published: NYIPLA Bulletin, Jan/Feb 2008

Recent Changes To Trademark Trial And Appeal Board Rules

By Kenneth M. Bernstein, Holly Pekowsky and Mark Berkowitz[1]

Traditionally, opposing an application or petitioning to cancel a registration in the Trademark Trial and Appeal Board ("TTAB") has been an attractive alternative to litigation in the courts, in part because such opposition and cancellation proceedings have not required some of the hallmarks of a civil action, such as scheduling conferences, initial disclosures and expert disclosures. However, recent amendments to the TTAB will now place many of these same burdens upon parties participating in Board proceedings.

On August 1, 2007, the U.S. Patent and Trademark Office published its final amendments to the TTAB Trademark Rules of Practice. 72 Fed. Reg. 42242. The majority of the new Rules were effective as of November 1, 2007, although several were effective as of August 31, 2007. The purpose of the new Rules, as stated by the Board, is to improve the efficiency of discovery, promote early settlement and increase procedural fairness by preventing unfair surprise. In general, the changes bring the TTAB Rules more in line with the Federal Rules of Civil Procedure.

I. Service of Pleadings

Under the previous Rules, the party in position of plaintiff (e.g., the opposer in an opposition, or the petitioner in a petition to cancel) filed a copy of the commencement pleading with the TTAB, which then forwarded a copy to each party in the position of defendant (e.g., applicant in an opposition or registrant in a cancellation). Under the new Rules, the party in position of plaintiff must serve the commencement pleading directly on the party in position of defendant[2] (or domestic representative, depending on the correspondence address provided in the Office Records).[3] 37 C.F.R. § 2.101; 37 C.F.R. § 2.111. Service must be effected by one of the methods provided in 37 C.F.R. § 2.119, specifically, personal service, first class mail, express mail or overnight courier. The opposer or petitioner must include proof of service when filing its notice of opposition or petition to cancel with the Board. 37 C.F.R. § 2.101; 37 C.F.R. § 2.111. Service may be made by e-mail only if the defendant has agreed to accept such service.[4] 37 C.F.R. § 2.119(b)(6). These changes apply to all cases commenced on or after November 1, 2007.

In addition, the TTAB may now serve notice by e-mail when a party has provided the Office with an e-mail address. 37 C.F.R. § 2.105(a); 37 C.F.R. § 2.113(a). This change applies to all cases pending or commenced on or after August 31, 2007.

II. Discovery/Settlement Conferences

In order to promote early resolution of issues, parties are now obligated to participate in an early discovery and settlement conference within thirty (30) days after the due date of the answer. 37 C.F.R. § 2.120(a)(2). An interlocutory attorney or an administrative trademark judge will participate if requested ten (10) days before the deadline to have the conference. Id. If neither party requests participation by the Board, the parties must meet on their own, in person or by telephone. Id. The new Rules do not require a disclosure/discovery plan to be filed with the Board unless a party is seeking to change the deadlines set forth in the new Rules. See 72 Fed. Reg. at 42245 for a complete list of these deadlines. These changes apply to all cases commenced on or after November 1, 2007.

©Copyright Amster Rothstein & Ebenstein LLP. All rights reserved.

III. Initial Disclosures

Parties must now make initial disclosures in Board proceedings as required by Federal Rule 26(a)(1). The initial disclosures must be made within thirty (30) days from the opening of the discovery period. 37 C.F.R. § 2.120(a)(2). In a typical case, this will provide a longer disclosure period than under Federal Rule 26(a)(1), which measures from the actual date the conference is held, providing additional time for settlement. The initial disclosures include the identities of potential witnesses and basic information about evidence that the disclosing party may use to support a claim or defense. Fed. R. Civ. P. 26(a)(1). A party may not seek discovery or move for summary judgment, except on grounds of claim or issue preclusion or lack of jurisdiction by the Board, until it has made its initial disclosures. 37 C.F.R. § 2.127(e)(1). Parties may agree, subject to Board approval, to forego initial disclosures. 37 C.F.R.§ 2.120(a)(2). These changes apply to all cases commenced on or after November 1, 2007.

IV. Expert Disclosures

Expert witnesses are not typically used in Board proceedings due to their expense. However, they are used in some instances, most commonly where a party seeks to conduct and introduce a survey into evidence, for example, that a registrant's mark is generic, or that an applicant's mark is likely to dilute an opposer's mark.

The new Rules pertaining to expert witnesses "provide[] the Board with flexibility to make any orders necessary to accommodate disclosure of experts . . . in the rare cases when expert testimony may be used." 72 Fed. Reg. at 42254. A plaintiff or defendant planning to use an expert at trial must disclose the expert's identity thirty (30) days before the close of discovery. 37 C.F.R. § 2.120(a)(2). Federal Rule 26(a)(2), incorporated by reference in the new Rules, details the information a party must provide to satisfy its expert disclosure obligations. Id. Once the required disclosure is made, the TTAB may suspend ongoing proceedings to allow discovery limited to experts. 72 Fed. Reg. at 42246. If a party decides to retain an expert after the deadline, a motion for leave to present expert testimony must be filed. 37 C.F.R. § 2.120(a)(2). These changes apply to all cases commenced on or after November 1, 2007.

