filed at the time of the filing of the statement of use, or during any time remaining in the existing six-month period in which a statement of use is filed, must comply with all of the requirements of paragraph (a) of this section if it is applicant's first extension request, or paragraph (b) of this section, if it is a second or subsequent extension request. The additional provision was included in the final rule in order to clarify the rule. It is not a material change since proposed and final paragraph (e)(1) of this section requires that an extension request be filed "in accordance with paragraph (a) or (b)" of the section.

Section 2.89(f) is added to provide that the goods or services specified in a request for an extension of time for filing a statement of use must conform to those goods or services identified in the notice of allowance. The requirement is in accordance with section 1(d)(2) of the Act. The paragraph also provides that any goods or services specified in the notice of allowance which are omitted from the identification of goods or services in the request for extension of time will be presumed to be deleted and the applicant may not thereafter request that the deleted goods or services be reinserted in the application. Finally, the paragraph provides that an applicant may specify the goods or services by stating "those goods or services identified in the notice of allowance" or, if appropriate, "those goods or services identified in the notice of allowance except * * *" followed by a list of the goods or services to be deleted. The format will prevent inadvertent errors in the applicant's recital of the goods or services and facilitate examination of such a request by the PTO.

Section 2.89(g) is added to provide that the applicant will be notified of the grant or denial of a request for an

extension of time, and of the reasons for a denial; that failure to notify the applicant of the grant or denial of the request prior to the expiration of the existing or requested extension does not relieve the applicant of the responsibility of timely filing a statement of use under new § 2.88; that if, after denial of an extension request, there is time remaining in the existing six-month period for filing a statement of use, applicant may submit a substitute request for extension of time; that otherwise, the only recourse available after denial of a request for an extension of time is a petition to the Commissioner in accordance with amended § 2.86 or § 2.146; that a petition from the denial of a request for an extension of time to file a statement of use shall be filed within one month from the date of mailing of the denial of the request; and that if the petition is granted, the term of the requested six-month extension of time which was the subject of the petition will run from the date of the expiration of the previously existing six-month period for filing a statement of use. The paragraph parallels §§ 2.163 through 2.165, concerning affidavits and declarations under section 8 of the Act, except that the paragraph does not permit a request for reconsideration, but rather provides a petition to the Commissioner as the only recourse after a denial of a request for an extension of time.

Section 2.99(g), which presently lists the types of applications and registrations that are not subject to concurrent use registration proceedings, is revised to provide, additionally, that applications to register under section 1(b) of the Act are subject to concurrent use registration proceedings only after an acceptable amendment to allege use under new § 2.76 or statement of use under new § 2.88 has been filed.

Section 2.99(h) is added to provide that the Board will consider and determine concurrent use rights only in the context of a concurrent use registration proceeding. The amendment parallels an amendment to add § 2.133(c) to provide that geographic limitations will be considered and determined only in the context of a concurrent use registration proceeding.

Section 2.101(b), which pertains to the filing of an opposition, is amended to be gender neutral, and to specify that an opposition need not be verified and may be signed by the opposer or the opposer's attorney or other authorized representative. The amendment parallels an amendment to § 2.111(b) relating to petitions to cancel. At one time, sections 13, 14 and 24 of the Act

required verification for oppositions, petitions to cancel registrations on the Principal Register, and petitions to cancel registrations on the Supplemental Register, respectively. The verification requirement was deleted from sections 13 and 14 of the Act by Public Law 97-247, enacted August 27, 1982. Through inadvertence, a provision deleting, from section 24 of the Act, the verification requirement for petitions to cancel registrations on the Supplemental Register was omitted from Public Law 97-247. The omitted provision was incorporated, however, in Public Law 100-667. Accordingly, it is now appropriate to amend §§ 2.101(b) and 2.111(b) to indicate that verification is not necessary.

Section 2.111(b), which pertains to the filing of a petition for cancellation, is amended to be gender neutral, and to specify that a petition to cancel need not be verified and may be signed by the petitioner or the petitioner's attorney or other authorized representative. This amendment parallels an amendment to § 2.101(b) relating to oppositions. The section is amended further to indicate that a petition may seek to cancel a registration in whole or in part. It has been the practice of the Board to entertain a petition which seeks to "partially cancel" a registration by restricting the identification of goods or services therein. See *Alberto-Culver Co. v. F.D.C. Wholesale Corp.*, 3 USPQ2d 1460 (TTAB 1987), and *U.S. Steel Corp. v. National Copper & Smelting Co.*, 131 USPQ 397 (TTAB 1961). Cf. *Stanspec Co. v. American Chain & Cable Co., Inc.*, 531 F.2d 563, 566 n.9, 189 USPQ 420, 423 n.9 (CCPA 1976), and *Pegasus Petroleum Corp. v. Mobil Oil Corp.*, 227 USPQ 1040, 1043-1044 (TTAB 1985). However, there has been some question as to the Board's authority, under section 18 of the Act, to "partially cancel" a registration in a cancellation proceeding. See *Selfway, Inc. v. Travelers Petroleum, Inc.*, 579 F.2d 75, 198 USPQ 271 (CCPA 1978). Section 118 of Public Law 100-667 resolves this question by amending section 18 of the Act (which specifies the actions that the Board, acting on behalf of the Commissioner, may take in inter partes proceedings) to provide that the Board may, *inter alia*, "cancel the registration, in whole or in part," "modify the application or registration by limiting the goods or services specified therein," and "otherwise restrict or rectify with respect to the register the registration of a registered mark." Accordingly, § 2.111(b) is amended to indicate the availability of a petition for "partial cancellation."

Section 2.129(d) is added to provide that when a party to an inter partes proceeding before the Board cannot prevail without establishing constructive use pursuant to section 7(c) of the Act in an application under section 1(b) of the Act, the Board will enter judgment in favor of that party, subject to the party's establishment of constructive use; and that the time for seeking judicial review under section 21 of the Act shall run from the date of the judgment.

Section 2.133, which governs the amendment of an application or registration involved in an inter partes proceeding before the Board, is amended to redesignate and republish the present paragraph as (a) and to add new paragraphs, designated (b), (c), and (d), to reflect the expanded authority granted to the Board under section 18 of the Act, as amended. At present, the Board, in determining an inter partes proceeding other than a concurrent use registration proceeding, is bound to determine the proceeding based on the defendant's application or registration as presented, including the identification of goods or services specified therein, and cannot consider restrictions or limitations to defendant's use (such as restrictions or limitations as to types of goods, trade channels, or classes of purchasers) which may exist although not incorporated in the identification of goods or services in the application or registration. See, for example, *Canadian Imperial Bank v. Wells Fargo Bank*, 811 F.2d 1490, 1 USPQ2d 1813 (Fed. Cir. 1987); *CTS Corp. v. Cronstons Manufacturing, Inc.*, 515 F.2d 780, 185 USPQ 773 (CCPA 1975); USTA Trademark Review Commission, "Report and Recommendations on the United States Trademark System and the Lanham Act," 77 TMR 375, 452-453 (1987); and Daniel L. Skoler, "Trademark Identification—Much Ado About Something?", 76 TMR 224, 237-239 (1986). As a result, the Board must often decide, for example, the issue of likelihood of confusion on a hypothetical rather than "real world" basis. Section 118 of Public Law 100-667 remedies this situation by amending section 18 of the Act to confer upon the Board (acting on behalf of the Commissioner) the authority to "cancel the registration in whole or in part," "modify the application by limiting the goods or services specified therein," and "otherwise restrict or rectify with respect to the register the registration of a registered mark."

Section 2.133(b) is added to provide that if, in an inter partes proceeding, the Board finds that a defendant is not entitled to registration in the absence of

a specified restriction to the defendant's involved application or registration, the Board will allow the defendant time in which to amend the application or registration to conform to the findings of the Board, failing which judgment will be entered against the defendant.

Section 2.133(c) is added to provide that geographic limitations will be considered and determined by the Board only in the context of a concurrent use registration proceeding. The amendment parallels an amendment to add § 2.99(h) to provide that the Board will consider and determine concurrent use rights only in the context of a concurrent use registration proceeding.

Section 2.133(d) is added to provide that a plaintiff's pleaded registration will not be restricted in the absence of a counterclaim or another proceeding between the same parties or their privies to cancel the registration in whole or in part.

Section 2.161, which concerns the cancellation of a registration for failure to file an affidavit or declaration during the sixth year of the registration pursuant to section 8 of the Act, is revised to clarify the language of the section and to implement the provisions of section 110 of Public Law 100-667. Section 8(a) of the Act presently requires, *inter alia*, that the registrant file in the PTO an affidavit "showing that said mark is in use in commerce, or showing that its nonuse is due to special circumstances * * *". Section 110 of Public Law 100-667 amends section 8(a) of the Act to require, *inter alia*, that the registrant file in the PTO an affidavit "setting forth those goods or services recited in the registration on or in connection with which the mark is in use in commerce and attaching to the affidavit a specimen or facsimile showing current use of the mark, or showing that any nonuse is due to special circumstances * * *".

Section 2.162, which concerns requirements for the affidavit or declaration which must be filed during the sixth year of a registration pursuant to section 8 of the Act, is amended by revising paragraphs (e) and (g) to implement the above-specified provisions of section 110 of Public Law 100-667, and by revising paragraph (f) to clarify the language of the paragraph.

Section 2.181, which concerns the terms of original registrations and renewals, is amended by redesignating present paragraph (a) as (a)(1), revising redesignated paragraph (a)(1), and adding new paragraph (a)(2) to implement the provisions of sections 110 and 111 of Public Law 100-667. Section 110 of Public Law 100-667 amends

section 8(a) of the Act to reduce the term of a registration from twenty years to ten years, and section 111 of Public Law 100-667 amends section 9(a) of the Act to reduce the term of a renewal from twenty years to ten years.

Section 2.181(a)(1), as redesignated, is revised to indicate that registrations issued or renewed under the Act prior to November 16, 1989, whether on the Principal Register or on the Supplemental Register, remain in force for twenty years from their date of issue or expiration, and may be renewed for periods of ten (rather than twenty) years from the expiring period unless previously cancelled or surrendered.

Section 2.181(a)(2) is added to indicate that registrations issued or renewed under the Act on or after November 16, 1989, whether on the Principal Register or on the Supplemental Register, remain in force for ten years from their date of issue or expiration, and may be renewed for periods of ten years from the expiring period unless previously cancelled or surrendered. The paragraph is in conformity with section 51 of the Act, added by section 135 of Public Law 100-667.

Section 2.187 presently provides that a certificate of registration will be issued to the assignee of an applicant, or in a new name of applicant, provided that an appropriate document is of record in the Assignment Search Room of the PTO no later than the time the notice of publication is mailed, or if such document is not of record, then if a statement that such document has been filed for recordation is in the application file by the time the application is being prepared for issuance of the certificate of registration; and that the address of the assignee must be made of record in the application file or in the recorded document. The paragraph is revised to provide that a certificate of registration will be issued to an assignee of an applicant, or in a new name of an applicant, provided that the party makes a written request in the application record by the time the application is being prepared for issuance of the certificate of registration, and the appropriate document is of record in the Assignment Search Room of the PTO, or if the assignment or name change document is not of record in the Assignment Search Room, the written request must state that the document has been filed for recordation. The purpose of the revision is to permit an assignee or an applicant whose name has been changed to ensure, by complying with the requirements of the paragraph, that the certificate of registration will be issued in the name of

such party. The paragraph is revised further to provide that the address of the assignee must be made of record in both the application file and the recorded document. This revision will help to ensure that the certificate of registration, and any subsequent papers which the PTO may need to send to the owner of the registration, will be mailed to the proper address.

Response to Comments on the Rules

The comments received in response to the notice of proposed rulemaking have been given careful consideration, and a number of the suggested modifications have been adopted. The comments and responses are discussed below.

Comment: Section 1.8 was proposed to be amended to exclude three new papers from the certificate of mailing procedure established under the section, namely, statements of use under new § 2.88, requests for extensions of time to file such statements, and amendments to allege use under new § 2.76. The certificate of mailing procedure permits papers to be mailed later than they otherwise could be and still be considered timely filed.

Two organizations and one individual expressed concern that this proposal was too restrictive. They suggested that the certificate of mailing procedure should be extended to cover these new papers, if possible.

Response: An amendment to allege use may be submitted only during the examination of an application prior to approval of the mark for publication for opposition in the Trademark Official Gazette. An amendment to allege use which is filed immediately before approval of the mark for publication may not be received in the Law Office until after the application is in the publication cycle. In such a case, the mark would have to be withdrawn from publication. Withdrawal of a mark from publication is a significant administrative problem. Use of the certificate of mailing procedure to file amendments to allege use would result in an increase in the number of applications which would have to be withdrawn from the publication cycle.

Both statements of use and requests for an extension of time to file such a statement are required to be filed during specified six-month periods. If a statement of use or an extension request is not filed during the time allowed, the application stands abandoned as a matter of law and the PTO amends its public records to reflect the abandonment. A statement of use or an extension request which is filed immediately before the expiration of the six-month period for filing a statement

of use may not be received by the ITU Unit, which processes such papers, until after the application has been "abandoned" by the PTO. In such a case, the application would have to be reinstated. Reinstatement of an application is a significant administrative problem. Use of the certificate of mailing procedure to file statements of use and extension requests would result in an increase in the number of applications which would have to be reinstated. Moreover, during the time prior to reinstatement, the public records of the PTO would incorrectly indicate that these applications stood abandoned.

Accordingly, the suggestion that the certificate of mailing procedure be extended to cover these three papers has not been adopted.

Comment: Section 2.6 was proposed to be amended to establish two new fees for the filing of papers required or permitted under section 1(c) or 1(d) of the Act, namely, a filing fee of \$100.00 for an amendment to allege use under new § 2.76 or for a statement of use under new § 2.88, and a filing fee of \$100.00 for any request, under new § 2.89, for a six-month extension of time to file a statement of use. In addition, § 2.6(a) establishes the fee for filing an application, per class, and it was proposed to be made applicable to all new applications filed in the PTO, regardless of the basis asserted for filing.

Two organizations commented that the proposed amendment favors foreign Convention "intent-to-use" applicants over domestic applicants because foreign Convention applicants who perfect a basis for registration under section 44 of the Act do not need to submit evidence of actual use to support an application and, hence, will not need to avail themselves of the "intent-to-use" process beyond the initial application filing fee; whereas, domestic "intent-to-use" applicants will have to pay not only the initial application filing fee, but also the fee for an amendment to allege use or a statement of use and for any extensions of time they may request. To ameliorate this perceived inequity, the organizations recommended that the basic filing fee for an application asserting "intent-to-use" as a basis for filing should be increased to approximately \$400.00 for all applicants and that the fees for the other three new papers be reduced to truly token amounts. An alternative suggestion was to require foreign applicants pay an additional fee for reliance on a foreign registration without use in commerce.

Response: The proposed fee increase would be inconsistent with the trademark fee schedule that took effect on April 17, 1989 as described in the February 15, 1989 Federal Register notice (54 FR 6893). The PTO will review the trademark fee structure approximately 18 months from implementation and propose fee adjustments, if warranted. Neither the Act nor the Paris Convention permit the PTO to charge a section 44 applicant an additional fee to register without asserting use in commerce. Accordingly, the suggested fee modifications have not been adopted.

Comment: Section 2.21(a)(5)(ii) was proposed to be added to specify all the filing requirements which pertain only to the assertion of a basis for filing an application under section 44(e) of the Act, including a certification or certified copy of the foreign registration on which the application is based. Section 7(c) of the Act states, in part, that contingent upon registration of the mark on the Principal Register, the filing of the application to register such mark shall constitute constructive use of the mark, conferring a right of priority.

One individual commented that in view of the provisions of section 7(c) of the Act and the delay which is sometimes encountered in receiving a certified copy of a foreign registration from a foreign applicant, it would be more equitable to foreign applicants if they could obtain a filing date without the certified copy of the foreign registration.

Response: Section 44(e) of the Act specifically requires that an application filed thereunder "shall be accompanied (emphasis added) by a certification or a certified copy of the registration in the country of origin of the applicant." In view thereof, the PTO believes that the statute requires submission of a certification or certified copy of the foreign registration as a necessary condition for receipt of a filing date. Accordingly, the suggested modification has not been adopted.

Comment: Section 2.21(a)(6) was proposed to be revised to require that an application include the verification in accordance with § 2.33(b), signed by the applicant, as a condition for receiving a filing date. One organization and four individuals objected to the proposed requirement.

The organization suggested that the PTO reconsider the necessity for imposing this requirement in the case of use-based applications under section 1(a) of the Act, where the verification of the applicant's bona fide intent is not at issue.

One individual suggested that the proposed rule be modified to allow an applicant who seeks registration on the basis of foreign trademark rights, and/or on use of a mark in commerce, to receive a filing date for the application even without the applicant's personal signature. This individual stated that one can, in virtually any country of the world, file a trademark application through counsel and obtain an effective filing date; that this has been the practice in the United States for many decades; that no reason exists to change the current practice; and that the proposed practice would be more burdensome to foreign nationals.

One individual suggested that signature by applicant's attorney or agent should be sufficient to receive a filing date and that when the signature is by applicant's agent or attorney, a substitute verification or declaration signed by the applicant could be required thereafter. This individual expressed his belief that requiring signature by the applicant in order to obtain a filing date would frustrate one of the purposes of Public Law 100-667 (namely, to encourage the earliest possible filing of applications) by unnecessarily delaying the filing of applications, especially in the case of foreign applicants.

One individual noted that, at present, a trademark applicant is allowed to file an unsigned application and receive a filing date, and to submit the verification later. The individual expressed his belief that obtaining a filing date without signature is in accordance with sections 1 and 44 of the Act, and that no change has been made to the Act which would require this amendment to the rules.

Another individual also objected to the proposed requirement, noting that in dealing with foreign applicants there may be a delay in obtaining a signed declaration. This individual suggested that the proposed requirement be deleted or, in the alternative, that a filing date be allowed on the basis of a facsimile copy, to be ratified and confirmed subsequently by a paper copy.

Response: Section 7(c) of the Act provides, in part, that contingent upon registration of a mark on the Principal Register, the filing of the application to register the mark shall constitute constructive use of the mark, conferring a right of priority. Thus, upon registration, all registrants on the Principal Register obtain a new substantive right, effective from the filing date of the application. For this reason a verified assertion, signed by the applicant, of the basis for filing the application is believed to be essential.

However, for the purpose of determining the timely filing of a paper which must contain applicant's verification or declaration, amended § 2.71(c) permits the verification or declaration to be signed by a person having color of authority to sign for the applicant.

Although the Trademark Operation cannot receive any documents by "fax," for filing date purposes, a "fax" copy of an appropriately signed written application statement will be accepted, provided that the original document is later submitted.

Accordingly, the suggested changes have not been adopted.

Comment: Section 2.31, which presently states that it is preferable that an application be on legal or lettersize paper, was proposed to be amended to delete the reference to legal-size paper. One individual questioned whether the PTO could also allow the use of A-4 size paper.

Response: It is understood that A-4 size paper is 8 $\frac{3}{4}$ inches by 11 $\frac{1}{16}$ inches. The processing of papers of differing sizes is an administrative problem for the PTO. However, it should be noted that the paper size is expressed in the rule as a preference rather than as a mandatory requirement. An application filed on paper of a different size will not be denied a filing date for that reason. Accordingly, the suggested change has not been adopted.

