



BY PETER D. VOGL

**PLAYING  
BY  
THE RULES:  
THE NEW TRADEMARK  
TRIAL AND APPEAL  
BOARD RULES**

Prior to the most recent changes made to the rules of the Trademark Trial and Appeal Board (“TTAB”), one of the first topics trademark attorneys discussed with their clients in helping them decide whether to pursue contested proceedings (such as oppositions and cancellations) was the fact that it was likely going to be a long and inefficient process.

Extensions of discovery schedules, repeated requests to suspend, and motions to compel resulting in case suspensions were all commonplace. With such delay tactics, together with the TTAB's excruciatingly slow pace, parties could often expect years to pass before reaching an acceptable resolution to their trademark disputes. Still, despite its reputation for inefficiency and delay, many parties opted to proceed before the TTAB instead of pursuing court proceedings, which could prove significantly more costly.

In an effort to increase efficiency, encourage early settlement, provide greater disclosure of information, and promote procedural fairness, the United States Patent and Trademark Office ("USPTO") adopted significant changes to the rules of practice before the TTAB. However, while the USPTO may be achieving its goal of encouraging early settlement, in many cases this outcome is not a direct result of the effectiveness of the new rules, but rather stems from the fact that the new rules create more work and significantly increase the costs for the parties.

The new rules essentially adopt a modified version of the Federal Rules of Civil Procedure ("FRCP"), implementing a system that requires parties to disclose information and documents, without waiting for discovery requests, and to discuss settlement options, or plans for disclosure and discovery, including the costly production of electronically stored information ("ESI"). (The revised rules, however, do not provide the TTAB with authority to award damages. This limitation continues to provide a clear distinction between the relief available to the TTAB and that available in proceedings before state or federal courts.) In considering whether to bring or defend a case before the TTAB, it is imperative for companies and/or individuals to understand that these proceedings, now more than ever, are much more akin to litigation. (Parties concerned with issues pertaining to the use of a mark, rather than registration, must pursue litigation in court, since the USPTO has jurisdiction only over registration.) Accepting the risk of an opposition when adopting a new mark, and determining whether to proceed with an opposition, requires far more forethought than ever before.

*As outlined below, the most significant changes to the new rules, which became effective November 1, 2007, unless otherwise noted, concern service of papers, a standard protective order, an initial conference, initial disclosure of evidence, expert disclosures, and pretrial disclosures. An example of a timeline adhering to the new rules for an opposition or cancellation proceeding, which is slightly longer than under the prior rules, is as follows:*

|                |   |
|----------------|---|
| <b>Day 0</b>   | TTAB complaint filed  |
| <b>Day 1</b>   | Board institutes proceedings  |
| <b>Day 40</b>  | Deadline to file answer   |
| <b>Day 70</b>  | Deadline for initial conference   |
|                | Discovery opens (discovery cannot be served until initial disclosures are served) |
| <b>Day 100</b> | Deadline for initial disclosures  |
| <b>Day 220</b> | Deadline for testifying experts' disclosures                                      |
| <b>Day 250</b> | Deadline for rebuttal experts' disclosures  |
|                | Discovery closes  |
| <b>Day 295</b> | Deadline for plaintiff's pretrial disclosures                                     |
| <b>Day 340</b> | Plaintiff's 30-day testimony period closes  |
| <b>Day 355</b> | Deadline for defendant's pretrial disclosures                                     |
| <b>Day 400</b> | Defendant's 30-day testimony period closes  |
| <b>Day 415</b> | Deadline for plaintiff's rebuttal pretrial disclosures                            |
| <b>Day 445</b> | Plaintiff's 15-day rebuttal testimony period closes                               |

## SERVICE

Under the new rules, the plaintiff, rather than the TTAB, must serve the complaint on the defendant. Service must be made to the owner of record or the domestic representative, as indicated on the USPTO web site. (In an opposition proceeding, the attorney of record, if listed, is served.)

In light of this rule change, it is important that registration owners update their USPTO contact information. The plaintiff is required to serve a petition to cancel only on the address listed on the USPTO web site. Review of the USPTO's assignment and file history databases is recommended. However, if the complaint is returned and the serving party has further information regarding the defendant's new address, it is required to provide that information to the TTAB. An opposer must notify the TTAB within 10 days of a returned service copy.