V. Pretrial Disclosures

Parties must now serve pretrial disclosures fifteen (15) days before the opening of their testimony periods. Disclosure must include witness lists, testimony topics and witness exhibit categories. 37 C.F.R. § 2.121(e). The disclosures are governed by Federal Rule 26(a)(3), except that a party need not disclose each document or exhibit that it plans to introduce at trial as required by Rule 26(a)(3)(C). 72 Fed. Reg. at 42246. A party may object to improper or inadequate pretrial disclosures and may move to strike the testimony of a witness for lack of proper pretrial disclosure. Id. These changes apply to all cases commenced on or after November 1, 2007.

VI. Protective Orders

The Board took note that the discovery process was often hindered by the lack of a protective order. For example, an opposer who asserts that there is a likelihood of confusion between an applicant's mark and the opposer's well known mark may well be asked to produce sales figures to evidence or refute the allegation that its mark is well known. To streamline discovery in future proceedings, the TTAB's standard Protective Order[5] is now applicable in all pending cases, except those that already have a protective order in place. 37 C.F.R. § 2.116(g). A party may still move for a different protective order, under TTAB or federal rules, when the standard order is insufficient to provide the protection needed. 72 Fed. Reg. at 42244. Under the standard Protective Order, any individual not falling within the definition of a party or attorney must sign an acknowledgement form as a condition for gaining access to protected information through a party or attorney. Id. These changes apply to all cases pending or commenced on or after August 31, 2007.

VII. Motions and Page Limits

The TTAB has clarified the rule on page limits for the briefing of motions. A table of contents, index of cases, description of record, statement of the issues, recitation of facts, argument and summary all count against the limit of twenty-five (25) pages for a brief in support of a motion or in response to a motion, and the limit of ten (10) pages for a reply brief. 37 C.F.R. § 2.127(a).

©Copyright Amster Rothstein & Ebenstein LLP. All rights reserved.

Furthermore, submissions to the TTAB may no longer be made in CD-ROM format. These rule changes are applicable to all cases pending or commenced on or after August 31, 2007.

VIII. Conclusions

While the new Rules certainly place additional burdens on the parties involved, they also offer several benefits and are still less burdensome than civil actions. By encouraging early settlement, substantial time and expense may be saved. For those cases that do not settle, the revised disclosure requirements, as well as the availability of a protective order from the outset, should help streamline the discovery process.

Notwithstanding the new Rules, TTAB proceedings still differ from traditional litigation in several important respects. For example, the TTAB's decision in a Board proceeding only affects the applicant or registrant's right to register, not use a mark.[6] Although a court in a civil action relating to the allegedly infringing use of a mark may give weight to the TTAB's decision regarding registrability of the mark, the court is not bound by the Board's decision.[7] In addition, unlike a trial in a civil litigation, proceedings before the Board are conducted entirely in writing, eliminating the need for parties to appear before the Board, unless an oral hearing is requested by a party. TBMP § 102.03. These, along with certain other procedural differences, make it likely that even with the new Rules, TTAB proceedings will still offer a less costly alternative to a court action.

[1] Kenneth M. Bernstein is a partner, and Holly Pekowsky and Mark Berkowitz are associates, at Amster, Rothstein & Ebenstein LLP. Their practices specialize in intellectual property matters, including litigating patent, trademark and other intellectual property disputes, registering trademarks and service marks with the U.S. Patent and Trademark Office and other trademark offices throughout the world, and drafting and negotiating intellectual property agreements. They may be reached at kbernstein@arelaw.com, hpekowsky@arelaw.com and mberkowitz@arelaw.com. This article is not intended to express the views of the firm or its clients.

[2] An opposer must also serve the applicant's or registrant's attorney, if one is listed in the application. 37 C.F.R. § 2.101.

[3] If an applicant or party to a proceeding is not domiciled in the United States, it may designate a domestic representative who may be served with notice of proceedings by filing a document with the Trademark Office. 37 C.F.R. § 2.24; 37 C.F.R. § 2.119(d).

[4] A concurrent-use applicant will not have to serve copies of its application on any defending applicant, registrant, or common law mark owner until receipt of a Board notice that the concurrent-use application has commenced. 37 C.F.R. § 2.99(d)(1).

[5] The standard Protective Order can be found in the Appendix of Forms to the TTAB Manual of Procedure which is available at http://www.uspto. gov/web/offices/dcom/ttab/tbmp/index.html.

[6] The Board does not have authority to determine a right to use, or to decide broader questions of infringement or unfair competition. TBMP § 102.01.

[7] See In re Dr. Pepper Co., 836 F.2d 508, 510 (Fed. Cir. 1987) ("While the interpretations of the statute by the board are not binding on this court, under general principles of administrative law, deference should be given by a court to the interpretation by the agency charged with its administration.").

©Copyright Amster Rothstein & Ebenstein LLP. All rights reserved.