Comment: Section 2.33(a)(1)(vii) was proposed to be amended, and § 2.88(b) was proposed to be added, to require, in part, that an application under section 1(a) of the Act, and a statement of use under section 1(d) of the Act, respectively, include a statement of applicant's date of first use of the mark in commerce on or in connection with the applicant's goods or services, specifying the nature of such commerce.

One individual commented that the proposed rules could be improved by including acceptable descriptions of "such commerce." The descriptions suggested by the individual were "interstate, federal (in the case of commerce in the District of Columbia), territorial (in the case of Puerto Rico and similar geographic areas) or foreign (when the nature of the commerce on the date of first use is of more than one type, than any of such types may be specified)."

Response: Section 45 of the Act defines commerce as "all commerce which may lawfully be regulated by Congress." The types of commerce which fall within this definition are many and varied, and are the subject of a large body of case law. Any attempt to include descriptions of such commerce in the rules could be perceived as

limiting the types of commerce falling within the definition, and would also make the rules unduly lengthy. Accordingly, the suggested change has not been adopted.

Comment: Section 2.33(d) was proposed to be added to provide, in part, that an applicant in an application under section 1(a) of the Act may not amend that application to seek registration under section 1(b) of the Act.

Two organizations objected to this proposed provision. The organizations commented that a bona fide intention to use a mark in commerce is manifested clearly by the filing of an application based upon use of that mark in commerce; that the proposed provision would result in a loss of the application filing date (and the constructive use priority which would attach thereto, pursuant to section 7(c) of the Act, upon registration) if the use forming the basis for an application under section 1(a) proves to be defective; and that this provision discriminates against domestic applicants.

Response: Section 1(b) of the Act provides, in part, that a person who has a bona fide intention to use a mark in commerce may apply to register the mark on the Principal Register by filing in the PTO a written application, verified by the applicant and specifying, *inter alia*, applicant's bona fide intention to use the mark in commerce. Since the statement of a bona fide intention to use the mark in commerce is the sole statutory basis for filing an application under section 1(b) of the Act, the statement must be included in the application at the time of its filing. An application filed pursuant to section 1(a), based upon use of a mark in commerce, does not include such a statement and, hence, does not meet the requirements for an application under section 1(b) of the Act.

If an applicant has any doubt concerning the sufficiency of its use of a mark in commerce, the applicant may file its application under section 1(b) of the Act. Thereafter, the applicant may submit an amendment to allege use under section 1(c) of the Act, claiming use prior to the application filing date.

Accordingly, the suggested changes have not been adopted.

Comment: One individual commented, with respect to proposed §§ 2.33(a)(1)(ix) and 2.39(a), that the two rules contain cross-references to each other which are confusing.

Response: Upon further consideration, it is believed that the cross-reference in proposed § 2.39(a) to § 2.33 is

unnecessary. The cross-reference to § 2.33 has been deleted from § 2.39(a).

Comment: Section 2.39(b) (redesignated in the final rule as § 2.39(a)) was proposed to be revised to provide, in part, that an application claiming the benefit of a foreign application in accordance with section 44(d) of the Act shall specify the foreign application upon which it is based. One organization suggested that the rule should specify that the foreign application must be for a substantially identical mark and include the same goods or services as set forth in the U.S. application.

Response: The requirements concerning conformance of mark and goods in a U.S. application to its underlying foreign application are addressed in the rules. Section 2.33(a)(1)(v) provides, in part, that the goods or services asserted in an application under section 44 may not exceed the scope of the goods or services covered by the foreign application or registration. Sections 2.51(a)(3) and (b)(3) provide that, in an application under section 44 of the Act, the drawing of a mark shall be a substantially exact representation of the mark as it appears in the drawing in the registration certificate of a mark duly registered in the country of origin of applicant. Accordingly, the suggested changes have not been adopted.

Comment: Section 2.39(c) (redesignated in the final rule as § 2.39(b)) was proposed to be added to provide that before an application filed in accordance with section 44(d) of the Act can be approved for publication, a basis for registration under section 1(a), 1(b) or 44(e) of the Act must be established; that the PTO will assume that basis to be section 44(e) unless otherwise stated in the application within six months of the filing date of the foreign application forming the basis of the section 44(d) claim; and that the filing of a paper, which claims a different basis for registration, more than six months after the filing date of the foreign application will result in a loss of priority under section 44(d).

One individual commented that the proposed paragraph is inconsistent with Public Law 100-667 "in requiring that U.S. applications claiming the priority of a foreign application, must forfeit the claim of priority in the event that registration is based on anything other than a foreign registration issuing on the priority application," and that it is also inconsistent with the Paris Convention. The individual expressed his belief that the basis for receiving a filing date under the Act can be separated into two categories, namely, use of a mark in

commerce under section 1(a) of the Act and a bona fide intention to use a mark in commerce under section 1(b) of the Act; and that the second category includes applications under section 44 of the Act.

One individual commented that the assertion of a different basis might destroy not only the priority claim, but also the jurisdictional basis of the application as of the filing date; and that even if a different basis is asserted within six months of the filing date of the foreign application, a different basis might result in the loss of a priority claim. The individual suggested that the paragraph be revised to indicate that the loss of priority is not the only possible consequence that might follow from assertion of a different basis for registration.

One individual commented (without reference to a specific proposed rule) that "since section 44 applications are now required to include a statement of a bona fide intention to use a mark, it would appear equitable to permit such applicants to convert section 44 applications to section 1(b) applications." The individual noted that "this is especially true where the applicant may begin to use the mark prior to the date on which a registration from its home country issues."

Response: The proposed paragraph did not require "that U.S. applications claiming the priority of a foreign application must forfeit the claim of priority in the event that registration is based on anything other than a foreign registration issuing on the priority application." Rather, the proposed paragraph provided only that assertion of a different basis for registration, including reliance on a different registration under section 44(e) of the Act, more than six months after the filing date of the foreign application would result in a loss of priority. This provision was intended to apply to applications which, at the time of their filing, contained only a claim of priority pursuant to section 44(d), and no other asserted basis for filing under section 1(a), 1(b) or 44(e) of the Act. There is no provision in either Public Law 100-667 or the Paris Convention which prohibits the PTO from requiring an applicant, who filed an application in the U.S. asserting only a claim of priority under section 44(d) of the Act, to assert a basis for registration (i.e., under section 1(a), 1(b) or 44(e) of the Act) within a certain period of time after the filing date of the foreign priority application. Thus, this provision is not contrary to either Public Law 100-667 or the Paris Convention.

The PTO believes that the subject matter of these sentences may be

addressed more appropriately in the "Trademark Manual of Examining Procedure". Accordingly, the proposal to add these two sentences to § 2.39 is withdrawn.

It should be noted that although an application filed under section 44 of the Act is required to include a statement that the applicant has a bona fide intention to use the mark in commerce, the PTO will not construe such an application to be an application filed also under section 1(b) of the Act unless the applicant specifically asserts section 1(b) as a basis for filing. An application asserting only a claim of priority under section 44(d) may not be amended to assert section 1(b) of the Act as a basis for filing without loss of the foreign priority date unless the amendment is submitted within six months of the filing date of the foreign application. Cf. *In re Daiwa Seiko, Inc.*, 230 USPQ 794 (Comm'r Pats. 1983).

Comment: Section 2.44, which presently specifies the requirements for an application to register a collective mark, including the requirement that an applicant state the nature of applicant's control over the use of the mark, was proposed to be amended to indicate that the present paragraph pertains only to applications under section 1(a) of the Act, and to add a new paragraph specifying the requirements for an application to register a collective mark under section 1(b) or 44 of the Act, including the requirement that an applicant state the nature of the control applicant intends to exercise over the use of the mark.

One individual commented that there are some types of collective organizations, such as a university alumni association, which cannot reasonably be expected to exercise control over use of their indicia of membership once it has been given to a new member upon enrollment. The individual suggested that § 2.44 should be amended "so that only in appropriate cases would it be necessary for the applicant to show the exercise of control."

Response: Proposed new paragraph (b) requires only that the applicant specify, *inter alia*, "the nature of the control applicant intends to exercise over the use of the mark." Thus, the rule does not require that a particular degree of control be exercised, or intended to be exercised, over the use of a mark. This reflects the requirement under section 4 of the Act that an applicant exercise legitimate control over the use of the mark that it seeks to register. Accordingly, the suggested modification has not been adopted.

Comment: One individual commented (without reference to a specific proposed rule) that the proposed rules do not specify the procedure for filing a statement of use if the applicant amends to the Supplemental Register.

Response: Section 2.47(c) was proposed to be added to provide that a mark in an application to register on the Principal Register under section 1(b) of the Act is eligible for registration on the Supplemental Register only after an acceptable amendment to allege use under § 2.76 or statement of use under § 2.88 has been timely filed. Section 23 of the Act requires lawful use in commerce as a prerequisite for an application for registration on the Supplemental Register. This requirement bars an application under section 1(b) of the Act from the Supplemental Register until an acceptable allegation of use has been submitted. Moreover, section 1(b) of the Act only provides for filing an application based upon a bona fide intention to use a mark in commerce on the Principal Register. Accordingly, no modification of the rules is necessary.

Comment: Section 2.51(d) was proposed to be revised to provide that broken lines should be used in the drawing of a mark to show placement of the mark on the goods, or on packaging, or to show matter not claimed as part of the mark, or both, as appropriate, and to provide further that, in an application to register a mark with three-dimensional features, the drawing shall depict the mark in perspective in a single rendition. One individual commented that when a mark is three-dimensional, or when placement of the mark on the goods or packaging is significant, multiple drawings should be permitted; each drawing should be labeled with figure numbers as in the case of utility and design patent applications; and the trademark application should include a description of the figures.

Response: A drawing with multiple renditions, although suitable for a patent application, is not satisfactory for trademark purposes. The drawing of a trademark should depict the mark as it is seen by the consumer; the consumer does not see the mark in multiple renditions or from more than one perspective at a time. For the same reason, the labeling of a trademark drawing with figure numbers would be inappropriate. It has been the experience of the PTO that a three-dimensional mark can be adequately depicted in a single rendition, particularly when the application includes an appropriate description of the mark. Cf. In re Weber-Stephen Products Co., 3 USPQ2d 1659, 1661

(TTAB 1987); In re Vico Products Mfg. Co., Inc., 229 USPQ 364, 366 (TTAB 1985); In re Pierre Faber S.A., 221 USPQ 1210, 1211 (TTAB 1984); In re Ovation Instruments, Inc., 201 USPQ 116, 123 (TTAB 1978). Accordingly, the suggested modification has not been adopted. If an applicant believes that its mark is incapable of being depicted in a single rendition, it may file a petition to the Commissioner, pursuant to § 2.146(a)(5), to waive the requirement of the rule.

Comment: Section 2.52(d), which pertains to drawing headings and which presently includes, *inter alia*, a requirement that the heading of a drawing (except for a drawing in an application under section 44 of the Act) specify dates of use, was proposed to be revised to indicate that the requirement pertains only to an application under section 1(a) of the Act; and to add a requirement that the heading of a drawing in an application filed in accordance with section 44(d) of the Act specify the priority filing date of the relevant foreign application.

One individual commented that proposed § 2.52(d) does not reflect current practice because it continues the existing requirement that the heading must not exceed one fourth of the sheet; whereas, in the individual's experience, the PTO routinely accepts drawings when the heading occupies one-half or, in some cases, even two-thirds of the sheet. The individual suggested that the paragraph be modified to enlarge the heading size limit from one-fourth to one-half of the sheet.

One organization suggested that § 2.52(d) be amended to provide that when a significant element of a special form drawing is unclear or ambiguous, the heading should include a brief description of the mark in the drawing. The organization noted that such a description would provide more accurate information in the paper search file and facilitate accurate coding of marks for entry into the computer search system. The organization emphasized, however, that the suggested provision should be encouraging rather than mandatory in nature.

Response: The suggested modifications have been adopted, except that the heading size limit has been enlarged only to one-third of the sheet instead of the suggested one-half of the sheet. If a drawing had a heading of one-half of the sheet and a special form depiction of the mark which was four inches by four inches in size, there would not be enough room remaining for the required margins.

Comment: Sections 2.56, 2.57 and 2.58, which pertain to the specimens of use in

an application, were proposed to be amended to reduce the number of specimens required from five to two in §§ 2.56 and 2.57 and from three to two in § 2.58. Similarly, the PTO proposed to require that two specimens be filed in connection with an amendment to allege use under proposed § 2.76 and a statement of use under proposed § 2.88.

Four organizations objected to the reduction in the required number of specimens from five to two. They commented that original specimens show color and detail more effectively than photocopies and provide valuable information enabling practitioners to better evaluate potential conflicts. One of the organizations recommended requiring at least three specimens, while the other three organizations favored maintaining the present requirement for five specimens.

Response: Having five specimens in an application or registration file increases the amount of storage space required for these files. Moreover, it is unusual for more than one party to ask to remove a specimen from the same application or registration file. A requirement for three specimens would provide one specimen to remain in the file and make two specimens available for removal by third parties. The PTO believes that this number requirement will meet the needs of both the public and the PTO. Since § 2.58(b) presently requires three audio cassettes, no change to that rule is required and the proposed amendment is withdrawn. Accordingly, the suggestion that the PTO require three specimens has been adopted in the final rules.

Comment: Section 2.59(a) was proposed to be added to provide that, in an application based upon use in commerce, the applicant may submit substitute specimens of the mark as used on or in connection with the goods, or in the sale or advertising of the services, provided that any substitute specimens are properly verified as to their use in commerce at least as early as the filing date of the application.

One individual commented that there should be no need to submit a verification in support of substitute specimens which are, in fact, "faithful photographic reproductions" of the specimens already of record and recommended that proposed § 2.59(a) be modified to indicate that a verification will not be required in such circumstances.

Response: This suggestion codifies present practice set out in section 808.10 of the "Trademark Manual of Examining Procedure" and has been adopted.

Comment: Section 2.66(d) was proposed to be added to provide that a petition to revive an abandoned application must be filed promptly, but that no petition to revive will be granted in an application under section 1(b) of the Act if granting the petition would permit the filing of a statement of use more than 36 months after the issuance of a notice of allowance under section 13(b)(2) of the Act.

One organization commented that "in view of the constructive use awarded applications under the new law, it will be more important than ever for practitioners to be able to rely on the fact that an application uncovered in a search has truly been abandoned in the PTO without the specter of its revival after an indeterminate period of time." The organization recommended that "the rules should place an outside limit of six months or one year on petitions to revive either 1(a) or 1(b) applications."

Response: Usually a petition to revive will be considered filed promptly if it is filed within two months of the date the application was abandoned for failure to respond. Section 12(b) of the Act provides, in part, that an application "shall be deemed to have been abandoned, unless it can be shown to the satisfaction of the Commissioner that the delay in responding was unavoidable, whereupon such time may be extended." The Commissioner cannot determine in advance that facts asserted beyond a certain time limit cannot show unavoidable delay. Accordingly, the suggested modification has not been adopted.

Comment: Section 2.71(b), which presently provides that additions to the identification of goods or services will not be permitted unless certain specified conditions are met, was proposed to be revised to provide that the identification of goods or services may be amended to clarify or limit the identification, but that additions will not be permitted. It was indicated in the notice of proposed rulemaking that the purposes of the requirement for the identification of goods or services are to give notice to third parties of the scope of the rights claimed by the applicant and to permit an accurate search for conflicting marks; and that addition of goods or services to the identification, after the filing of an application, would frustrate these purposes. It was also noted that section 7(c) of the Act provides that, contingent on the registration of a mark on the Principal Register, the filing of the application to register such mark shall constitute constructive use of such mark on or in connection with the goods or services specified in the registration.

One individual commented that he agreed in principle with the proposed rule and the reasoning offered, but that the PTO should not apply the proposed amendment without some flexibility that allows an applicant to minimally enlarge the scope of the initially claimed goods or services in an application. The individual expressed his belief that such flexibility would not defeat either of the two legitimate reasons cited for the proposal and that "strict adherence to the proposed change would result in additional workload due to refiled or additional applications to comprehensively cover goods or services that the applicant inadvertently failed to claim." The individual suggested that the rule be modified to provide that the identification of goods or services may be amended to clarify or limit the identification, but that "substantive additions" will not be permitted.

Response: For the reasons stated in the notice of proposed rulemaking, the PTO believes that it would be inappropriate to allow any additions to the identification of goods or services in an application. Accordingly, the suggested modification has not been adopted.

Comment: Section 2.71(c), which presently provides that a defect in the verification or declaration may be corrected only by filing a substitute or supplemental verification or declaration, was proposed to be revised to clarify the language. The paragraph was proposed to be further revised to provide that a verification or declaration required under §§ 2.21(a)(6), 2.76(e)(3) or 2.88(e)(3), to be properly signed, must be signed by the applicant, a member of the applicant firm, or an officer of the applicant corporation or association; that a verification or declaration which is signed by a person having color of authority to sign, is acceptable for the purpose of determining the timely filing of the paper; but that a properly signed substitute verification or declaration must be submitted before the application will be approved for publication or registration, as the case may be. It was indicated in the notice of proposed rulemaking that persons having color of authority to sign are those having first-hand knowledge of the truth of the statements in the verification or declaration; that in the case of a corporate applicant, a person having color of authority might include, within the contemplation of the amended section, managers or similar persons who are in positions of authority, although not actually officers, if they have first-hand knowledge of the

truth of the statements in the application; and that an applicant's attorney ordinarily will not be considered a person having color of authority to sign, unless he/she is an officer.

One individual expressed his belief that the language "amendment of the verification or declaration will not be permitted" in the present and proposed rule could lead some people to believe that there is no way in which an amendment of a declaration or verification can be effected when, in fact, it can be effected by the submission of a substitute document. The individual suggested that the rule be revised to state that changes may not be made in the verification of declaration document already in the PTO file, but that any amendment would have to be made by the filing of a substitute or supplemental amendment.

Three organizations commented that the definition in the proposed rule of persons having color of authority to sign a verification or declaration could include many persons not authorized to act on behalf of the applicant. One of the organizations suggested that the proposed definition ("those having first-hand knowledge of the truth of the statements in the verification or declaration") should be clarified by adding "and who are authorized to act on behalf of the applicant."

Response: In response to the comment by the individual, the beginning of the final rule has been modified to read: "If the verification or declaration filed with the application is defective, the defect may be corrected only by the submission of a substitute or supplemental verification or declaration in accordance with § 2.20."

In response to the comments of the organizations, the definition of persons having color of authority to sign has been modified in the final rule to read: "Persons having color of authority to sign are those who have first-hand knowledge of the truth of the statements in the verification or declaration and who also have actual or implied authority to act on behalf of the applicant."

Comment: Section 2.77 was proposed to be added to provide, in part, that an application under section 1(b) of the Act may not be amended during the period between the issue date of the notice of allowance under section 13(b)(2) of the Act and the filing of the statement of use under § 2.88, except to delete specified goods or services.

Four organizations expressed their concern that the word "delete" may be unnecessarily limiting and may restrict

the ability of parties to negotiate settlement of potential conflicts. The organizations suggested that the rule be modified to allow amendments "to delete or restrict" the specified goods or services during this time period.

