Feature
By **Trevor Little**

Talking trademarks at the USPTO

In an exclusive interview with *WTR*, David Kappos, director of the US Patent and Trademark Office (USPTO), explains how the Trademarks Next Generation project is being approached and takes issue with the suggestion that trademarks are not receiving the attention they deserve from the agency

In March you announced the Trademarks Next Generation project, with the ultimate goal of complete end-to-end electronic processing, both internally and externally. What are the aims of the scheme?
Firstly, I always start these discussions from the user's point of view – so from the perspective of the trademark examining attorneys and, most importantly, the global trademark community. What we are trying to accomplish is to enable mark owners to interact so extensively with their trademarks via the USPTO that they can actually manage their portfolios via our capabilities. So they can do everything they need to do relative to filing, prosecuting and, following grant, maintaining and leveraging their portfolio through us. In terms of the infrastructure, to achieve this we want to move the system to a virtual environment, to put the trademark operation in the cloud. Virtualization enables the system to work in a more scalable manner and handle dramatic changes in workload. It will also be more fault tolerant, meaning that if a particular piece of hardware or software goes down somewhere, the system does what it needs to do and continues running, so that no member of the trademark user community or examiner sees any change as the system adapts to changing environments.

What stage is the project at?
We are utilizing a user-centred design approach. It is a private sector approach and starts by asking users what they want this thing to look like. What is success? When this system is ready, what are the problems it will solve? We ask these kinds of questions and I have been swamped with input – we have got some really great ideas. So we are still at a relatively early stage and I can't give you a specific timeframe for delivery at this point – that depends on the federal procurement process once we have got all the input closed. That said, as a very general timeframe, I would say, think in terms of a two-year picture.

In two years, technology will have moved on again. How are you ensuring that the development takes into account the latest technological capabilities?
This gets into architecture and it is at a preliminary stage at the moment, but what I can tell you is that at a high level, the system will be built using a modern development approach, termed 'agile procurement'. Instead of using the traditional federal procurement technique – where you write a long specification list consisting of hundreds of pages with thousands of requirements and give that to a vendor, then wait for three or four years and hope that they produce what you want them to (and more often than not they don't) – the agile approach uses a series of iterations, very closely spaced. So we expect to be developing individual functions and components on a monthly basis, and that way if something goes wrong or we get a deliverable that was not what we expected, it is not a big deal. We don't need to come to blows over it, because it is only one month of work. By working together and iterating it, you take a relationship that was almost bound to be contentious and you translate it into a functional one.

Post-launch, will the system be geared to develop further, because again technology will keep moving on?
Absolutely. It will be a requirement, to bid successfully for our IT projects, that the vendor be able to show that the architecture it has selected will be able to quickly add new functions and features. The reason for this is that, unlike the IT requirement of many businesses, the trademark environment in which the USPTO operates is subject to frequent change – change because of court decisions and new statutes; change because we altered the code of federal regulations that govern trademark practice; change because of treaties. So you have to get used to the notion that the system will be an ever-evolving organism and, when you start from that premise, you are comfortable with the notion that the architecture has to be able to adapt at every level.

Aside from the Next Generation project, a lot of your work to date has been patent focused. Is there a danger that trademarks will inevitably receive less attention?
The good news about the USPTO is that there is one part of our agency that works really well – I refer to it as 'the little engine that can and does' – and that is the trademark office. It is extremely well managed. Lynne Beresford is an expert leader and manger. Her deputy, Deborah Cohn, is an expert leader and manager – so much so that I tapped Debbie when I needed an acting chief administrative officer for the entire agency. That is how capable Lynne and Debbie are. When I needed an acting chief financial officer, guess who I tapped? Karen Strohecker from the trademark function. So it is an incredibly capable team, backlog and pendency are at ideal levels and the labour union that represents most of the employees in the trademark function has a really good relationship with management. This is an organization that knows what

it is doing. There are a number of things I have learnt in my 20-plus years of management and one of those is if it ain't broke, don't fix it. When you have an organization that is working well, your job is to be a cheerleader and stay out of its way. So I do that, to a large extent. With that said, I would take real issue with anyone who said I was neglecting the trademark function. While I spend the bulk of my time on patent issues, when there is a trademark issue it gets my attention immediately.

