

At the end of 2020, Congress took decisive action to strengthen trademarks and protect brand owners with the Trademark Modernization Act, or “TM Act,” of 2020. It addresses three general categories of [trademark](#) issues: litigation, prosecution, and ex parte practice. The TM Act brings significant changes that could have major impacts for trademark owners and trademark practitioners. We will take up the first two categories of changes here, and the third in a separate post.

Regarding litigation, the TM Act strengthens trademark owners’ ability to obtain a permanent injunction by restoring the rebuttable presumption of harm that arises when a trademark owner proves either a Lanham Act claim or a likelihood of success on the merits in a permanent injunction or temporary restraining order. For practitioners in Tennessee, this law overturns Sixth Circuit precedent adopted in *Audi AG v. D’Amato*, 469 F.3d 534, 550 (6th Cir. 2006).

Congress’s action suggests that trademark law and patent law should not be read together. The Sixth Circuit’s elimination of the presumption in *Audi* stemmed directly from an earlier 2006 Supreme Court case that eliminated the presumption of injunction in patent cases. The courts then imported that patent law precedent into trademark law. Indeed, this is not the only example in the TM Act where Congress seems to be discouraging the cross-application of precedent between trademark and patent cases, which we will discuss later.

Practically, this change increases the value of federal court litigation for trademark holders because the most sought-after relief in many trademark cases – an injunction against infringement – can be acquired early, even before discovery. Together with the 2020 Supreme Court decision affirming that trademark owners need not prove willfulness to garner damages, trademark owners can now obtain relief on the front end (preliminary injunction) in combination with the greater prospect of relief at the end of litigation (damages). This change, which, unlike the other TM Act provisions takes place immediately, alters the balance against infringers and restores a powerful tool for businesses to protect their brands.

Regarding trademark prosecution, the TM Act codifies an oddity in trademark prosecution, the Letter of Protest mechanism. Now third parties can submit evidence to a trademark examiner during the prosecution process, instead of forcing third parties to wait until the opposition period. While this mechanism was already available, the revisions formalize that option.

Previously, nothing required the Director to account for unsuccessful Letters or that trademark examiners actually reviewed, considered, and resolved Letters received. While it appears to require a written determination by the Director on whether to allow the third-party evidence, the TM Act does not specify that the examining attorney must consider or address the third-party evidence. It remains to be seen if the USPTO will adopt formal rules to provide such examiner accountability.

The TM Act also introduces more flexibility in setting response times for Office Actions.

Previously, the Lanham Act required almost all Office Actions to allow a six-month response period. Now, the USPTO can set response periods between two and six months, depending on the issue. The applicant will still have the option to “buy” the full six months – the law says that the USPTO can set fees for extensions of time to respond to all Office Actions up to six months. But shortening some response times should expedite prosecution of more trademarks. This will require adjustments in filing strategy by lawyers and businesses pursuing registration.

In sum, the TM Act takes major steps to streamline trademark litigation and prosecution. These changes likely will have a net benefit for trademark owners and thereby consumers. Our next post will look at some other new procedures under trademark law.