Response: An amendment seeking to restrict the specified goods or services would require examination by the Trademark Examining Attorney. However, the application file will not be in the possession of the Examining Attorney during the time between issuance of the notice of allowance and submission of the statement of use. Inasmuch as this rule applies only to the specified time period, it will not affect the settlement of oppositions or potential oppositions, which take place prior to issuance of the notice of allowance. Moreover, the last sentence of new § 2.77, which in the notice of proposed rulemaking read: "Other amendments filed during this period will not be considered, unless resubmitted at, or after, the time of filing the statement of use," has been modified to read: "Other amendments filed during this period will be placed in the application file and considered when the statement of use is examined." This change has been made so that the applicant will not have to resubmit the proposed amendment at the time of filing the statement of use. Thus, during the period covered by the rule, amendments restricting the goods may be filed for later consideration by the Trademark Examining Attorney at the time of examination of the statement of use. Accordingly, the proposed modification has not been adopted.

Comment: Section 2.83, which concerns the processing of conflicting marks, was proposed to be amended by revising paragraph (a) to delete a provision stating "a notice will be sent, if practicable, to the applicants involved informing them of the publication or issuance of the earliest filed mark," and by revising paragraph (b) to delete a provision stating "a notice will be sent, if practicable, to the applicants involved informing them of the publication or issuance of the application with the earliest date of execution."

One individual commented that interferences are sometimes declared, and that the rule ought to make provision for interferences so that the declaration of an interference cannot be challenged on the ground that there is no provision for interferences in the rules.

One individual commented that the rule should not be amended to delete the notice provisions presently set forth in paragraphs (a) and (b). The individual expressed his belief that such notice is helpful to applicants who do not

subscribe to the "Official Gazette" and that "providing notice does not in any way inconvenience the PTO or add to the workload of Examiners who are aware of the conflicting applications and, as a matter of good practice, have both files before them when they act on either one."

Response: Provision is made in § 2.91 for the declaration of interferences.

The provisions concerning notice were proposed to be deleted because they do not conform to present practice. The Trademark Examining Attorney notifies applicants of conflicting applications during examination. To provide a second notice upon publication of the earlier filed, or earlier executed, application would require that a system be developed for monitoring the progress of that application and for sending the second notice. Thus, sending second notices would be unduly burdensome to the PTO.

Accordingly, the suggestion has not been adopted.

Comment: Section 2.84, which governs jurisdiction over published applications, was proposed to be revised to provide, in part, that after publication of an application under section 1(b) of the Act, the examiner may exercise jurisdiction over the application after issuance of the notice of allowance under section 13(b)(2) of the Act.

One individual suggested that the phrase "the examiner may exercise jurisdiction" be modified to read "the examiner must exercise jurisdiction." In this regard, the individual noted that after the issuance of the notice of allowance the examiner must exercise jurisdiction over the application to examine the statement of use, and that jurisdiction must also be exercised over requests for extensions of time to file a statement of use.

Response: The purpose of both present and proposed § 2.84 is to specify when an examiner is allowed to exercise jurisdiction over an application, not to specify when an examiner must exercise jurisdiction over an application. Accordingly, the proposed modification has not been adopted.

Comment: Section 2.86, which presently provides that an application may recite a plurality of goods or services comprised in a single class, provided the goods or services are specifically identified and the mark has actually been used in connection with all of the specified goods or services, was proposed to be amended by, *inter alia*, redesignating the present paragraph as (a); and to add, as an alternative to the requirement of use, a requirement that the applicant have a bona fide intention to use the mark on or

in connection with all the specified goods or services.

Two organizations expressed their concern about the requirement that applicants state a bona fide intention to use the mark on all goods recited in the application. The organizations noted that registration will be granted to domestic applicants only for those goods for which actual use in commerce is made, but that foreign applicants could specify overly extensive lists of goods, secure registration for them, and, if no use occurs during the first six years of registration, simply re-file for these same goods to circumvent the requirements of section 8 of the Act. The organizations recommended that the PTO "require use at least somewhere for all goods specified prior to granting registrations to section 44 applicants."

One organization recommended that the beginning of the proposed paragraph, which states "an application may recite more than one item of goods, or more than one service comprised in a single class, provided the goods or services are specifically identified and * * *," be revised by inserting thereafter the phrase "and in accordance with subsection (c) of this rule." Proposed subsection (c) provides that the applicant may not allege use as to certain goods or services and a bona fide intention to use as to other goods or services in the same application, regardless of the number of classes contained therein.

Response: To require "use at least somewhere for all goods specified prior to granting registration to section 44 foreign applicants" would be inconsistent both with the Act and the Paris Convention.

The PTO believes that the suggested modification of proposed paragraph (a) to include a reference to proposed paragraph (c) would not further clarify the rule and is unnecessary.

Accordingly, the suggested modifications have not been adopted.

Comment: Section 2.86(b), which governs multiple class applications, provides, in part, that "A single certificate of registration for the mark shall be issued."

One organization suggested that the phrase "unless the application is divided pursuant to Rule 2.87" be added to the provision.

Response: The suggested modification is adopted.

Comment: Sections 2.76 and 2.88 were proposed to be added to govern amendments to allege use under section 1(c) of the Act and statements of use under section 1(d) of the Act, respectively. Proposed paragraphs (d)

and (e) of the new sections required that an amendment to allege use and a statement of use be made in a separate paper from any other filing.

Three organizations and one individual expressed their belief that the proposed requirement would be unduly harsh since violation could result in the abandonment of the application.

Response: The proposed requirement has been withdrawn.

Comment: Sections 2.76(c) and 2.88(c) were proposed to be added to provide, *inter alia*, that if more than one item of goods or services is specified in an amendment to allege use or a statement of use, the dates of use required to be specified need be for only one of the items specified, provided the particular item to which the dates apply is designated.

One individual commented that under the proposed paragraphs dates of use are apparently not required to be stated for each class of goods or services. The individual questioned whether this was an inadvertent omission.

Response: The PTO did not intend to imply that dates of use did not need to be specified for each class of goods or services. A requirement for a specification of dates of use for each class has been included in the final rules.

Comment: Section 2.88(f) was proposed to be added to provide, in part, that if a statement of use does not comply with all of the requirements specified in paragraph (e) of the proposed section, applicant will be notified of the deficiency.

One organization recommended that the proposed paragraph be modified to require that applicant be given "a statement of reasons for finding a statement of use to be defective."

Response: The proposed paragraph specifically provides that "applicant will be notified of the deficiency." A "notification of a deficiency" is a description of the nature of the deficiency, i.e., of the reason why the statement of use was found to be defective. Accordingly, the suggested modification has not been adopted.

Comment: Section 2.88(e) was proposed to be added to specify minimum requirements (in addition to timeliness) for a statement of use, namely, the prescribed fee, one specimen or facsimile of the mark as used in commerce, and a verification or declaration signed by the applicant stating that the mark is in use in commerce, and specifying the date of the applicant's first use of the mark in commerce and the goods or services on or in connection with which the mark is used in commerce. Proposed § 2.88(f)

provided, in part, that if a statement of use does not comply with the requirements of proposed paragraph (e), applicant may correct the deficiency only if the time permitted for applicant to file a statement of use has not expired; and that after the filing of a statement of use during a permitted time period for such filing, the applicant may not withdraw the statement to return to the previous status of awaiting submission of a statement of use.

Section 2.89, governing extensions of time for filing a statement of use, was proposed to be added to, *inter alia*, specify the requirements for a request for an extension of time for filing a statement of use; permit an applicant to file, during the six-month period in which a statement of use is filed, one last request for a six-month extension of time; and provide that any defect in an extension request may be corrected only if there is time remaining in the six-month period for filing a statement of use.

Comments relating to these proposed provisions and their interrelationship were submitted by six organizations, one firm and three individuals.

One organization commented that the proposed sections require an applicant to remedy defects in a statement of use or a request for an extension of time to file a statement of use "within the original or an extended six-month period" for filing a statement of use; and that failure to remedy a defect within the specified period causes the application to become abandoned in the case of a statement of use, or requires the applicant to file a petition to the Commissioner in the case of a request for extension of time. The organization expressed its concern that "an applicant's valuable trademark rights will be destroyed or jeopardized for minor informalities in a statement of use or request for an extension of time." The organization recommended that a new § 2.65(d) be added to provide, in effect, that when a timely filed statement of use "is a bona fide attempt to respond to a notice of allowance, and is substantially complete, but compliance with some requirement has been inadvertently omitted, opportunity to explain and supply the omission should be given before the question of abandonment is considered."

Another organization and a firm offered comments to the same effect and also expressed their belief that the provision in proposed § 2.89 for the filing of one last extension request during the six-month period in which a statement of use is filed is not "an acceptable solution" because, *inter alia*, an applicant would have to submit a fee

for such a request which might otherwise not be needed, and because the extension request might be rejected as informal and, therefore, be useless.

Three other organizations and one individual recommended that the applicant be afforded an automatic one or two-month period to respond to a notice of a deficiency in a statement of use. One of these organizations commented that an applicant should not be forced to either risk abandonment, or undergo the inconvenience and expense of filing an additional and probably unnecessary request for an extension of time. This organization expressed its belief that the plain language of the Act "requires that the PTO permit the applicant to amend the statement of use regardless of the expiration of any extension period, including the last one;" and that section 1(d)(2) of the Act provides for an aggregate of 36 months for an applicant to file a statement of use.

One individual commented with respect to proposed § 2.88(g), that "it is not clear what will happen in cases where the statement of use is filed near the end of the total 36 months from the notice of allowance if the statement of use is deficient but does include the fee, a specimen and a verification or declaration of use."

One individual commented, in effect, that it is not clear why requirements for amendments to allege use and statements of use are specified in both paragraphs (b) and (e) of proposed §§ 2.76 and 2.88, respectively, and why the specified requirements vary.

One organization expressed its belief "that an intent-to-use applicant should be allowed to withdraw a statement of use and restore the application to its prior status;" that "such withdrawal, while prohibited by proposed § 2.88(f), is not prohibited by the statute;" and that allowance of such a withdrawal would parallel the permissible withdrawal of an amendment to allege use.

Response: Paragraphs (b) of proposed §§ 2.76 and 2.88 specify the requirements for a complete amendment to allege use and statement of use, respectively. Paragraphs (e) of the proposed sections specify the minimum requirements for such papers. The provisions of the proposed rules have been modified in the final rules to clarify this distinction. Moreover, the minimum requirements specified in proposed §§ 2.76(e) and 2.88(e) have been reduced in the final rule to the prescribed fee, at least one specimen or facsimile of the mark as used in commerce, and a verification or declaration signed by the

applicant stating that the mark is in use in commerce.

Section 1(d) of the Act sets forth certain minimum requirements for a statement of use. In view of the statutory requirements, § 2.88 provides that a timely statement of use which does not meet the minimum requirements specified in paragraph (e) may be corrected only if the time permitted for applicant to file a statement of use has not expired.

Further, section 1(d) of the Act requires that a statement of use be filed within six months after the issuance of the notice of allowance, and provides that the time for filing the statement of use may be further extended upon proper request, but that such time may not be extended beyond 36 months after the issuance of the notice of allowance. The Act, as amended, does not allow every applicant a period of 36 months from the notice of allowance in which to make use of its mark in commerce and file a statement of use; rather, only those applicants who file proper requests for five successive extensions of time, and are able to meet the specified requirements for such extensions, will have the benefit of the full 36-month period. Nor does the Act provide that an applicant may file a statement of use, then withdraw the statement of use and ask for an extension of time for filing a statement of use.

In view of the statutory requirements in section 1(d) of the Act, a statement of use must be filed within the six months after the issuance of a notice of allowance, or within an extension of time granted to applicant for filing a statement of use. Use of the mark in commerce must be made during such period. If the use upon which a statement of use is based is not valid trademark use, applicant may make a new use, and amend the statement of use to rely upon the new use, only if the new use is made prior to the expiration of applicant's time for filing a statement of use. Once a statement of use has been filed, applicant may not withdraw the statement of use and request an extension or a further extension of time for filing a statement of use. Section 1(d) of the Act permits amendment of the statement of use, but does not provide for withdrawal of the statement of use once it is filed.

The fears of some commenters that, under proposed § 2.88, an applicant's trademark rights would be destroyed or jeopardized for minor informalities in a statement of use, are not well-founded. The intent of § 2.88 is to permit a timely statement of use which meets the minimum requirements specified in paragraph (e) to be amended, in

accordance with §§ 2.59 and 2.71 through 2.75, at any time during examination to meet any of the remaining requirements for a complete statement of use specified in paragraph (b) of the section or to overcome other refusals or requirements which may be raised by the examiner. See proposed §§ 2.88 (g) and (h) and final § 2.88(f). The time period for filing a statement of use and the right to amend a statement of use are independent of each other.

For example, under final § 2.88, a timely statement of use which meets the specified minimum requirements may be amended to, *inter alia*:

- (1) Add or correct dates of use (provided that the amendment is in accordance with § 2.71(d), i.e., that it is properly verified and the amended dates are not subsequent to the expiration of the time allowed to applicant for the filing of a statement of use);
- (2) Specify the type of commerce in which the mark is used;
- (3) State the goods or services specified in the notice of allowance on or in connection with which the mark is in use (provided that the amendment is in accordance with § 2.88(i)(2), i.e., that it is supported by a verification that the mark was in use in commerce, on or in connection with each of the goods or services sought to be included, prior to the expiration of the time allowed to applicant for filing a statement of use);
- (4) State the mode or manner in which the mark is used on or in connection with the goods or services;
- (5) Substitute a statement of use verification signed by the applicant for a verification signed by a person having color of authority (see § 2.71(c)); and
- (6) Submit substitute specimens (provided that the amendment is in accordance with § 2.59(b), i.e., that the use in commerce of any substitute specimen submitted is supported by applicant's verification that the substitute specimens were in use in commerce prior to the filing of the statement of use or prior to the time allowed to applicant for filing a statement of use).

Once the minimum requirements are met, the rules allowing amendment to a statement of use, in accordance with §§ 2.59 and 2.71 through 2.75, are more liberal than the proposal by several commenters suggesting an applicant should receive an automatic one to two-month period to respond to a notice of deficiency in a statement of use.

For the foregoing reasons, the modifications suggested by the commenters have not been adopted in § 2.88. The rule was revised to clarify the rule and reduce the minimum requirements for a statement of use.

Section 2.76, concerning amendments to allege use, has been revised to be consistent with § 2.88 as appropriate.

Comment: One individual questioned why, in a verification for an amendment to allege use or a statement of use, the applicant is required, under proposed §§ 2.76(b)(1) and 2.88(b)(1), respectively, to state that it believes it is the owner of the mark sought to be registered. The individual noted that there is no such requirement "for other types of applications provided for in the Act or the rules."

Response: Section 22 of the Act provides that registration on the Principal Register "shall be constructive notice of the registrant's claim of ownership [of the mark]." Therefore, the PTO believes that each application must contain a claim of ownership, and that ownership should be reaffirmed upon the filing of an allegation of use under § 2.76 or § 2.88.

Comments: Section 2.89(d)(2) was proposed to be added to provide that a showing of good cause for a request for an extension of time for filing a statement of use must include, in part, a statement of facts demonstrating ongoing efforts to make use of the mark in commerce on or in connection with each of the goods or services specified in applicant's verified statement of continued bona fide intention to use the mark in commerce. The proposed paragraph further provides that those efforts may include, without limitation, product or service research or development, market research, manufacturing activities, promotional activities, steps to acquire distributors, steps to obtain required governmental approval, or other similar activities.

One organization expressed its concern that this rule may be administered by the PTO to require an applicant to disclose details of highly sensitive or confidential market research or business plans. The organization noted that section 1(d)(2) of the Act requires only that applicant provide "a showing of good cause" to support a request for an extension of time. The organization suggested "facts demonstrating ongoing efforts to make use of the mark" could be sensitive or confidential market research or business information. It recommended that the first sentence of proposed § 2.89(d)(2) be amended to substitute the word "applicants" for the words "facts demonstrating." One individual submitted comments to the same general effect.

Response: The rule does not require a particular showing to establish good cause for a request for an extension of

time to file a statement of use. The suggested modification has been adopted in the final rule.

Comment: Section 2.89(f) was proposed to be added to provide, in part, that the goods or services specified in a request for an extension of time for filing a statement of use must conform to those goods or services identified in the notice of allowance; and that any goods or services specified in the notice of allowance which are omitted from the identification of goods or services in the request for extension of time will be presumed to be deleted and the applicant may not thereafter request that the deleted goods or services be reinserted in the application.

Section 2.89(g) was proposed to be added to provide, in part, that the applicant will be notified of the grant or denial of a request for an extension of time; that if, after denial of an extension request, there is time remaining in the existing six-month period for filing a statement of use, applicant may submit a substitute request for extension of time; and that otherwise, the only recourse available after denial of a request for an extension of time is a petition to the Commissioner in accordance with §§ 2.66 or 2.146.

One individual pointed out that proposed § 2.88(i)(2) provides that if any goods or services specified in the notice of allowance are omitted from the identification of goods or services in the statement of use, the examiner shall inquire about the discrepancy and permit the applicant to amend the statement of use to include any omitted goods or services, provided that the amendment is supported by a verification that the mark was in use in commerce, on or in connection with each of the goods or services sought to be included, prior to the expiration of the time allowed to applicant for filing a statement of use. The individual noted that there is no comparable provision in proposed § 2.89 relating to requests for extensions of time to file a statement of use. The individual commented that "an applicant could unwittingly forfeit rights by failing to specify all goods and services for which the extension is sought," and that "if Examiners can ask about the completeness of statements of use, they can ask about the completeness of extensions to file such statements."

Two organizations commented, with respect to proposed § 2.89(g), that it is unduly harsh and time consuming for the PTO to permit the only recourse from a denial of an extension request to be a petition to the Commissioner. The organizations recommended that the examiner should be required to state

what is needed for acceptance of the extension request and reasonable time should be allowed for response. The organizations also recommended that the filing of a petition concerning the denial of an extension request should allow an automatic extension of time in connection with the application (subject to the caveat that the Act "appears to provide 36 month maximum pendency permitted for an 'intent to use' application regardless of the difficulty encountered in prosecution").

Response: Although § 2.88 includes certain provisions relating to the amendment of timely statements of use, § 2.89 includes no analogous provisions with respect to a request for an extension of time to file a statement of use. This is because the Act, as amended, specifically provides that a statement of use may be amended, but makes no provision for the amendment of an extension request. Moreover, the inclusion in § 2.89 of amendment provisions similar to those in § 2.88 would require that the PTO track not only extension period deadlines, but also deadlines for responding to PTO notifications of extension request deficiencies. This would create a serious administrative problem.

Furthermore, to avoid inadvertently omitting goods or services from a request for an extension of time to file a statement of use, the PTO permits and encourages applicants to identify goods or services in an extension request by incorporating by reference the goods or services listed in the notice of allowance.

The Act permits extension of the time for filing a statement of use only upon proper written request. The Act does not provide for an automatic extension of time upon the filing of a petition, pursuant to § 2.89(g), from the denial of an extension request.

Accordingly, the suggested modifications have not been adopted.

Comment: One organization recommended that the first sentence of proposed § 2.89(g), which provides that the applicant will be notified of the grant or denial of a request for an extension of time to file a statement of use, be modified by inserting at the end of the sentence the words "and if denied, the reasons for denial." The organization also noted that the rule fails to clarify when the new extension period will begin when a petition to the Commissioner from a denial of an extension request is granted.

Response: The organization's suggestion for modification of the first sentence of proposed § 2.89(g) has been adopted. It is understood that a denial would include the reasons for denial.