Are there changes you have implemented in the running of the trademark office?
I do believe that I am handling the trademark side differently from previous leaderships and recognize that the trademark office of the USPTO is so functional that it presents an opportunity to test new concepts. As an example, we wanted to try out a new style of examining applications for both patents and trademarks. The approach, which appears paradoxical, is to use team examination, where instead of having one examiner on a particular case, you have two. Now, you would think that this would cost a lot in terms of performance – that it would improve quality, but cost more in terms of efficiency. However, the same approach has been tried in the software field and it turns out that you get both higher quality and efficiency by having two people rather than one. So we wanted to try it out and run a test at the USPTO. We thought about trying it out on the patent side, but we said, 'No, the patent team has more than enough problems while the trademark team has its act totally together, so let's pilot this with that team.' So we are doing that at the moment. The trademark team acts as the vanguard, and the ideas that work we learn from and use across the agency. This is an example of how you use an organization that is working well to blaze a trail – and there are no headlights in front of them as they are leading the way. I'd contend that, even on a global basis, there is no one ahead of the US trademark office.

Turning to more international issues, what are your thoughts on the trend towards abandoning relative grounds examinations in Europe?
One thing I will say unequivocally is that we like relative grounds examination. We carry out both absolute and relative examination, and think this has resulted in very high precision in the register and allows a greater numbers of marks to co-exist. In most cases a trademark is being used by a specific party for very specific goods and services, and a similar mark can co-exist on the register and in use. We are also happy with the relatively low rate of oppositions we have. This means we have a system that is cost effective for users, as oppositions do cost a lot of money. We respect other approaches, but feel that the US relative/absolute examination system really is the gold standard and produces a system that best meets the needs of the user community – it is precise, appropriately protective and cost effective.

In this environment, how would you characterize your relationship with other offices? You recently signed an agreement to work towards the sharing of patent examinations with the UK Intellectual Property Office (UKIPO) – has the change in government had any impact on that?
The ongoing implementation of our work with the UKIPO is full steam, steady ahead and there has been no change following the election. We also have strong relationships with other offices throughout Europe and Asia. Ultimately, the trademark system benefits from being more settled, functional and harmonized, in many ways, than the patent system, and that makes it easy to work with other trademark offices.

In Europe, there have been discussions over European Council proposals that the Office for Harmonization in the Internal Market (OHIM) will commence anti-counterfeiting work. What are your thoughts on such a move?
I really can't comment on that, as I'm not familiar enough with that proposal and what it may mean. What I can say, though, is that commerce has gone global. If you are advertising widgets from Suffolk and putting them on the Internet, it's global. In this environment, counterfeiting has become a bigger problem than ever – and a more dangerous one. You aren't just talking about a fake pair of sneakers. You are talking about the pills your family is taking, the milk your baby is drinking and maintenance parts for aircraft. It is a serious business and the USPTO is actually holding a summit on counterfeiting, especially in the area of medicines and health-related products. We are, of course, against the counterfeiting of any product and infringement of any trademark, but we felt that the subject of health-related counterfeiting deserved specific attention due to the safety-related concerns. Counterfeiting is a huge and growing problem, not a small and shrinking one, or even a stable one – it is bad and going in the wrong direction. Therefore, a global focus on counterfeiting is needed for a number of reasons, including respect for property and to encourage the development of brands, but with health and safety reasons layered on top.

So should there at least be a discussion about national offices being more involved in anti-counterfeiting?
Again, without commenting on the OHIM proposal, as I am not familiar with that example, I do accept and agree with the premise that creative steps – even disruptive and radical steps – should be considered and we should be talking about them because we need to change the game. My management experience has shown me that when you are dealing with incremental problems, you can take incremental steps. When you are dealing with existential or disruptive problems, you need to take disruptive steps.

In this respect, have you had a close relationship with Victoria Espinel as she developed the joint strategic plan for IP (see news, page 6)?
We have extensive interaction with Victoria and actually have a key employee detailed to help with her work. We have also been helping with the development of her IP enforcement strategy and commented on it extensively. In fact, many of these documents have been so long and detailed that I have saved them as weekend work, and used this time to study them and comment. So again, hopefully that illustrates that I really am giving trademarks the attention they deserve. WTR