A six-month extension of time in which to file a statement of use will always run from the expiration of the preceding six-month period, regardless of whether applicant has been notified of the grant or denial of the request, or of a petition to the Commissioner relating thereto, prior to the expiration of the existing period. Accordingly, final § 2.89(g) includes the following new sentence: "If the petition is granted, the term of the requested six-month extension which was the subject of the petition will run from the date of the expiration of the previously existing six-month period for filing a statement of use."

Comment: Section 2.111(a), which pertains to the filing of petitions for cancellation, was proposed to be amended to provide, in part, for the filing of a petition to cancel a registration "in whole or in part." One individual expressed his concern that the phrase "in whole or in part" could perhaps be interpreted as a reference to a geographical cancellation. The individual suggested that it might be helpful to revise the paragraph to provide for cancelling the registration "for all or part of the goods or services."

The individual also suggested that § 2.101(b), which pertains to the filing of oppositions, should be amended to provide for opposing an application for "all or part of the goods or services."

Response: The language "in whole or in part" parallels the language of section 18 of the Act. Further, § 2.99(h) provides that the Board will consider and determine concurrent use rights only in the context of a concurrent use proceeding, and § 2.133(c) provides that geographic limitations will be considered and determined by the Board only in the context of a concurrent use proceeding. Accordingly, the suggestion pertaining to § 2.111(b) has not been adopted.

The language of § 2.101(a) parallels the language of section 13(a) of the Act. Modification of the section to provide for opposing an application for "all or part of the goods or services" is unnecessary in view of the Board's authority, under section 18 of the Act, to modify the application by limiting the goods or services specified therein. Accordingly, the suggestion pertaining to § 2.101(b) has not been adopted.

Comment: Section 2.129(d) was proposed to be added to provide that when a party to an inter partes proceeding before the Board cannot prevail without establishing constructive use pursuant to section 7(c) of the Act in an application under section 1(b) of the Act, the Board will enter a "declaratory

judgment" in favor of that party, subject to the party's establishment of constructive use; and that the time for filing an appeal or for commencing a civil action under section 21 of the Act shall run from the date of the declaratory judgment.

Four organizations and one individual commented variously that "declaratory judgment" is a term of art for a different type of proceeding; that use of the term "declaratory" is inconsistent with the language of sections 18 and 21(a)(4) of the Act, which refers only to "judgments"; and that a phrase such as "conditional judgment," "contingent judgment," or "judgment" should be substituted for the phrase "declaratory judgment."

One individual commented that the better procedure would be for the Board to acknowledge the rights of the intent-to-use applicant, but then suspend proceedings until after the intent-to-use applicant has established its right to a constructive date of first use, following which a final judgment could be issued.

One individual suggested that the language of the proposed paragraph should be clarified by inserting the phrase "but will prevail in whole or in part upon establishing constructive use" after the opening phrase "When a party to an inter partes proceeding before the Trademark Trial and Appeal Board cannot prevail without establishing constructive use pursuant to section 7(c) of the Act in an application under section 1(b) of the Act, * * *"

One individual expressed a belief that where a situation of the type described in the proposed paragraph arises in a cancellation or an interference proceeding, the opinion of the Board might be advisory, but that in an opposition proceeding it would not, because in such a proceeding there is "a case or controversy involving present rights of two parties." The individual suggested that the last sentence of the proposed paragraph be amended to read:

The time for filing an appeal or for commencing a civil action under section 21 of the Act shall run from the date of the entry of the declaratory judgment in an opposition proceeding, and from the date of acceptance of a statement of use in all other inter partes proceedings.

Response: The PTO believes that the use of the term "judgment" is more appropriate in this situation. Accordingly, the word "declaratory" has been omitted from the final rule.

Sections 18 and 21(a)(4) of the Act prohibit the entry of a final judgment in favor of an applicant under section 1(b) of the Act before the applicant's mark is registered in those cases where an

applicant cannot prevail without establishing constructive use under section 7(c). If possible, the time for appeal should not be deferred until use has been established. If the time for appeal is deferred until after acceptance of the statement of use, appellant would be deprived of a speedy determination of the issues on appeal. Accordingly, the suggestions to defer the time for seeking judicial review have not been adopted.

The purpose of "intent-to-use" would be best accomplished if judicial review can occur promptly after entry of a judgment by the Board. Nevertheless, the PTO recognizes, as have other commentators, that there is an issue whether a Board decision is "ripe" for judicial review prior to the time an applicant under section 1(b) of the Act establishes its right to register its mark. This issue was called to the public's attention in the notice of proposed rulemaking. 54 FR at 19300. The PTO also published a notice in the Official Gazette calling attention to the issue and asking for comments. 1102 OG 58 (May 16, 1989). The Subcommittee on Courts, Civil Liberties and the Administration of Justice expressed concern with respect to any provision which permitted an intent-to-use applicant to sue before it made use of the mark and the mark was granted registration. "Permitting a plaintiff to sue before use occurs * * * raises serious questions about whether Federal jurisdiction and a case or controversy exists, and about whether such a case is 'ripe.'" See H.R. Rep. 1028, 100th Cong., 2d Sess., at 4 (1988).

Ultimately, the issue will be resolved by Federal courts. In order to permit early resolution of the issue, it has been decided to provide in § 2.129(d) that the 60-day time period for seeking judicial review runs from the date the Board enters its judgment.

With respect to the suggestion that the phrase "but will prevail in whole or in part upon establishing constructive use" be inserted in the rule, the PTO does not believe that the phrase is necessary or would serve to clarify the rule.

Accordingly, the suggested modification has not been adopted.

Comment: One individual suggested that § 2.162, which governs the requirements for an affidavit or declaration during the sixth year after registration, should be amended to require that each affidavit or declaration include the current street address of the person submitting the declaration. The individual commented that "while many registrants currently do this, the fact remains that it is not required, and it should be mandatory."

Response: While the PTO encourages registrants to state their current address in a section 8 affidavit, it is not a statutory requirement for an acceptable affidavit and it would be an administrative burden to process substitute affidavits. Accordingly, the suggested modification has not been adopted. However, the "Trademark Manual of Examining Procedure" will be amended to recommend that this useful information be included in an affidavit or declaration under section 8 of the Act.

Comment: Section 2.162(f), which specifies certain of the requirements for an affidavit or declaration during the sixth year, was proposed to be revised to provide, in part, that if the registered mark is not in use in commerce on or in connection with the goods or services recited in the registration, the affidavit or declaration must recite facts to show that nonuse as to those goods or services is due to special circumstances which excuse such nonuse and is not due to any intention to abandon the mark as to those goods or services.

One organization suggested that after the phrase "on or in connection with," the phrase "any or all" should be substituted for the word "the."

Response: The suggested language could be construed to imply that an allegation of use on less than all of the goods or services will suffice to maintain the registration for all of the goods or services; or that if the affidavit or declaration does not include an allegation of use or excusable nonuse as to all of the goods or services, the affidavit or declaration will not be accepted and the registration will be cancelled in its entirety. In fact, in the latter situation, the affidavit or declaration would be accepted and those goods or services not included in the allegation of use or excusable nonuse would be deleted from the registration. Accordingly, the suggested modification has not been adopted.

Comments: Section 2.181, which concerns the terms of original registrations and renewals, was proposed to be amended by redesignating present paragraph (a) as (a)(1); revising redesignated paragraph (a)(1) to provide that registrations issued under the Act prior to November 16, 1989, whether on the Principal Register or on the Supplemental Register, remain in force for twenty years from their date of issue or renewal, if that date is prior to November 16, 1989, and may be renewed for periods of ten (rather than twenty) years from the expiring period unless previously cancelled or surrendered; and adding new paragraph

(a)(2) to provide that registrations issued under the Act on or after November 16, 1989, whether on the Principal Register or on the Supplemental Register, remain in force for ten years, and may be renewed for periods of ten years from the expiring period unless previously cancelled or surrendered.

Four organizations and two individuals commented that the renewal term provisions in the proposed rule are ambiguous because "renewal" may be deemed to take place either (a) on the twentieth anniversary of the registration's issuance, or (b) when a proper renewal application is filed, or (c) when the renewal application is processed and a renewal certificate is issued. They recommended that the rule be revised and clarified to provide that the anniversary of the date of the original registration will control the length of the renewal term.

One organization recommended that, if the rule is not amended to reflect the aforesaid comments, the words "or renewed" should be inserted in proposed paragraphs (a) (1) and (2) of the rule after the words "Registrations issued."

Response: The PTO believes that the date of the grant of the renewal application controls whether the term of renewal of a registration is 20 years or ten years. Accordingly, the recommendation that the rule be modified to provide that the anniversary of the date of the original registration will control the length of the renewal term, has not been adopted. However, with respect to registrations due to expire before November 16, 1989, the PTO will do everything possible to maximize the chance that the renewal will be granted prior to November 16, 1989, so that the term of renewal will be twenty years. Registrations due to expire on or after November 16, 1989, will be renewed, on or after that date, for periods of ten years from the date of expiration, regardless of the filing date of the renewal application.

The recommendation that the words "or renewed" be inserted at the beginning of paragraphs (a) (1) and (2) after the words "Registrations issued" has been adopted and the paragraphs have been further modified for purposes of clarity. Specifically, the word "expiration" has been substituted in paragraph (a)(1) for the words "renewal, if that date is prior to November 16, 1989" and the phrase "from their date of issue or expiration" has been inserted in paragraph (a)(2) after the words "remain in force for ten years."

Comment: Section 2.185(a)(1) was proposed to be revised to liberalize

certain requirements for the recordation in the PTO of assignments.

One organization recommended that, since any documents affecting title to registrations and applications are recorded pursuant to this rule, the words "and other documents affecting title" should be added to the section title. The organization also recommended that the proposed rule be revised and reorganized to eliminate lengthy, confusing and redundant wording. The organization submitted a suggested substitute draft of the rule.

Response: To permit further review of the language of this section, the proposal is withdrawn.

Comment: Several comments were submitted which do not relate to any rule amendment proposed in the notice of proposed rulemaking.

Response: To the extent that the comments suggest changes to existing rules, the changes cannot be made without affording members of the public an opportunity to comment.

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 is in conformity with the requirements of the Regulatory Flexibility Act (Pub. L. 96-354), Executive Orders 12291 and 12612, and the Paperwork Reduction Act of 1980, 44 U.S.C. 3501 et seq.

The General Counsel of the Department of Commerce has certified to the Chief Counsel for Advocacy, Small Business Administration, that 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) because the rule change includes no additional or increased fees for existing filings. Public Law 100-667 creates a new statutory right to file an application based upon a bona fide intention to use a mark in commerce ("intent-to-use"). The rule change includes fees for intent-to-use applications. However, filing an intent-to-use application under the new law is permissive. Such a filing will reduce the substantial burden of securing and protecting trademark rights by enabling small entities to obtain trademark rights prior to the use of a mark and the expending of funds in relation thereto. Thus, substantive rights to use valuable trademarks are not adversely affected and, in some instances, can be established prior to the expenditure of large amounts of funds.

The Patent and Trademark Office has determined that this rule change is not a major rule under Executive Order 12291. The annual effect to the economy will be less than \$100 million. There will be no major increase 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.

The PTO has also determined that this notice has no Federalism implications affecting the relationship between the National Government and the States as outlined in Executive Order 12612.

The rule change will not impose any additional burden under the Paperwork Reduction Act of 1980, 44 U.S.C. 3501 et seq. in relation to any existing filings. However, Public Law 100-667 creates a new additional basis for filing an application, as well as certain other new filings in relation thereto, namely, an amendment to allege use under section 1(c) of the Act, a statement of use under section 1(d) of the Act, and requests for extensions of time, under section 1(d) of the Act, to file a statement of use. The public reporting burden for these new collections of information is estimated to vary from .25 hours to .50 hours per filing, with an average of .35 hours per filing, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collections of information. Send comments regarding the burden estimate or any other aspect of these collections of information, including suggestions for reducing this burden, to the Commissioner of Patents and Trademarks, Office of Management and Organization, Washington, DC 20231; and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, DC 20503. Attention: Paperwork Reduction Project 0651-0023.

List of Subjects

37 CFR Part 1

Administrative practice and procedure, Courts, Freedom of information, Inventions and patents, Reporting and recordkeeping requirements, Small businesses.

37 CFR Part 2

Administrative practice and procedure, Courts, Lawyers, Trademarks.

For the reasons set forth in the preamble and pursuant to the authority contained in section 41 of the Act (15 U.S.C. 1123), parts 1 and 2 of title 37 of the Code of Federal Regulations are amended as set forth below.

PART 1—RULES OF PRACTICE IN PATENT CASES

1. The authority citation for part 1 continues to read as follows:

Authority: 35 U.S.C. 6, unless otherwise noted.

2. Section 1.1 is amended by adding new paragraph (h) to read as follows:

§ 1.1 All communications to be addressed to Commissioner of Patents and Trademarks.

* * * * *

(h) In applications under section 1(b) of the Trademark Act, 15 U.S.C. 1051(b), all statements of use filed under section 1(d) of the Act, and requests for extensions of time therefor, should be additionally marked "Box ITU."

3. Section 1.8 is amended by adding new paragraphs (a)(2)(xiv) through (a)(2)(xvi) to read as follows:

§ 1.8 Certificate of Mailing.

(a) * * *

(2) * * *

(xiv) In an application under section 1(b) of the Trademark Act (15 U.S.C. 1051(b)), the filing of a statement of use under § 2.88 (15 U.S.C. 1051(d)).

(xv) In an application under section 1(b) of the Trademark Act (15 U.S.C. 1051(b)), the filing of a request, under § 2.89 (15 U.S.C. 1051(d)), for an extension of time to file a statement of use under § 2.88 (15 U.S.C. 1051(d)).

(xvi) In an application under section 1(b) of the Trademark Act (15 U.S.C. 1051(b)), the filing of an amendment to allege use in commerce under § 2.76 (15 U.S.C. 1051(c)).

* * * * *

PART 2—RULES OF PRACTICE IN TRADEMARK CASES

4. The authority citation for part 2 continues to read as follows:

Authority: 15 U.S.C. 1123; 35 U.S.C. 6, unless otherwise noted.

5. Section 2.2 is added to read as follows:

§ 2.2 Definitions.

(a) *The Act* as used in this part means the Trademark Act of 1946, 60 Stat. 427,

as amended, codified in 15 U.S.C. 1051 et seq.

(b) *Entity* as used in this part includes both natural and juristic persons.

6. In section 2.6 the introductory text is republished and new paragraphs (u) and (v) are added to read as follows:

§ 2.6 Trademark fees.

The following fees and charges are established by the Patent and Trademark Office for trademark cases:

* * * * *

(u) For filing an amendment to allege use under section 1(c) of the Act or a statement of use under section 1(d)(1) of the Act, per class—100.00

(v) For filing a request under section 1(d)(2) of the Act for a six-month extension of time for filing a statement of use under section 1(d)(1) of the Act, per class—100.00

7. Section 2.18 is revised to read as follows:

§ 2.18 Correspondence, with whom held.

Correspondence will be sent to the applicant or a party to a proceeding at its address unless papers are transmitted by an attorney at law, or a written power of attorney is filed, or written authorization of other person entitled to be recognized is filed, or the applicant or party designates in writing another address to which correspondence is to be sent, in which event correspondence will be sent to the attorney at law transmitting the papers, or to the attorney at law designated in the power of attorney, or to the other person designated in the written authorization, or to the address designated by the applicant or party for correspondence. Correspondence will continue to be sent to such address until the applicant or party, or the attorney at law or other authorized representative of the applicant or party, indicates in writing that correspondence is to be sent to another address. Correspondence will be sent to the domestic representative of a foreign applicant unless the application is being prosecuted by an attorney at law or other qualified person duly authorized, in which event correspondence will be sent to the attorney at law or other qualified person duly authorized. Double correspondence will not be undertaken by the Patent and Trademark Office, and if more than one attorney at law or other authorized representative appears or signs a paper, the Office reply will be sent to the address already established in the file until another correspondence address is specified by the applicant or party or by the attorney or other authorized representative of the applicant or party.

8. Section 2.21 is amended by revising paragraphs (a)(5) and (a)(6) to read as follows:

§ 2.21 Requirements for receiving a filing date.

(a) * * *

(5) A basis for filing:

(i) A date of first use of the mark in commerce, and at least one specimen or facsimile of the mark as used, in an application under section 1(a) of the Act, or

(ii) A claim of a bona fide intention to use the mark in commerce and a certification or certified copy of the foreign registration on which the application is based in an application under section 44(e) of the Act, or

(iii) A claim of a bona fide intention to use the mark in commerce and a claim of the benefit of a prior foreign application in an application filed in accordance with section 44(d) of the Act, or

(iv) A claim of a bona fide intention to use the mark in commerce in an application under section 1(b) of the Act;

(6) A verification or declaration in accordance with § 2.33(b) signed by the applicant;

* * * * *

9. Section 2.24 is revised to read as follows:

§ 2.24 Designation of representative by foreign applicant.

If an applicant is not domiciled in the United States, the applicant must designate by a written document filed in the Patent and Trademark Office the name and address of some person resident in the United States on whom may be served notices or process in proceedings affecting the mark. If this document does not accompany or form part of the application, it will be required and registration refused unless it is supplied. Official communications of the Patent and Trademark Office will be addressed to the domestic representative unless the application is being prosecuted by an attorney at law or other qualified person duly authorized, in which event Official communications will be sent to the attorney at law or other qualified person duly authorized. The mere designation of a domestic representative does not authorize the person designated to prosecute the application unless qualified under paragraph (a), (b) or (c) of § 10.14 of this subchapter and authorized under § 2.17(b).

10. Section 2.31 is revised to read as follows:

§ 2.31 Application must be in English.

The application must be in the English language and plainly written on but one side of the paper. It is preferable that the application be on lettersize (i.e., 8½ inches, 21.6 cm., by 11 inches, 27.9 cm.) paper, typewritten double spaced, with at least a one and one-half inch (3.8 cm.) margin on the left-hand side and top of the page.

11. Section 2.33 is amended by revising the section title, revising paragraphs (a)(1)(ii), (a)(1)(iv), (a)(1)(v), (a)(1)(vi), (a)(1)(vii), and (a)(1)(viii), redesignating paragraph (a)(1)(ix) as (a)(1)(x), revising redesignated paragraph (a)(1)(x), adding a new paragraph (a)(1)(ix), revising paragraphs (a)(2), (b), and (c), and adding new paragraph (d) to read as follows:

§ 2.33 Requirements for written application.

(a)(1) The application shall include a request for registration and shall specify:

(i) The citizenship of the applicant; if the applicant is a partnership, the state or nation under the laws of which the partnership is organized and the names and citizenship of the general partners or, if the applicant is a corporation or association, the state or nation under the laws of which the corporation or association is organized;

(iv) In an application under section 1(a) of the Act, that the applicant has adopted and is using the mark shown in the accompanying drawing, or, in an application under section 1(b) or 44 of the Act, that the applicant has a bona fide intention to use the mark shown in the accompanying drawing in commerce;

(v) In an application under section 1(a) of the Act, the particular goods or services on or in connection with which the mark is used or, in an application under section 1(b) or 44 of the Act, the particular goods or services on or in connection with which the applicant has a bona fide intention to use the mark, which in an application under section 44 may not exceed the scope of the goods or services covered by the foreign application or registration;

(vi) The class of goods or services according to the official classification, if known to the applicant;

(vii) In an application under section 1(a) of the Act, the date of applicant's first use of the mark as a trademark or service mark on or in connection with goods or services specified in the application and the date of applicant's first use in commerce of the mark as a

trademark or service mark on or in connection with goods or services specified in the application, specifying the nature of such commerce (see § 2.38);

(viii) In an application under section 44(e) of the Act for registration of a mark duly registered in the applicant's country of origin, as that term is defined in section 44(c), accompanying the application, a certificate of the trademark office of the applicant's country of origin showing that the mark has been registered in such country and also showing the mark, the goods or services for which the mark is registered, the date of filing of the application on the basis of which registration was granted and that said registration is in full force and effect and, if the certificate is not in the English language, a translation thereof;

(ix) In an application claiming the benefit of a foreign application in accordance with section 44(d) of the Act, compliance with the requirements of § 2.39;

(x) In an application under section 1(a) of the Act, the mode, manner or method of applying, affixing or otherwise using the mark on or in connection with the goods or services specified or, in an application under section 1(b) of the Act, the intended mode, manner or method of applying, affixing or otherwise using the mark on or in connection with the goods or services specified.

(2) If more than one item of goods or services is specified in the application, the dates of use required in paragraph (a)(1)(vii) of this section need be for only one of the items specified, provided the particular item to which the dates apply is designated.

(b)(1) In an application under section 1(a) of the Act, the application must include averments to the effect that the applicant is believed to be the owner of the mark sought to be registered; that the mark is in use in commerce, specifying the nature of such commerce; that no other entity to the best of the declarant's knowledge and belief, has the right to use such mark in commerce, either in the identical form or in such near resemblance as to be likely, when applied to the goods or services of such other entity, to cause confusion, or to cause mistake, or to deceive; that the specimens or facsimiles show the mark as used on or in connection with the goods or services; and that the facts set forth in the application are true; or

(2) In an application under section 1(b) or 44 of the Act, the application must include averments to the effect

that the applicant is believed to be the owner of the mark sought to be registered; that the applicant has a bona fide intention to use the mark in commerce on or in connection with the specified goods or services; that no other entity, to the best of the declarant's knowledge and belief, has the right to use such mark in commerce, either in the identical form or in such near resemblance as to be likely, when applied to the goods or services of such other entity, to cause confusion, or to cause mistake, or to deceive; and that the facts set forth in the application are true.

(c) For an application for the registration of a mark for goods or services falling within multiple classes, see § 2.86.

(d) An applicant may not file under both sections 1(a) and 1(b) of the Act in a single application, nor may an applicant in an application under section 1(a) of the Act amend that application to seek registration under section 1(b) of the Act.

12. Section 2.38(a) is revised to read as follows:

§ 2.38 Use by predecessor or by related companies.

(a) If the first use, the date of which is required by paragraph (a)(1)(vii) of § 2.33, was by a predecessor in title, or by a related company (sections 5 and 45 of the Act), and such use inures to the benefit of the applicant, the date of such first use may be asserted with a statement that such first use was by the predecessor in title or by the related company as the case may be.

13. Section 2.39 is revised to read as follows:

§ 2.39 Priority claim based on foreign application.

(a) An application claiming the benefit of a foreign application in accordance with section 44(d) of the Act shall specify the filing date and country of the first regularly filed foreign application or, if the application is based upon a subsequent regularly filed application in the same foreign country, the application shall so state and shall show that any prior filed application has been withdrawn, abandoned or otherwise disposed of, without having been laid open to public inspection and without having any rights outstanding, and has not served as a basis for claiming a right of priority.

(b) Before the application can be approved for publication, a basis for registration under section 1(a), 1(b) or 44(e) of the Act must be established.

14. Section 2.41 is revised to read as follows:

§ 2.41 Proof of distinctiveness under section 2(f).

(a) When registration is sought of a mark which would be unregistrable by reason of section 2(e) of the Act but which is said by applicant to have become distinctive in commerce of the goods or services set forth in the application, applicant may, in support of registrability, submit with the application, or in response to a request for evidence or to a refusal to register, affidavits, or declarations in accordance with § 2.20, depositions, or other appropriate evidence showing duration, extent and nature of use in commerce and advertising expenditures in connection therewith (identifying types of media and attaching typical advertisements), and affidavits, or declarations in accordance with § 2.20, letters or statements from the trade or public, or both, or other appropriate evidence tending to show that the mark distinguishes such goods.

(b) In appropriate cases, ownership of one or more prior registrations on the Principal Register or under the Act of 1905 of the same mark may be accepted as prima facie evidence of distinctiveness. Also, if the mark is said to have become distinctive of applicant's goods by reason of substantially exclusive and continuous use in commerce thereof by applicant for the five years before the date on which the claim of distinctiveness is made, a showing by way of statements which are verified or which include declarations in accordance with § 2.20, in the application may, in appropriate cases, be accepted as prima facie evidence of distinctiveness. In each of these situations, however, further evidence may be required.

15. Section 2.44 is revised to read as follows:

§ 2.44 Collective mark.

(a) In an application to register a collective mark under section 1(a) of the Act, the application shall specify and contain all applicable elements required by the preceding sections for trademarks, but shall, in addition, specify the class of persons entitled to use the mark, indicating their relationship to the applicant, and the nature of the applicant's control over the use of the mark.

(b) In an application to register a collective mark under section 1(b) or 44 of the Act, the application shall specify and contain all applicable elements required by the preceding sections for trademarks, but shall, in addition,

specify the class of persons intended to be entitled to use the mark, indicating what their relationship to the applicant will be, and the nature of the control applicant intends to exercise over the use of the mark.

16. Section 2.45 is revised to read as follows:

§ 2.45 Certification mark.

(a) In an application to register a certification mark under section 1(a) of the Act, the application shall specify and contain all applicable elements required by the preceding sections for trademarks. It shall, in addition, specify the manner in which and the conditions under which the certification mark is used; it shall allege that the applicant exercises legitimate control over the use of the mark and that the applicant is not engaged in the production or marketing of the goods or services to which the mark is applied.

(b) In an application to register a certification mark under section 1(b) or 44 of the Act, the application shall specify and contain all applicable elements required by the preceding sections for trademarks. It shall, in addition, specify the manner in which and the conditions under which the certification mark is intended to be used; it shall allege that the applicant intends to exercise legitimate control over the use of the mark and that the applicant will not engage in the production or marketing of the goods or services to which the mark is applied.

17. Section 2.47 is revised to read as follows:

§ 2.47 Supplemental Register.

(a) In an application to register on the Supplemental Register under section 23 of the Act, the application shall so indicate and shall specify that the mark has been in lawful use in commerce, specifying the nature of such commerce, by the applicant.

(b) In an application to register on the Supplemental Register under section 44 of the Act, the application shall so indicate. The statement of lawful use in commerce may be omitted.

(c) A mark in an application to register on the Principal Register under section 1(b) of the Act is eligible for registration on the Supplemental Register only after an acceptable amendment to allege use under § 2.76 or statement of use under § 2.88 has been timely filed.

(d) An application for registration on the Supplemental Register must conform to the requirements for registration on the Principal Register under section 1(a) of the Act, so far as applicable.

18. Section 2.51 is revised to read as follows:

§ 2.51 Drawing required.

(a)(1) In an application under section 1(a) of the Act, the drawing of the trademark shall be a substantially exact representation of the mark as used on or in connection with the goods; or

(2) In an application under section 1(b) of the Act, the drawing of the trademark shall be a substantially exact representation of the mark as intended to be used on or in connection with the goods specified in the application, and once an amendment to allege use under § 2.76 or a statement of use under § 2.88 has been filed, the drawing of the trademark shall be a substantially exact representation of the mark as used on or in connection with the goods; or

(3) In an application under section 44 of the Act, the drawing of the trademark shall be a substantially exact representation of the mark as it appears in the drawing in the registration certificate of a mark duly registered in the country of origin of the applicant.

(b)(1) In an application under section 1(a) of the Act, the drawing of a service mark shall be a substantially exact representation of the mark as used in the sale or advertising of the services; or

(2) In an application under section 1(b) of the Act, the drawing of a service mark shall be a substantially exact representation of the mark as intended to be used in the sale or advertising of the services specified in the application and, once an amendment to allege use under § 2.76 or a statement of use under § 2.88 has been filed, the drawing of the service mark shall be a substantially exact representation of the mark as used in the sale or advertising of the services; or

(3) In an application under section 44 of the Act, the drawing of a service mark shall be a substantially exact representation of the mark as it appears in the drawing in the registration certificate of a mark duly registered in the country of origin of applicant.

(c) The drawing of a mark may be dispensed with in the case of a mark not capable of representation by a drawing, but in any such case the application must contain an adequate description of the mark.

(d) Broken lines should be used in the drawing of a mark to show placement of the mark on the goods, or on the packaging, or to show matter not claimed as part of the mark, or both, as appropriate. In an application to register a mark with three-dimensional features, the drawing shall depict the mark in perspective in a single rendition.

(e) If the application is for the registration of only a word, letter or numeral, or any combination thereof, not depicted in special form, the drawing may be the mark typed in capital letters on paper, otherwise complying with the requirements of § 2.52.

19. Section 2.52 is amended by revising paragraphs (a), (d) and (e) to read as follows:

§ 2.52 Requirements for drawings.

(a) *Character of drawing.* All drawings, except as otherwise provided, must be made with the pen or by a process which will provide high definition upon reproduction. A photolithographic reproduction or printer's proof copy may be used if

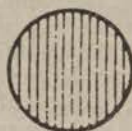
otherwise suitable. Every line and letter, including color lining and lines used for shading, must be black. All lines must be clean, sharp, and solid, and must not be fine or crowded. Gray tones or tints may not be used for surface shading or any other purpose. The requirements of this paragraph are not necessary in the case of drawings permitted and filed in accordance with paragraph (e) of § 2.51.

(d) *Heading.* Across the top of the drawing, beginning one inch (2.5 cm.) from the top edge and not exceeding one third of the sheet, there must be placed a heading, listing in separate lines, applicant's complete name; applicant's post office address; the dates of first use of the mark and first use of the mark in

commerce in an application under section 1(a) of the Act; the priority filing date of the relevant foreign application in an application claiming the benefit of a prior foreign application in accordance with section 44(d) of the Act; and the goods or services recited in the application or a typical item of the goods or services if a number of items are recited in the application. This heading should be typewritten. If the drawing is in special form, the heading should include a description of the essential elements of the mark.

(e) *Linings for color.* Where color is a feature of a mark, the color or colors employed may be designated by means of conventional linings as shown in the following color chart:

**RED OR
PINK**



BROWN



BLUE



**GRAY OR
SILVER**



**VIOLET OR
PURPLE**



GREEN



ORANGE



**YELLOW OR
GOLD**



20. Section 2.53 is revised to read as follows:

§ 2.53 Transmission of drawings.

Drawings transmitted to the Patent and Trademark Office, other than those typed in accordance with § 2.51(e), should be sent flat, protected by a sheet of heavy binder's board, or should be rolled for transmission in a suitable mailing tube to prevent mutilation or folding.

21. Section 2.56 is revised to read as follows:

§ 2.56 Specimens.

An application under section 1(a) of the Act, an amendment to allege use under § 2.76, and a statement of use under § 2.88 must each include three specimens of the trademark as used on or in connection with the goods in commerce. The specimens shall be duplicates of the labels, tags, or

containers bearing the trademark, or the displays associated with the goods and bearing the trademark (or if the nature of the goods makes use of such specimens impracticable then on documents associated with the goods or their sale), when made of suitable flat material and of a size not to exceed 8½ inches (21.6 cm.) wide and 11 inches (27.9 cm.) long.

22. Section 2.57 is revised to read as follows:

§ 2.57 Facsimiles.

(a) When, due to the mode of applying or affixing the trademark to the goods, or to the manner of using the mark on the goods, or to the nature of the mark, specimens as above stated cannot be furnished, three copies of a suitable photograph or other acceptable reproduction, not to exceed 8½ inches (21.6 cm.) wide and 11 inches (27.9 cm.) long, and clearly and legibly showing

the mark and all matter used in connection therewith, shall be furnished.

(b) A purported facsimile which is merely a reproduction of the drawing submitted to comply with § 2.51 will not be considered to be a facsimile depicting the mark as used on or in connection with the goods or in connection with the services.

23. Section 2.59 is added to read as follows:

§ 2.59 Filing substitute specimens.

(a) In an application under section 1(a) of the Act, the applicant may submit substitute specimens of the mark as used on or in connection with the goods, or in the sale or advertising of the services, provided that any substitute specimens submitted are supported by applicant's affidavit or declaration in accordance with § 2.20 verifying that the substitute specimens were in use in

commerce at least as early as the filing date of the application. The verification requirement shall not apply if the specimens are duplicates or facsimiles, such as photographs, of specimens already of record in the application.

(b) In an application under section 1(b) of the Act, after filing either an amendment to allege use under § 2.76 or a statement of use under § 2.88, the applicant may submit substitute specimens of the mark as used on or in connection with the goods, or in the sale or advertising of the services, provided that the use in commerce of any substitute specimens submitted is supported by applicant's affidavit or declaration in accordance with § 2.20. In the case of a statement of use under § 2.88, the applicant must verify that the substitute specimens were in use in commerce prior to the filing of the statement of use or prior to the expiration of the time allowed to applicant for filing a statement of use.

24. Section 2.61 is amended by revising paragraphs (a) and (c) to read as follows:

§ 2.61 Action by examiner.

(a) Applications for registration, including amendments to allege use under section 1(c) of the Act, and statements of use under section 1(d) of the Act, will be examined and, if the applicant is found not entitled to registration for any reason, applicant will be notified and advised of the reasons therefor and of any formal requirements or objections.

* * * * *

(c) Whenever it shall be found that two or more parties whose interests are in conflict are represented by the same attorney, each party and also the attorney shall be notified of this fact.

25. Section 2.64 is amended by adding new paragraph (c) to read as follows:

§ 2.64 Final action.

* * * * *

(c)(1) If an applicant in an application under section 1(b) of the Act files an amendment to allege use under § 2.76 during the six-month response period after issuance of a final action, the examiner shall examine the amendment. The filing of such an amendment will not extend the time for filing an appeal or petitioning the Commissioner.

(2) If the amendment to allege use under § 2.76 is acceptable in all respects, the applicant will be notified of its acceptance.

(3) If, as a result of the examination of the amendment to allege use under § 2.76, the applicant is found not entitled to registration for any reason not

previously stated, applicant will be notified and advised of the reasons and of any formal requirements or refusals. The Trademark Examining Attorney shall withdraw the final action previously issued and shall incorporate all unresolved refusals or requirements previously stated in the new non-final action.

26. Section 2.65 is amended by adding new paragraph (c) to read as follows:

§ 2.65 Abandonment.

* * * * *

(c) If an applicant in an application under section 1(b) of the Act fails to timely file a statement of use under § 2.88, the application shall be deemed to be abandoned.

27. Section 2.66 is revised to read as follows:

§ 2.66 Revival of abandoned applications.

(a) An application abandoned for failure to timely respond, or for failure to timely file a statement of use under § 2.88 in an application under section 1(b) of the Act, may be revived as a pending application if it is shown to the satisfaction of the Commissioner that the delay was unavoidable.

(b) A petition to revive an application abandoned for failure to timely respond must be accompanied by:

- (1) The required fee,
- (2) A showing which is verified or which includes a declaration in accordance with § 2.20 of the causes of the delay, and
- (3) The proposed response, unless a response has been previously filed.

(c) A petition to revive an application abandoned for failure to timely file a statement of use under § 2.88 in an application under section 1(b) of the Act must be accompanied by:

- (1) The required petition fee,
- (2) A showing which is verified or which includes a declaration in accordance with § 2.20 of the causes of the delay,
- (3) The required fees for the number of requests (in accordance with § 2.89 for extensions of time to file a statement of use) which should have been filed if the application had not been abandoned, and
- (4) Either a statement of use in accordance with § 2.88 (unless the same has been previously filed) or a request in accordance with § 2.89 for an extension of time to file a statement of use.

(d) The petition must be filed promptly. No petition to revive will be granted in an application under section 1(b) of the Act if granting the petition would permit the filing of a statement of use more than 36 months after the

issuance of a notice of allowance under section 13(b)(2) of the Act.

28. Section 2.69 is revised to read as follows:

§ 2.69 Compliance with other laws.

When the sale or transportation of any product for which registration of a trademark is sought is regulated under an Act of Congress, the Patent and Trademark Office may make appropriate inquiry as to compliance with such Act for the sole purpose of determining lawfulness of the commerce recited in the application.

29. Section 2.71 is revised to read as follows:

§ 2.71 Amendments to correct informalities.

(a) The application may be amended to correct informalities, or to avoid objections made by the Patent and Trademark Office, or for other reasons arising in the course of examination.

(b) The identification of goods or services may be amended to clarify or limit the identification, but additions will not be permitted.

(c) If the verification or declaration filed with the application is defective, the defect may be corrected only by the submission of a substitute or supplemental verification or declaration in accordance with § 2.20. A verification or declaration required under §§ 2.21(a)(6), 2.76(e)(3) or 2.88(e)(3), to be properly signed, must be signed by the applicant, a member of the applicant firm, or an officer of the applicant corporation or association. A verification or declaration which is signed by a person having color of authority to sign, is acceptable for the purpose of determining the timely filing of the paper. Persons having color of authority to sign are those who have first-hand knowledge of the truth of the statements in the verification or declaration and who also have actual or implied authority to act on behalf of the applicant. However, a properly signed substitute verification or declaration must be submitted before the application will be approved for publication or registration, as the case may be.

(d)(1) No amendment to the dates of use will be permitted unless the amendment is supported by applicant's affidavit or declaration in accordance with § 2.20 and by such showing as may be required.

(2) In an application under section 1(a) of the Act, no amendment to specify a date of use which is subsequent to the filing date of the application will be permitted.

(3) In an application under section 1(b) of the Act, after the filing of a statement of use under § 2.88, no amendment will be permitted to the statement of use to recite dates of use which are subsequent to the expiration of the time allowed to applicant for filing a statement of use.

30. Section 2.72 is revised to read as follows:

§ 2.72 Amendments to description or drawing of the mark.

(a) Amendments may not be made to the description or drawing of the mark if the character of the mark is materially altered. The determination of whether a proposed amendment materially alters the character of the mark will be made by comparing the proposed amendment with the description or drawing of the mark as originally filed.

(b) In applications under section 1(a) of the Act, amendments to the description or drawing of the mark may be permitted only if warranted by the specimens (or facsimiles) as originally filed, or supported by additional specimens (or facsimiles) and a supplemental affidavit or declaration in accordance with § 2.20 alleging that the mark shown in the amended drawing was in use prior to the filing date of the application.

(c) In applications under section 1(b) of the Act, amendments to the description or drawing of the mark, which are filed after submission of an amendment to allege use under § 2.76 or a statement of use under § 2.88, may be permitted only if warranted by the specimens (or facsimiles) filed, or supported by additional specimens (or facsimiles) and a supplemental affidavit or declaration in accordance with § 2.20 alleging that the mark shown in the amended drawing is in use in commerce. In the case of a statement of use under § 2.88, applicant must verify that the mark shown in the amended drawing was in use in commerce prior to the filing of the statement of use or prior to the expiration of the time allowed to applicant for filing a statement of use.

(d) In applications under section 44 of the Act, amendments to the description or drawing of the mark may be permitted only if warranted by the description or drawing of the mark in the foreign registration certificate.

31. Section 2.73 is revised to read as follows:

§ 2.73 Amendment to recite concurrent use.

(a) An application under section 1(a) of the Act may be amended so as to be treated as an application for a concurrent registration, provided the

application as amended satisfies the requirements of § 2.42. The examiner will determine whether the application, as amended, is acceptable.

(b) An application under section 1(b) of the Act may not be amended so as to be treated as an application for a concurrent registration until an acceptable amendment to allege use under § 2.76 or statement of use under § 2.88 has been filed in the application, after which time such an amendment may be made, provided the application as amended satisfies the requirements of § 2.42. The examiner will determine whether the application, as amended, is acceptable.

32. Section 2.75 is revised to read as follows:

§ 2.75 Amendment to change application to different register.

(a) An application for registration on the Principal Register under section 1(a) or 44 of the Act may be changed to an application for registration on the Supplemental Register and vice versa by amending the application to comply with the rules relating to the appropriate register, as the case may be.

(b) An application under section 1(b) of the Act may be amended to change the application to a different register only after submission of an acceptable amendment to allege use under § 2.76 or statement of use under § 2.88. When such an application is changed from the Principal Register to the Supplemental Register, the effective filing date of the application is the date of the filing of the allegation of use under section 1(c) or 1(d) of the Act.

33. Section 2.76 is added to read as follows:

§ 2.76 Amendment to allege use.

(a) An application under section 1(b) of the Act may be amended to allege use of the mark in commerce under section 1(c) of the Act at any time between the filing of the application and the date the examiner approves the mark for publication or the date of expiration of the six-month response period after issuance of a final action. Thereafter, an allegation of use may be submitted only as a statement of use under § 2.88 after the issuance of a notice of allowance under section 13(b)(2) of the Act. If an amendment to allege use is filed outside the time period specified in this paragraph, it will be returned to the applicant.

(b) A complete amendment to allege use must include:

(1) A verified statement that the applicant is believed to be the owner of the mark sought to be registered and that the mark is in use in commerce,

specifying the date of the applicant's first use of the mark and first use of the mark in commerce, the type of commerce, those goods or services specified in the application on or in connection with which the mark is in use in commerce and the mode or manner in which the mark is used on or in connection with such goods or services;

(2) Three specimens or facsimiles, conforming to the requirements of §§ 2.56, 2.57 and 2.58, of the mark as used in commerce; and

(3) The fee prescribed in § 2.6.

(c) An amendment to allege use may be filed only when the applicant has made use of the mark in commerce on or in connection with all of the goods or services, as specified in the application, for which applicant will seek registration in that application unless the amendment to allege use is accompanied by a request in accordance with § 2.87 to divide out from the application the goods or services to which the amendment pertains. If more than one item of goods or services is specified in the amendment to allege use, the dates of use required in paragraph (b)(1) of this section need be for only one of the items specified in each class, provided the particular item to which the dates apply is designated.

(d) The title "Amendment to allege use under § 2.76" should appear at the top of the first page of the paper.

(e) The Office will review a timely filed amendment to allege use to determine whether it meets the following minimum requirements:

(1) The fee prescribed in § 2.6;

(2) At least one specimen or facsimile of the mark as used in commerce; and

(3) A verification or declaration signed by the applicant stating that the mark is in use in commerce.

(f) A timely filed amendment to allege use which meets the minimum requirements specified in paragraph (e) of this section will be examined in accordance with §§ 2.61 through 2.69. If, as a result of the examination of the amendment to allege use, applicant is found not entitled to registration for any reason not previously stated, applicant will be so notified and advised of the reasons and of any formal requirements or refusals. The notification shall restate or incorporate by reference all unresolved refusals or requirements previously stated. The amendment to allege use may be amended in accordance with §§ 2.59 and 2.71 through 2.75. If the amendment to allege use is acceptable in all respects, the applicant will be notified of its acceptance. The filing of such an

amendment shall not constitute a response to any outstanding action by the Trademark Examining Attorney.

(g) If the amendment to allege use is filed within the permitted time period but does not meet the minimum requirements specified in paragraph (e) of this section, applicant will be notified of the deficiency. The deficiency may be corrected provided the mark has not been approved for publication or the six-month response period after issuance of a final action has not expired. If an acceptable amendment to correct the deficiency is not filed prior to approval of the mark for publication or prior to the expiration of the six-month response period after issuance of a final action, the amendment will not be examined.

(h) An amendment to allege use may be withdrawn for any reason prior to approval of a mark for publication or expiration of the six-month response period after issuance of a final action.

34. Section 2.77 is added to read as follows:

§ 2.77 Amendments between notice of allowance and statement of use.

An application under section 1(b) of the Act may not be amended during the period between the issuance of the notice of allowance under section 13(b)(2) of the Act and the filing of a statement of use under § 2.88, except to delete specified goods or services. Other amendments filed during this period will be placed in the application file and considered when the statement of use is examined.

35. The undesignated center heading for §§ 2.80 through 2.84 is revised to read as follows:

Publication and Post Publication

36. Section 2.81 is amended by revising the section title, redesignating the present paragraph as (a), revising redesignated paragraph (a), and adding new paragraph (b) to read as follows:

§ 2.81 Post publication.

(a) Except in an application under section 1(b) of the Act for which no amendment to allege use under § 2.76 has been submitted and accepted, 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.

(b) In an application under section 1(b) of the Act for which no amendment to allege use under § 2.76 has been submitted and accepted, if no opposition

is filed within the time permitted or all oppositions filed are dismissed, and if no interference is declared, a notice of allowance will issue. The notice of allowance will state the serial number of the application, the name of the applicant, the correspondence address, the mark, the identification of goods or services, and the issue date of the notice of allowance. The mailing date that appears on the notice of allowance will be the issue date of the notice of allowance. Thereafter, the applicant shall submit a statement of use as provided in § 2.88.

37. Section 2.82 is revised to read as follows:

§ 2.82 Marks on Supplemental Register published only upon registration.

In the case of an application for registration on the Supplemental Register the mark will not be published for opposition but if it appears, after examination or reexamination, that the applicant is entitled to have the mark registered, a certificate of registration will issue as provided in § 2.151. The mark will be published in the "Official Gazette" when registered.

38. Section 2.83 is amended by revising paragraphs (a) and (b) to read as follows:

§ 2.83 Conflicting marks.

(a) Whenever an application is made for registration of a mark which so resembles another mark or marks pending registration as to be likely to cause confusion or mistake or to deceive, the mark with the earliest effective filing date will be published in the "Official Gazette" for opposition if eligible for the Principal Register, or issued a certificate of registration if eligible for the Supplemental Register.

(b) In situations in which conflicting applications have the same effective filing date, the application with the earliest date of execution will be published in the "Official Gazette" for opposition or issued on the Supplemental Register.

* * *

39. Section 2.84 is revised to read as follows:

§ 2.84 Jurisdiction over published applications.

(a) The examiner may exercise jurisdiction over an application up to the date the mark is published in the "Official Gazette." After publication of an application under section 1(a) or 44 of the Act the examiner may, with the permission of the Commissioner, exercise jurisdiction over the application. After publication of an application under section 1(b) of the

Act, the examiner may exercise jurisdiction over the application after the issuance of the notice of allowance under section 13(b)(2) of the Act. After publication, and prior to issuance of a notice of allowance in an application under section 1(b), the examiner may, with the permission of the Commissioner, exercise jurisdiction over the application.

(b) After publication, but before the printing of the certificate of registration in an application under section 1(a) or 44 of the Act, or before the printing of the notice of allowance in an application under section 1(b) of the Act, an application which is not the subject of an *inter partes* proceeding before the Trademark Trial and Appeal Board may be amended if the amendment does not necessitate republication of the mark or issuance of an Office action. Otherwise, an amendment to such an application may be submitted only upon petition to the Commissioner to restore jurisdiction of the application to the examiner for consideration of the amendment and further examination. The amendment of an application which is the subject of an *inter partes* proceeding before the Trademark Trial and Appeal Board is governed by § 2.133.

40. Section 2.86 is revised to read as follows:

§ 2.86 Application may include multiple goods or services comprised in single class or multiple classes.

(a) An application may recite more than one item of goods, or more than one service, comprised in a single class, provided the goods or services are specifically identified and the applicant either has used the mark on or in connection with all of the specified goods or services, or has a bona fide intention to use the mark on or in connection with all of the specified goods or services.

(b) An application also may be filed to register the same mark for goods and/or services comprised in multiple classes, provided the goods or services are specifically identified; a fee equaling the sum of the fees for filing an application in each class is submitted; and the application includes either dates of use and three specimens for each class, or a statement of a bona fide intention to use the mark on or in connection with all of the goods or services specified in each class. An amendment to allege use under § 2.76 or a statement of use under § 2.88, filed in a multiple class application under section 1(b) of the Act, must include, for each class, the required fee, dates of use and three specimens. A single certificate of

registration for the mark shall be issued, unless the application is divided pursuant to § 2.87.

(c) The applicant may not allege use as to certain goods or services and a bona fide intention to use as to other goods or services in the same application, regardless of the number of classes contained therein.

41. Section 2.87 is revised to read as follows:

§ 2.87 Dividing an application.

(a) An application may be physically divided into two or more separate applications upon submission by the applicant of a request therefor, in accordance with paragraph (c) of this section. In the case of a request to divide out some, but not all, of the goods or services in a class, a fee for each new separate application to be created by the division must be submitted. Any outstanding time period for action by the applicant in the original application at the time of the division will be applicable to each new separate application created by the division.

(b) A request to divide an application may be filed at any time between the filing of the application and the date the Trademark Examining Attorney approves the mark for publication or the date of expiration of the six-month response period after issuance of a final action; or during an opposition, upon motion granted by the Trademark Trial and Appeal Board. Additionally, a request to divide an application under section 1(b) of the Act may be filed with a statement of use under § 2.88 or at any time between the filing of a statement of use and the date the Trademark Examining Attorney approves the mark for registration or the date of expiration of the six-month response period after issuance of a final action.

(c) A request to divide an application should be made in a separate paper from any other amendment or response in the application. The title "Request to divide application" should appear at the top of the first page of the paper.

42. A new undesignated center heading, and two new sections, designated §§ 2.88 and 2.89, are added to read as follows:

Post Notice of Allowance

§ 2.88 Filing statement of use after notice of allowance.

(a) In an application under section 1(b) of the Act, a statement of use, required under section 1(d) of the Act, must be filed within six months after issuance of a notice of allowance under section 13(b)(2) of the Act, or within an extension of time granted under § 2.89.

A statement of use that is filed prior to issuance of a notice of allowance is premature, will not be considered, and will be returned to the applicant.

(b) A complete statement of use must include:

(1) A verified statement that the applicant is believed to be the owner of the mark sought to be registered and that the mark is in use in commerce, specifying the date of the applicant's first use of the mark and first use of the mark in commerce, the type of commerce, those goods or services specified in the notice of allowance on or in connection with which the mark is in use in commerce and the mode or manner in which the mark is used on or in connection with such goods or services;

(2) Three specimens or facsimiles, conforming to the requirements of §§ 2.56, 2.57 and 2.58, of the mark as used in commerce; and

(3) The fee prescribed in § 2.6.

(c) The statement of use may be filed only when the applicant has made use of the mark in commerce on or in connection with all of the goods or services, as specified in the notice of allowance, for which applicant will seek registration in that application, unless the statement of use is accompanied by a request in accordance with § 2.87 to divide out from the application the goods or services to which the statement of use pertains. If more than one item of goods or services is specified in the statement of use, the dates of use required in paragraph (b)(1) of this section need be for only one of the items specified in each class, provided the particular item to which the dates apply is designated.

(d) The title "Statement of use under § 2.88" should appear at the top of the first page of the paper.

(e) The Office will review a timely filed statement of use to determine whether it meets the following minimum requirements:

(1) The fee prescribed in § 2.6;

(2) At least one specimen or facsimile of the mark as used in commerce;

(3) A verification or declaration signed by the applicant stating that the mark is in use in commerce.

(f) A timely filed statement of use which meets the minimum requirements specified in paragraph (e) of this section will be examined in accordance with §§ 2.61 through 2.69. If, as a result of the examination of the statement of use, applicant is found not entitled to registration, applicant will be notified and advised of the reasons and of any formal requirements or refusals. The statement of use may be amended in accordance with §§ 2.59 and 2.71

through 2.75. If the statement of use is acceptable in all respects, the applicant will be notified of its acceptance.

(g) If the statement of use does not meet the minimum requirements specified in paragraph (e) of this section, applicant will be notified of the deficiency. If the time permitted for applicant to file a statement of use has not expired, applicant may correct the deficiency. After the filing of a statement of use during a permitted time period for such filing, the applicant may not withdraw the statement to return to the previous status of awaiting submission of a statement of use, regardless of whether it is in compliance with paragraph (e) of this section.

(h) The failure to timely file a statement of use which meets the minimum requirements specified in paragraph (e) of this section shall result in the abandonment of the application.

(i)(1) The goods or services specified in a statement of use must conform to those goods or services identified in the notice of allowance. An applicant may specify the goods or services by stating "those goods or services identified in the notice of allowance" or, if appropriate, "those goods or services identified in the notice of allowance except * * *" followed by an identification of the goods or services to be deleted.

(2) If any goods or services specified in the notice of allowance are omitted from the identification of goods or services in the statement of use, the Trademark Examining Attorney shall inquire about the discrepancy and permit the applicant to amend the statement of use to include any omitted goods or services, provided that the amendment is supported by a verification that the mark was in use in commerce, on or in connection with each of the goods or services sought to be included, prior to the expiration of the time allowed to applicant for filing a statement of use.

(3) The statement of use may be accompanied by a separate request to amend the identification of goods or services in the application, as stated in the notice of allowance, in accordance with § 2.71(b).

(j) The statement of use may be accompanied by a separate request to amend the drawing in the application, in accordance with §§ 2.51 and 2.72.

§ 2.89 Extensions of time for filing a statement of use.

(a) The applicant may request a six-month extension of time to file the statement of use required under § 2.88 by submitting:

(1) A written request, before the expiration of the six-month period following the issuance of a notice of allowance under section 13(b)(2) of the Act;

(2) The fee prescribed in § 2.6; and

(3) A verified statement by the applicant that the applicant has a continued bona fide intention to use the mark in commerce, specifying those goods or services identified in the notice of allowance on or in connection with which the applicant has a continued bona fide intention to use the mark in commerce.

(b) The applicant may request further six-month extensions of time for filing the statement of use by submitting:

(1) A written request, prior to the expiration of a previously granted extension of time;

(2) The fee prescribed in § 2.6;

(3) A verified statement by the applicant that the applicant has a continued bona fide intention to use the mark in commerce, specifying those goods or services identified in the notice of allowance on or in connection with which the applicant has a continued bona fide intention to use the mark in commerce; and

(4) A showing of good cause, as specified in paragraph (d) of this section.

(c) Extensions of time under paragraph (b) of this section will be granted only in six-month increments and may not aggregate more than 24 months.

(d) The showing required by paragraph (b)(4) of this section must include:

(1) An allegation that the applicant has not yet made use of the mark in commerce on all the goods or services specified in the notice of allowance on or in connection with which the applicant has a continued bona fide intention to use the mark in commerce, and

(2) A statement of applicant's ongoing efforts to make use of the mark in commerce on or in connection with each of the goods or services specified in the verified statement of continued bona fide intention to use required under paragraph (b) of this section. Those efforts may include, without limitation, product or service research or development, market research, manufacturing activities, promotional activities, steps to acquire distributors, steps to obtain required governmental approval, or other similar activities. In the alternative, a satisfactory explanation for the failure to make such efforts must be submitted.

(e)(1) At the time of the filing of a statement of use, or during any time

remaining in the existing six-month period in which a statement of use is filed, applicant may file one request, in accordance with paragraph (a) or (b) of this section, for a six-month extension of time for filing a statement of use, provided that the time requested would not extend beyond 36 months from the issuance of the notice of allowance. Thereafter, applicant may not request any further extensions of time.

(2) A request for an extension of time that is filed at the time of the filing of a statement of use, or during any time remaining in the existing six-month period in which a statement of use is filed, must comply with all the requirements of paragraph (a) of this section, if it is applicant's first extension request, or paragraph (b) of this section, if it is a second or subsequent extension request. However, in a request under paragraph (b) of this section, applicant may satisfy the requirement for a showing of good cause by asserting that applicant believes that it has made valid use of the mark in commerce, as evidenced by the submitted statement of use, but that if the statement of use is found by the Patent and Trademark Office to be fatally defective, applicant will need additional time in which to file a new statement of use.

(f) The goods or services specified in a request for an extension of time for filing a statement of use must conform to those goods or services identified in the notice of allowance. Any goods or services specified in the notice of allowance which are omitted from the identification of goods or services in the request for extension of time will be presumed to be deleted and the applicant may not thereafter request that the deleted goods or services be reinserted in the application. If appropriate, an applicant may specify the goods or services by stating "those goods or services identified in the notice of allowance" or "those goods or services identified in the notice of allowance except * * *" followed by an identification of the goods or services to be deleted.

(g) The applicant will be notified of the grant or denial of a request for an extension of time, and of the reasons for a denial. Failure to notify the applicant of the grant or denial of the request prior to the expiration of the existing period or requested extension does not relieve the applicant of the responsibility of timely filing a statement of use under § 2.88. If, after denial of an extension request, there is time remaining in the existing six-month period for filing a statement of use, applicant may submit a substitute request for extension of time. Otherwise, the only recourse

available after denial of a request for an extension of time is a petition to the Commissioner in accordance with §§ 2.66 or 2.146. A petition from the denial of a request for an extension of time to file a statement of use shall be filed within one month from the date of mailing of the denial of the request. If the petition is granted, the term of the requested six-month extension which was the subject of the petition will run from the date of the expiration of the previously existing six-month period for filing a statement of use.

43. Section 2.99 is amended by revising paragraph (g) and adding new paragraph (h) to read as follows:

§ 2.99 Application to register as concurrent user.

* * * * *

(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. Applications to register under section 1(b) of the Act of 1946 are subject to concurrent use registration proceedings only after an acceptable amendment to allege use under § 2.76 or statement of use under § 2.88 has been filed.

(h) The Trademark Trial and Appeal Board will consider and determine concurrent use rights only in the context of a concurrent use registration proceeding.

44. Section 2.101 is amended by revising paragraph (b) to read as follows:

§ 2.101 Filing an opposition.

* * * * *

(b) Any entity which believes that it would be damaged by the registration of a mark on the Principal Register may oppose the same by filing an opposition, which should be addressed to the Trademark Trial and Appeal Board. The opposition need not be verified, and may be signed by the opposer or the opposer's attorney or other authorized representative.

* * * * *

45. Section 2.111 is amended by revising paragraph (b) to read as follows:

§ 2.111 Filing petition for cancellation.

* * * * *

(b) Any entity which believes that it is or will be damaged by a registration may file a petition, which should be addressed to the Trademark Trial and Appeal Board, to cancel the registration in whole or in part. The petition need not be verified, and may be signed by the petitioner or the petitioner's attorney

or other authorized representative. The petition may be filed at any time in the case of registrations on the Supplemental Register or under the Act of 1920, or registrations under the Act of 1881 or the Act of 1905 which have not been published under section 12(c) of the Act, or on any ground specified in section 14 (c) or (e) of the Act. In all other cases the petition and the required fee must be filed within five years from the date of registration of the mark under the Act or from the date of publication under section 12(c) of the Act.

46. Section 2.129 is amended by adding new paragraph (d) to read as follows:

§ 2.129 Oral argument; reconsideration.

(d) When a party to an inter partes proceeding before the Trademark Trial and Appeal Board cannot prevail without establishing constructive use pursuant to section 7(c) of the Act in an application under section 1(b) of the Act, the Trademark Trial and Appeal Board will enter a judgment in favor of that party, subject to the party's establishment of constructive use. The time for filing an appeal or for commencing a civil action under section 21 of the Act shall run from the date of the entry of the judgment.

47. Section 2.133 is revised to read as follows:

§ 2.133 Amendment of application or registration during proceedings.

(a) An application involved in a proceeding may not be amended in substance nor may a registration be amended or disclaimed in part, except with the consent of the other party or parties and the approval of the Trademark Trial and Appeal Board, or except upon motion.

(b) If, in an inter partes proceeding, the Trademark Trial and Appeal Board finds that a party whose application or registration is the subject of the proceeding is not entitled to registration in the absence of a specified restriction to the involved application or registration, the Trademark Trial and Appeal Board will allow the party time in which to file a request that the application or registration be amended to conform to the findings of the Trademark Trial and Appeal Board,

failing which judgment will be entered against the party.

(c) Geographic limitations will be considered and determined by the Trademark Trial and Appeal Board only in the context of a concurrent use registration proceeding.

(d) A plaintiff's pleaded registration will not be restricted in the absence of a counterclaim to cancel the registration in whole or in part, except that a counterclaim need not be filed if the registration is the subject of another proceeding between the same parties or anyone in privity therewith.

48. Section 2.161 is revised to read as follows:

§ 2.161 Cancellation for failure to file affidavit or declaration during sixth year.

Any registration under the provisions of the Act and any registration published under the provisions of section 12(c) of the Act (§ 2.153) shall be cancelled as to any goods or services recited in the registration at the end of six years following the date of registration or the date of such publication, unless within one year next preceding the expiration of such six years the registrant shall file in the Patent and Trademark Office an affidavit or declaration in accordance with § 2.20 setting forth those goods or services recited in the registration on or in connection with which the mark is in use in commerce and attaching a specimen or facsimile showing current use of the mark, or an affidavit or declaration under § 2.20 showing that its nonuse as to any goods or services recited in the registration is due to special circumstances which excuse such nonuse and is not due to any intention to abandon the mark as to those goods or services.

49. Section 2.162 is amended by revising paragraphs (e), (f), and (g) to read as follows:

§ 2.162 Requirements for affidavit or declaration during sixth year.

(e) State that the registered mark is in use in commerce, list the goods or services recited in the registration on or in connection with which the mark is in use in commerce, and specify the nature of such commerce (except under paragraph (f) of this section). The statement must be accompanied by a specimen or facsimile, for each class of

goods or services, showing current use of the mark. If the specimen or facsimile is found to be deficient, a substitute specimen or facsimile may be submitted and considered even though filed after the sixth year has expired, provided it is supported by an affidavit or declaration pursuant to § 2.20 verifying that the specimen or facsimile was in use in commerce prior to the expiration of the sixth year;

(f) If the registered mark is not in use in commerce on or in connection with the goods or services recited in the registration, recite facts to show that nonuse as to those goods or services is due to special circumstances which excuse such nonuse and is not due to any intention to abandon the mark as to those goods or services. If the facts recited are found insufficient, further evidence or explanation may be submitted and considered even though filed after the sixth year has expired; and

(g) Contain the statement of use in commerce or statement as to nonuse and appropriate specimen or facsimile, as required in paragraphs (e) and (f) of this section, for each class to which the affidavit or declaration pertains in this registration.

50. Section 2.181(a) is revised to read as follows:

§ 2.181 Term of original registrations and renewals.

(a)(1) Registrations issued or renewed under the Act, prior to November 16, 1989, whether on the Principal Register or on the Supplemental Register, remain in force for twenty years from their date of issue or expiration, and may be renewed for periods of ten years from the expiring period unless previously cancelled or surrendered.

(2) Registrations issued or renewed under the Act on or after November 16, 1989, whether on the Principal Register or on the Supplemental Register, remain in force for ten years from their date of issue or expiration, and may be renewed for periods of ten years from the expiring period unless previously cancelled or surrendered.

51. Section 2.187 is revised to read as follows:

§ 2.187 Certificate of registration may issue to assignee.

The certificate of registration may be issued to the assignee of the applicant, or in a new name of applicant, provided that the party makes a written request in the application record, by the time the application is being prepared for issuance of the certificate of registration, and an appropriate document is of record in the Assignment Search Room of the Patent and Trademark Office. If the assignment or name change document is not of record in the Assignment Search Room, then the written request must state that the document has been filed for recordation. The address of the assignee must be made of record in the application file and in the recorded document.

Dated: August 2, 1989.

Donald J. Quigg,

*Assistant Secretary and Commissioner of
Patents and Trademarks.*

[FR Doc. 89-21210 Filed 9-8-89; 8:45 am]

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Federal Register

Monday
September 11, 1989

Part IV

Department of the Treasury

Customs Service

19 CFR Parts 162 and 171

Seizure of Property for Possession of
Controlled Substances; Final Rule

Department of Justice

Office of the Attorney General
Drug Enforcement Administration

21 CFR Part 1316

Anti-Drug Abuse Act of 1988; Expedited
Forfeiture Procedures for Certain
Property; Final Rule

Department of Transportation

Coast Guard

33 CFR Part 1

Summons in Lieu of Seizure of
Commercial Fishing Industry Vessels;
Final Rule

DEPARTMENT OF THE TREASURY

Customs Service

19 CFR Parts 162 and 171

[T.D. 89-86]

Seizure of Property for Possession of Controlled Substances

AGENCY: U.S. Customs Service, Treasury.

ACTION: Final rule.

SUMMARY: This document amends the Customs Regulations to provide certain expedited procedures when property is seized due to violations involving the possession of personal use quantities of controlled substances. The procedures comply with the requirements of the Anti-Drug Abuse Act of 1988. The regulations set forth procedures allowing an owner or interested party whose property was seized due to a violation involving possession of a personal use quantity of a controlled substance to have the property returned promptly if he can establish his innocence. The regulations also require, when a violation involving the possession of personal use quantities of a controlled substance is committed on a commercial fishing industry vessel that is proceeding to or from a fishing area or intermediate port of call or is actively engaged in fishing operations, that a summons to appear be issued in lieu of seizure of the vessel. These regulations have been prepared in conjunction with the Attorney General and the Secretary of Transportation; regulations from these Departments on this subject area also appear in today's Federal Register.

EFFECTIVE DATE: October 11, 1989.

FOR FURTHER INFORMATION CONTACT: Harriett D. Blank, Regulatory Procedures and Penalties Division, (202) 566-8317.

SUPPLEMENTARY INFORMATION:

Background

Section 6079 of the Anti-Drug Abuse Act of 1988 (Pub. L. 100-690, title VI) (the Act) requires the Attorney General and the Secretary of the Treasury to prescribe regulations to minimize the adverse impact caused by prolonged detention of property seized for civil forfeiture for violations involving the possession of personal use quantities of a controlled substance pursuant to section 596 of the Tariff Act of 1930 (19 U.S.C. 1595a(a)), section 511(a) of the Controlled Substance Act (21 U.S.C. 881(a)), or section 2 of the Act of August 9, 1939 (53 Stat. 1291; 49 U.S.C. App. 782). Pursuant to section 6079, such seized property shall be promptly

returned where an owner can establish: (1) A valid, good faith interest in the property; (2) that he did not know of or consent to the violation; and (3) that he had no knowledge or reason to believe that the property was being or would be used in violation of law, or that if he at any time had, or should have had knowledge that the property would be used in a violation, that he did what reasonably could be expected to prevent the violation.

Section 6079 also provides that the Attorney General, Secretary of the Treasury and the Secretary of Transportation shall provide joint regulations providing for issuance of a summons to appear in lieu of seizure of a commercial fishing industry vessel for violations involving the possession of personal use quantities of a controlled substance. These regulations are to apply when the violation is committed on a commercial fishing industry vessel that is proceeding to or from a fishing area or intermediate port of call or is actually engaged in fishing operations.

Representatives of the Department of Justice on behalf of the Attorney General, the U.S. Coast Guard on behalf of the Secretary of Transportation and the U.S. Customs Service on behalf of the Secretary of the Treasury developed, in accordance with section 6079 of the Act, proposed regulations which were published in the Federal Register (54 FR 14242) on April 10, 1989.

Eleven comments were received by Customs in response to its Notice of Proposed Rulemaking. Customs exchanged the comments it received with the Coast Guard and the Department of Justice. A discussion of the comments and our responses follows:

Discussion of Comments

Comment: Proposed § 171.53 provided that Customs will attempt to make a final administrative determination regarding the disposition of property seized for particular statutory violations involving the possession of personal use quantities of a controlled substance within 21 days of the seizure. If such a determination is not made within 21 days, Customs shall determine, within 20 days after receiving a timely submitted petition for expedited procedures, whether a petitioner established his right to have the property returned or whether Customs should proceed with the administrative forfeiture action. Several commenters stated that this proposed procedure is contrary to the purpose of section 6079, which is to require Customs to make a final determination in 21 days or release the property. The commenters stated

that § 171.53 actually provides Customs with 40 days during which to make a final determination.

Response: We do not agree. Customs is unable to make a final determination until it receives a petition for expedited procedures establishing the elements required by the Act. The regulations provide that Customs will attempt to make a final determination within 21 days, but this is entirely dependent upon the receipt of petitions. Because the names and addresses of interested parties who should be notified of a seizure are not always known to Customs immediately, and because interested parties who are not in possession of their conveyances at the time of seizure do not always petition promptly, there are frequent delays in the administrative process which are entirely outside of Customs control. If Customs were required to make a final determination 21 days after seizure, it would be forced to deny relief when petitions are not received shortly after seizure. Parties submitting petitions which may otherwise have been granted would be forced to submit supplemental petitions or to unnecessarily file claim and cost bonds requesting judicial determinations. The procedure proposed by Customs is more flexible giving the petitioner a reasonable period of time in which to submit his petition. Further, if the petitioner does submit his petition on the same day of the seizure, Customs will make a final determination within 20 days.

Comment: A commenter stated that "personal use quantity" should be defined as that quantity which can be easily concealed upon the body or personal effects of an individual rather than a quantity that is based on weight.

Response: We do not agree. It is possible to conceal on a person or in personal effects amounts of controlled substances which are clearly for non-personal use. We believe that the use of weight as a criterion while, at the same time, allowing certain other variables to be taken into consideration is a preferable way to determine whether an amount of controlled substance possessed by an individual is a personal use quantity.

Comment: Some commenters complained that the proposed procedures are harsh in that a seizure may be imposed upon an innocent owner. They also took issue with the proposed regulations assuming guilt and requiring an owner to prove his innocence before a conveyance is returned.

Response: When a conveyance is seized because of a violation involving

the possession of a personal use quantity of a controlled substance, long-standing statutory authority specifies that the burden of proof is upon the claimant to prove his innocence. Section 1615 of title 19, United States Code (19 U.S.C. 1615), provides this unique allocation of the burden of proof in all forfeiture actions for drug-related offenses as it considers the property the "guilty" party. The purpose of the proposed procedures is to protect the interests of innocent owners by allowing them to prove their innocence as expeditiously as possible.

Comment: One commenter stated that the Anti-Drug Abuse Act required new alternative procedures to expedite release of seized property and the substitute res procedure set forth in proposed § 171.54 should not be considered a new procedure as it is already available. Further, the commenter indicated that proposed § 171.54 was a little unclear and specifically questioned under what circumstances could an offer to post a substitute res not be accepted.

Response: The substitute res procedure contained in proposed § 171.54 is distinct and separate from the expedited procedures. The alternative expedited procedures required by the statute were set forth in paragraphs (a) and (b) of proposed § 171.53. Release, pending a final determination, upon the deposit of the domestic value of seized merchandise, is well-established Customs procedure and is effected pursuant to 19 U.S.C. 1614. The substitute res is not mandatory. We included the substitute res procedures in these regulations for the convenience of innocent owners who may wish to consider all the ways they may obtain release of their property expeditiously. We believe, however, that some clarification is needed regarding the substitute res provision. The substitute res is not a bond; it is the actual payment of the appraised value of the property and it may be posted at any time up until a conveyance has been administratively forfeited. We stated in the proposal that the payment may be in the form of cash, irrevocable letter of credit, or a traveler's check or money order made payable to U.S. Customs. We now believe that an additional category of payment, certified funds such as a certified check, should be added. Finally, we are changing the language in § 171.54 to more clearly reflect that an offer to post a substitute res may not be accepted by Customs when the seized conveyance that is in Customs custody is evidence of violation of law or has other

characteristics that particularly suit it for use in illegal activities.

Comment: A commenter suggested that, in the case of commercial vessels appraised at very high values, the substitution of substantial bonds, rather than the equivalent of the domestic value of the vessel, be permitted to obtain release of the vessel prior to a final determination.

Response: The Act does not require such a provision. However, Customs may choose, as it has in some past cases, to release such large vessels, pending a final determination, upon the execution of a constructive seizure agreement which requires no deposit, or upon other terms which protect the government's interest.

Comment: One commenter suggested that a demonstration of company compliance with Federal mandatory drug testing regulations be specified to constitute prima facie evidence that a company established the element set forth in proposed § 171.52(c)(3)—that it did not know or consent to the illegal use of the property or, in the event that it knew or should have known of the illegal use, it did what reasonably could be expected to prevent the violation.

Response: We do not agree. However, compliance with federal mandatory drug-testing regulations may be considered in determining whether § 171.52(c)(3) has been satisfied.

Comment: Some commenters were concerned that Customs will consider arrest and/or conviction records of persons in possession of controlled substances as evidence of possession for other than personal use. They stated that innocent owners may not know of the criminal records of all lessees, employees, and acquaintances who may be on board their conveyance.

Response: A determination of whether a controlled substance is possessed solely for purposes of personal use is a determination of subjective intent based upon the totality of the circumstances. Customs will take many factors into account, including the quantity of controlled substances possessed, in determining whether the possessor of the controlled substance intended to distribute. This operates both to the advantage of interested parties and the government. It must be stressed that a person's prior arrest or conviction record for drug offenses will not necessarily be determinative of whether the drugs were possessed for personal use; it is merely one factor Customs will consider. It should also be noted that one may still be found to be an innocent owner even though persons on the

conveyance had drug-related criminal records.

Comment: A commenter questioned why hearsay (proposed § 171.52(b)(6)(ii) (C) and (F)) should be permitted to be introduced as a means of denying the right to an expedited proceeding.

Response: Hearsay is admissible in administrative proceedings. As noted earlier, the issue of whether a controlled substance is possessed solely for purposes of personal use involves a determination of subjective intent. Hearsay may be considered in determining that intent. Further, as stated earlier, many factors may be considered in determining whether the possessor of a controlled substance intended to use the controlled substance for personal use. The types of statements discussed in § 171.52(b)(6)(ii) (C) and (F) are just two of the factors that may be considered.

Comment: A commenter stated that proposed § 171.51(b)(5), by stating that holding primary and direct title to property may not constitute a sufficient beneficial interest in the property to support a petition, may be disqualifying some innocent lienholders.

Response: We agree. Accordingly, we are deleting the last sentence of § 171.51(b)(5).

Comment: A commenter stated that the definition of "normal and customary manner" in proposed § 171.51(b)(4) is too restrictive.

Response: We disagree. We believe that the reasonable and prudent standard combined with consideration of established norms, standards and customs is a broad definition permitting Customs to consider a large number of factors. What is "normal and customary" will vary with the circumstances of individual cases, and there may be cases in which mere compliance with an industry "norm" or customary industry practice, for example, would not be viewed by an objective person as reasonable, normal or customary under the circumstances.

Comment: A commenter suggested that the term "sweepings" as used in proposed § 171.51(b)(6)(ii) should be clarified so as to exclude substances other than controlled substances and to reflect a collective amount of sweepings.

Response: The term "sweepings" as used in both the Act and the proposed regulations has a clear meaning which does not include substances other than controlled substances. Further, the term "sweepings" clearly relates to small quantities which are actually evidence of larger quantities having been carried on board.

Comment: Some commenters wished to see the applicability of the provisions for issuance of a summons to appear expanded to different kinds of vessels other than those included within the definition of commercial fishing industry vessels set forth in proposed § 171.51(b)(2). One commenter stated that the term "commercial fishing industry vessel" meant to embrace private-for-hire and charter sport fishing vessels and headboats.

Response: Section 6079 of the Act specifies that the summons to appear in lieu of physical seizure is applicable to "a commercial fishing industry vessel as defined in § 2101(11a), (11b), and (11c) of title 46, United States Code." The definition set forth in proposed § 171.51(b)(2) is totally consistent with the definition in section 2101(11a), (11b) and (11c) of title 46, United States Code. The definition does not include sport-fishing vessels, headboats, or vessels in the barge and towing industry. Customs is not statutorily required to provide the summons to appear in lieu of seizure procedure to other vessels. However, Customs is not prohibited by the Act from expanding the procedures to other kinds of vessels. Any policy decisions to expand the summons to appear procedure to other vessels will be based on Customs experience under these regulations.

Comment: One commenter asked that the regulations include a definition of what constitutes "proceeding to or from a fishing area or intermediate port of call." It was also suggested that the definition include times when a vessel has been outfitted for a voyage whether or not it is still in port.

Response: The language at issue has been taken directly from the statute and is unambiguous on its face. There is no reason to give the terms "proceeding to or from" other than their literal meaning. The literal meaning cannot be said to include times when the vessel is in port.

Comment: One commenter suggested that the regulations clarify the provision in the summons that requires a commercial fishing industry vessel to report to the port designated in the summons to take into account unique geographic factors confronted in Alaska.

Response: We do not agree that such clarification belongs in the regulations. Local ports have been instructed to workout appropriate operational details in unique and/or unusual circumstances.

Comment: A commenter stated that the regulations should not specify, as they did in § 171.52(e)(3), that a statement of the facts and circumstances, supported by satisfactory evidence, should be included in a petition because

§ 171.52(c)(1)-(3) specifies the statutory elements of proof. The commenter stated that § 171.52(e)(3) requires more than section 6079 of the Act.

Response: We do not agree. The section, as written, makes it clear that a petitioning party may not obtain return of the seized conveyance by merely citing § 171.52(c)(1)-(3) verbatim. Evidence is required to support the assertions.

Comment: A commenter suggested that the regulations address the treatment of cargo carried on board a commercial vessel that is seized.

Response: We disagree. Cargo is not part of a vessel. It is, therefore, not subject to forfeiture and may be returned to its owner. Customs already has procedures for the disposition of cargo on seized vessels.

Other Changes

Based on a change being made to the Department of Justice regulations on this subject because of a comment, Customs has decided to modify § 171.52(c) to reflect that petitioners also may establish in their petition any statutory rights or defenses beyond those encompassed by the three elements specified in section 6079(b)(2) of the Act.

Conclusion

After careful consideration of all the comments received and further review of the matter, it has been determined that the amendments, with the modifications discussed above, should be adopted.

Regulatory Flexibility Act

It is hereby certified that this rule will not have a significant economic impact on a substantial number of small entities. Accordingly, the analysis requirements of the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*), are not applicable to these amendments.

Executive Order 12291

This document does not meet the criteria for a "major rule" as specified in section 1(b) of E.O. 12291. Accordingly, no regulatory impact analysis has been prepared.

Drafting Information

The principal author of this document was Harold M. Singer, Regulations and Disclosure Law Branch, U.S. Customs Service; however, personnel from other offices participated in its development.

List of Subjects in 19 CFR Parts 162 and 171

Administrative practice and procedures, Law enforcement, Penalties, Seizures and forfeiture.

Amendments to the Regulations

Parts 162 and 171, Customs Regulations (19 CFR parts 162 and 171), are amended as set forth below:

PART 162—RECORDKEEPING, INSPECTION, SEARCH AND SEIZURE

1. The general authority citation of part 162, Customs Regulations, and the specific authority citation for § 162.22, Customs Regulations are revised to read as follows:

Authority: 5 U.S.C. 301; 19 U.S.C. 66, 1624.

Section 162.22 also issued under 18 U.S.C. 546; 19 U.S.C. 1459, 1460, 1594, 1595a, 1701, 1703-1708.

2. Section 162.22(b) is revised to read as follows:

§ 162.22 Seizure of conveyances.

(b) *Facilitating importation contrary to law.* Except as provided in § 171.52(b), every vessel, vehicle, animal, aircraft, or other thing, which is being or has been used in, or to aid or facilitate, the importation, bringing in, unloading, landing, removal, concealing, harboring or subsequent transportation of any article which is being, or has been introduced or attempted to be introduced into the United States contrary to law, shall be seized and held subject to forfeiture. Any person who directs, assists financially or otherwise, or is in any way concerned in any such unlawful activity shall be liable to a penalty equal to the value of the article or articles involved.

3. Section 162.31(a) is amended by adding a sentence at the end of the paragraph to read as follows:

§ 162.31 Notice of fine, penalty, or forfeiture incurred.

(a) *Notice.* * * * For violations involving the possession of personal use quantities of a controlled substance, also see § 171.55.

PART 171—FINES, PENALTIES, AND FORFEITURES

1. The contents of part 171 are amended by adding the contents of subpart F to read as follows:

Subpart F—Expedited Petitioning Procedures

Sec.

171.51 Application and definitions.

171.52 Petition for expedited procedures in an administrative forfeiture proceeding.

Sec.

171.53 Ruling on petition of expedited procedures.

171.54 Substitute res in an administrative forfeiture action.

171.55 Notice provisions.

2. The general authority citation for part 171 is revised and a specific citation added for subpart F to read as follows:

Authority: 19 U.S.C. 66, 1592, 1618, 1624.

d. Subpart F also issued under 19 U.S.C. 1595a, 1605, 1614, Pub. L. 100-690.

3. Section 171.12(b) is revised to read as follows:

§ 171.12 Filing of petition.

(b) *When filed.* If a petitioner seeks expedited relief under subpart F of this part, a petition must be filed within the time frame stated in § 171.52(d). Otherwise, unless additional time has been authorized as provided in § 171.15, petitions for relief shall be filed within 30 days from the date of the mailing of notice of fine, penalty, or forfeiture incurred.

4. Part 171 is amended by adding a new subpart F consisting of §§ 171.51 through 171.55, to read as follows:

Subpart F—Expedited Petitioning Procedures

§ 171.51 Application and definitions.

(a) *Application.* The following definitions, regulations, and criteria are designed to establish and implement procedures required by section 6079 of the Anti-Drug Abuse Act of 1988, Public Law 100-690, title VI (102 Stat. 4181). They are intended to supplement existing law and procedures relative to the forfeiture or property under the identified statutory authority. The provisions of these regulations do not affect the existing legal and equitable rights and remedies of those with an interest in property seized for forfeiture, nor do these provisions relieve interested parties from their existing obligations and responsibilities in pursuing their interests through such courses of action. These regulations are intended to reflect the intent of Congress to minimize the adverse impact occasioned by the prolonged detention of property subject to forfeiture due to violations of law involving possession of personal use quantities of controlled substances. The definition of personal use quantities of controlled substance as contained herein is intended to distinguish between those quantities small in amount which are generally considered to be possessed for personal consumption and not for distribution,

and those larger quantities generally considered to be subject to distribution.

(b) *Definitions.* As used in this subpart, the following terms shall have the meanings specified:

(1) *Appraised value.* "Appraised value" has the meaning given in § 162.43(a) of this chapter.

(2) *Commercial fishing industry vessel.* "Commercial fishing industry vessel" means a vessel that:

(i) Commercially engages in the catching, taking, or harvesting of fish or an activity that can reasonably be expected to result in the catching, taking, or harvesting of fish;

(ii) Commercially prepares fish or fish products other than by gutting, decapitating, gilling, skinning, shucking, icing, freezing, or brine chilling; or

(iii) Commercially supplies, stores, refrigerates, or transports fish, fish products, or materials directly related to fishing or the preparation of fish to or from a fishing, fish processing, or fish tender vessel or fish processing facility.

(3) *Controlled substance.* "Controlled substance" has the meaning given in 21 U.S.C. 802.

(4) *Normal and customary manner.* "Normal and customary manner" means that inquiry suggested by particular facts and circumstances which would customarily be undertaken by a reasonably prudent individual in a like or similar situation. Actual knowledge of such facts and circumstances is unnecessary, and implied, imputed, or constructive knowledge is sufficient. An established norm, standard, or custom is persuasive but not conclusive or controlling in determining whether a petitioner acted in a normal and customary manner to ascertain how property would be used by another legally in possession of the property.

(5) *Owner or interested party.* "Owner or interested party" means one having a legal and possessory interest in the property seized for forfeiture or one who was in legal possession of the property at the time of seizure and is entitled to legal possession at the time of granting the petition of expedited procedure. This includes a lienholder, to the extent of his interest in the property, whose claim is in writing (except for a maritime lien which need not be in writing), unless the collateral is in the possession of the secured party. The agreement securing such a lien must create or provide for a security interest in the collateral, describe the collateral and be signed by the debtor.

(6) *Personal use quantities.* "Personal use quantities" means possession of controlled substances in circumstances where there is no evidence of intent to distribute, or to facilitate the

manufacturing, compounding, processing, delivering, importing or exporting of any controlled substance. A quantity of a controlled substance is presumed to be for personal use if the amounts possessed do not exceed the quantities set forth in paragraph (b)(6)(i) of this section if there is no evidence of illicit drug trafficking or distribution such as, but not limited to the factors set forth in paragraph (b)(6)(ii) of this section. The possession of a narcotic, a depressant, a stimulant, a hallucinogen or a cannabis-controlled substance will be considered in excess of personal use quantities if the dosage unit amount possessed provides the same or greater equivalent efficacy as described in paragraph (b)(6)(i) of this section.

(i) *Quantities presumed to be for personal use unless evidence of illicit drug trafficking or distribution exists.* (A) One gram of a mixture of substance containing a detectable amount of heroin;

(B) One gram of a mixture of substance containing a detectable amount of—

(1) Coca leaves, except coca leaves and extracts of coca leaves from which cocaine, ecgonine, and derivations of ecgonine or their salts have been removed;

(2) Cocaine, its salts, optional and geometric isomers, and salts of isomers;

(3) Ecgonine, its derivatives, their salts, isomers, and salts of isomers; or

(4) Any compound, mixture, or preparation which contains any quantity of any of the substances referred to in paragraphs (b)(6)(i)(B) (1) through (3) of this section;

(C) 1/10th gram of a mixture of substances described in paragraph (b)(6)(i)(B) of this section which contains cocaine base;

(D) 1/10th gram of mixture of substance containing a detectable amount of phencyclidine (PCP);

(E) 500 micrograms of a mixture of substance containing a detectable amount of lysergic acid diethylamide (LSD);

(F) One ounce of a mixture of substance containing a detectable amount of marijuana; or

(G) One gram of methamphetamine, its salts, isomers, and salts of its isomers, or one gram of a mixture of substances containing a detectable amount of methamphetamine, its salts, isomers, or salts of its isomers.

(ii) *Evidence of possession for other than personal use.* Quantities shall not be considered to be for personal use if sweepings are present or there is other evidence of possession for other than personal use such as:

(A) Evidence such as drug scales, drug distribution paraphernalia, drug records, drug packaging material, method of drug packaging, drug "cutting" agents and other equipment, that indicates an intent to process, package or distribute a controlled substance;

(B) Information from reliable sources indicating possession of a controlled substance with intent to distribute;

(C) The arrest and/or conviction record of the person or persons in actual or constructive possession of the controlled substance for offenses under Federal, State or local law that indicates an intent to distribute a controlled substance;

(D) The controlled substance is related to large amounts of cash or any amount of prerecorded government funds;

(E) The controlled substance is possessed under circumstances that indicate such a controlled substance is a sample intended for distribution in anticipation of a transaction involving large quantities, or is part of a larger delivery; or

(F) Statements by the possessor, or otherwise attributable to the possessor, including statements of conspirators, that indicate possession with intent to distribute.

(7) *Property*. "Property" means property subject to forfeiture under 21 U.S.C. 881(a) (4), (6), and (7); 19 U.S.C. 1595a, and 49 U.S.C. App. 782.

(8) *Seizing agency*. "Seizing agency" means the Federal agency which has seized the property or adopted the seizure of another agency, and has the responsibility for administratively forfeiting the property.

(9) *Sworn to*. "Sworn to" refers to the oath as provided by 28 U.S.C. 1746 or as notarized in accordance with state law.

§ 171.52 Petition for expedited procedures in an administrative forfeiture proceeding.

(a) *Procedures for violations involving possession of controlled substance in personal use quantities*. The usual procedures for petitions for relief when property is seized are set forth in subpart B of this part. However, where property is seized for administrative forfeiture pursuant to 21 U.S.C. 881(a) (4), (6) or (7), 19 U.S.C. 1595a and/or 49 U.S.C. App. 782 due to violations involving controlled substances in personal use quantities, a petition may be filed pursuant to paragraphs (c) and (d) of this section to seek expedited procedures for release of the property. A petition filed pursuant to this subpart shall also serve as a petition for relief filed under subpart B of this part. The petition may be filed by an owner or interested party.

(b) *Commercial fishing industry vessels*. Where a commercial fishing industry vessel proceeding to or from a fishing area or intermediate port of call or actually engaged in fishing operations is subject to seizure for administrative forfeiture for a violation of law involving controlled substances in personal use quantities, a summons to appear shall be issued in lieu of a physical seizure. The vessel shall report to the port designated in the summons no later than the date specified in the summons. When a commercial fishing industry vessel reports, the appropriate Customs officer shall, depending on the facts and circumstances, either issue another summons to appear at a time deemed appropriate, execute a constructive seizure agreement pursuant to 19 U.S.C. 1605, or take physical custody of the vessel. When a summons to appear has been issued, the seizing agency may be authorized to institute administrative forfeiture as if the vessel had been physically seized. When a summons to appear has been issued, the owner or interested party may file a petition for expedited procedures pursuant to subsection (a); the provisions of subsection (a) and other provisions in this subpart relating to a petition for expedited release shall apply as if the vessel had been physically seized.

(c) *Elements to be established in petition*. (1) The petition for expedited procedures shall establish that:

(i) The petitioner has a valid, good faith interest in the seized property as owner or otherwise;

(ii) The petitioner reasonably attempted to ascertain the use of the property in a normal and customary manner; and

(iii) The petitioner did not know or consent to the illegal use of the property or, in the event that the petitioner knew or should have known of the illegal use, the petitioner did what reasonably could be expected to prevent the violation.

(2) In addition, the petitioner may submit evidence to establish that he has statutory rights or defenses such that he would prevail in a judicial proceeding on the issue of forfeiture.

(d) *Manner of filing*. A petition for expedited procedures must be filed in a timely manner to be considered by Customs. To be filed in a timely manner, the petition must be received by Customs within 20 days from the date the notice of seizure was mailed, or in the case of a commercial fishing industry vessel for which a summons to appear is issued, 20 days from the original date when the vessel is required to report. The petition must be sworn to by the petitioner and signed by the petitioner or his attorney at law. If the

petitioner is a corporation, the petition may be sworn to by an officer or responsible supervisory employee thereof and signed by that individual or an attorney at law representing the corporation. Both the envelope and the request must be clearly marked "PETITION FOR EXPEDITED PROCEDURES." The petition shall be addressed to the U.S. Customs Service and filed in triplicate with the district director for the district in which the property was seized, or for commercial fishing industry vessels, with the district director having jurisdiction over the port to which the vessel was required to report.

(e) *Contents of petition*. The petition shall include the following:

(1) A complete description of the property, including identification numbers, if any, and the date and place of the violation and seizure;

(2) A description of the petitioner's interest in the property, supported by the documentation, bills of sale, contracts, mortgages, or other satisfactory documentary evidence; and

(3) A statement of the facts and circumstances relied upon by the petitioner to justify expedited return of the seized property, supported by satisfactory evidence.

§ 171.53 Ruling on petition for expedited procedures.

(a) *Final administrative determination*. Upon receipt of a petition filed pursuant to § 171.52, Customs shall determine first whether a final administrative determination of the case can be made within 21 days of the seizure. If such a final administrative determination is made within 21 days, no further action need be taken under this subpart.

(b) *Determination within 20 days*. If no such final administrative determination is made within 21 days of the seizure, Customs shall within 20 days after the receipt of the petition make a determination as follows:

(1) If Customs determines that the factors listed in § 171.52(c) have been established, it shall terminate the administrative proceedings and release the property from seizure, or in the case of a commercial fishing industry vessel for which a summons has been issued, but not yet answered, dismiss the summons. The property shall not be returned if it is evidence of a violation of law.

(2) If Customs determines that the factors listed in § 171.52(c) have not been established, it shall proceed with the administrative forfeiture.

§ 171.54 Substitute res in an administrative forfeiture action.

(a) *Substitute res.* Where property is seized for administrative forfeiture for a violation involving controlled substances in personal use quantities, the owner or interested party may offer to post an amount equal to the appraised value of the property (the res) to obtain release of the property. The offer, which may be tendered at any time subsequent to seizure and up until the completion of administrative forfeiture proceedings, must be in the form of cash, irrevocable letter of credit, certified funds such as a certified check, traveler's check(s), or money order made payable to U.S. Customs. Unless the property is evidence of a violation of law or has other characteristics that particularly suit it for use in illegal activities, it will be released to the owner or interested party subsequent to tender of the substitute res.

(b) *Forfeiture of res.* If a substitute res is posted and it is determined that the property should be administratively forfeited, the res will be forfeited in lieu of the property.

§ 171.55 Notice provisions.

(a) *Special notice provision.* At the time of seizure of property defined in § 171.51, written notice must be provided to the possessor of the property regarding applicable statutes and Federal regulations including the procedures established for the filing of a petition for expedited procedures as set forth in section 6079 of the Anti-Drug Abuse Act of 1988 and implementing regulations.

(b) *Notice provision.* The notice as required by section 1607 of Title 19, United States Code and applicable regulations shall be made at the earliest practicable opportunity after determining ownership of, or interest in, the seized property and shall include a statement of the applicable law under which the property is seized and a statement of the circumstances of the seizure sufficiently precise to enable an owner or interested party to identify the date, place and use of acquisition which makes the property subject to forfeiture.

William von Raab,

Commissioner of Customs.

Approved: September 1, 1989.

Salvatore R. Martoche,

Assistant Secretary of the Treasury.

[FR Doc. 89-21211 Filed 9-8-89; 8:45 am]

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DEPARTMENT OF JUSTICE**Office of the Attorney General****Drug Enforcement Administration****21 CFR Part 1316**

[Order No. 1363-89]

Anti-Drug Abuse Act of 1988; Expedited Forfeiture Procedures for Certain Property

AGENCY: Office of the Attorney General, Drug Enforcement Administration, Department of Justice.

ACTION: Final rule.

SUMMARY: Section 6079 of the Anti-Drug Abuse Act of 1988 (Pub. L. 100-690) requires the Attorney General and the Secretary of the Treasury to prescribe regulations for expedited administrative procedures for seizures under section 511(a)(4), (6) and (7) of the Controlled Substances Act (21 U.S.C. 881(a)(4), (6) and (7)); section 596 of the Tariff Act of 1930 (19 U.S.C. 1595a(a)); and section 2 of the Act of August 9, 1939 (53 Stat. 1291; 49 U.S.C. App. 782) for violations involving the possession of personal use quantities of a controlled substance. Section 6079 further requires that the Attorney General, the Secretary of the Treasury, and the Secretary of Transportation prescribe joint regulations providing for issuance of a summons to appear in lieu of seizure of a commercial fishing industry vessel as defined in section 2101(11a), (11b), and (11c) of title 46, United States Code, for violations involving the possession of personal use quantities of a controlled substance. These regulations would apply when a violation is committed on a commercial fishing industry vessel that is proceeding to or from a fishing area or intermediate port of call or is actively engaged in fishing operations.

The Department of Justice, on behalf of the Attorney General, has consulted with the U.S. Customs Service, acting on behalf of the Secretary of the Treasury, and the U.S. Coast Guard, acting on behalf of the Secretary of Transportation, in formulating consistent and compatible regulations to carry out section 6079.

Section 6080 of the Anti-Drug Abuse Act of 1988 requires the Attorney General to prescribe regulations providing for: (1) The expedited release, in certain cases, of conveyances seized for drug-related offenses during the pendency of civil judicial forfeiture proceedings against the conveyance; (2) the expedited filing of complaints against conveyances seized for drug-related offenses; and (3) the release,

except in certain specified circumstances, of any such conveyance to any owner who provides security in the form of a bond in an amount equal to the value of the conveyance.

The Department of Justice, on behalf of the Attorney General and in consultation with the United States Customs Service and United States Coast Guard, published a Notice of Proposed Rulemaking in the *Federal Register* on April 10, 1989. (54 FR 14246). On that same date, the United States Customs Service and the United States Coast Guard published separate Notices of Proposed Rulemaking in the *Federal Register* to carry out their respective responsibilities under section 6079. (54 FR 14242 and 54 FR 14250).

Various comments have been received in response to these Notices of Proposed Rulemaking. The Department of Justice has reviewed the comments received by all of the agencies and is today responding to those comments and promulgating its Final Rule. The United States Customs Service and the United States Coast Guard are also responding to comments and promulgating Final Rules which are being published separately in today's *Federal Register*.

EFFECTIVE DATE: October 11, 1989.

FOR FURTHER INFORMATION CONTACT:

Harry S. Harbin, Associate Director, Asset Forfeiture Office, Criminal Division, (202) 786-4950.

SUPPLEMENTARY INFORMATION:**Drafting Information**

The principal person involved in drafting this Final Rule is Harry S. Harbin, Associate Director, Asset Forfeiture Office, Criminal Division.

Discussion of Comments

Seven comments were received in response to the Notices of Proposed Rulemaking published by the Department of Justice, the United States Customs Service and the United States Coast Guard. Several of the comments were duplicates that were sent either to two or to all three agencies. Copies of all of the comments were exchanged by the three agencies.

Applicable Time Periods

Several comments complained that § 1316.93 of the Proposed Regulation allows the Department of Justice more time to make a decision on a petition filed in an administrative forfeiture action than section 6079 of the Anti-Drug Abuse Act of 1988 (ADAA) provides for. We disagree.

Section 6079 of the ADAA specifies that the regulations shall "provide for a