Parties may also now stipulate to service via email or facsimile. In order to avoid midnight service of papers, it is recommended that the parties stipulate that service via email after a certain time will be considered to be served the following business day. Parties may also agree that the additional five-day response period when service is made by mail or courier shall apply to email service as well.

## INITIAL CONFERENCE

The parties must hold a discovery/disclosure/settlement conference within 30 days after the answer is due (*i.e.*, 70 days from the TTAB's institution of the proceedings), consistent with FRCP 26(f). The topics for discussion include the nature and basis of claims and defenses, possibilities for prompt settlement, arrangements for initial disclosures, discussion of issues pertaining to preserving discoverable information, and the development of a discovery plan. The initial conference provides an opportunity for the parties to discuss any proposed changes with regard to the timing, form, or requirements for initial disclosure, as well as issues pertaining to the disclosure and discovery of ESI and privileged matters.

The TTAB will not likely grant requests to suspend the proceedings for settlement negotiations between the time the answer is filed and the initial conference. (If filed before the answer, or after the initial conference, motions to extend will generally be granted for good cause, such as exploring the possibility of settlement.) Thus, the new early-disclosure requirements for witnesses and key documents will encourage parties to negotiate settlement options before significant costs are incurred. Further, motions for summary judgment generally may not be filed until after the moving party has served its initial disclosures of documents and witnesses.

The parties may request that an interlocutory attorney or board member participate in the initial conference. The participation of such an individual may assist in cases where the opposing side is unfamiliar with TTAB rules and procedures or is uncooperative.

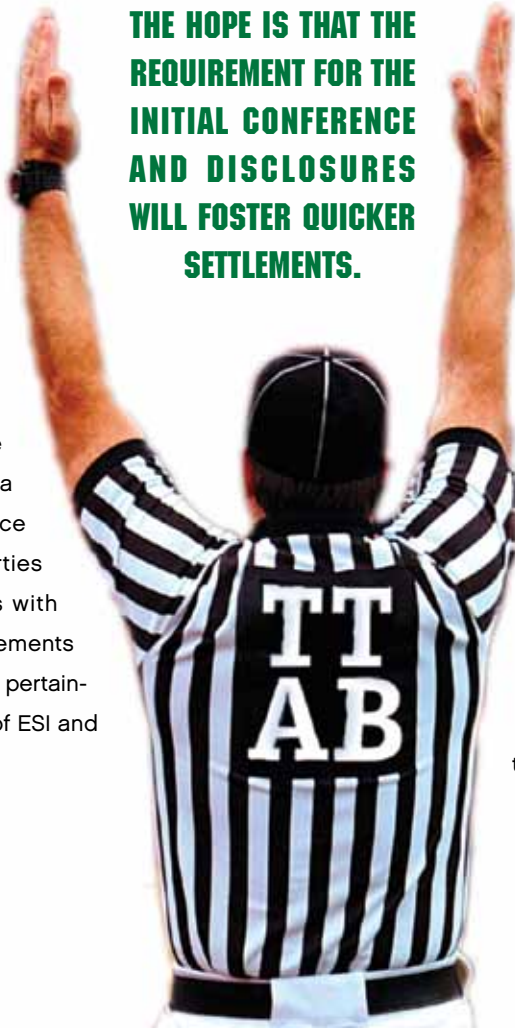
## INITIAL DISCLOSURES

Within 30 days of the opening of discovery, the parties are now required to make initial disclosures of documents and witnesses in support of their cases. (Under the prior rules, a party could wait to produce such information until discovery was served by the opposing party.) Discovery may not be served until initial disclosures have been served. Of course,

initial disclosures and discovery requests may be simultaneously filed at the initial conference.

Parties involved in proceedings before the TTAB need to be prepared to collect supporting evidence at the outset of the case. If initial disclosures are exchanged, the parties will need to identify persons with knowledge about the case (names, addresses, and phone numbers) and the location of relevant documents, including ESI, for disclosure to the other side. The discovery period, which lasts for a total of 180 days, is the most expensive portion of the proceedings and is even more costly now, with the inclusion of ESI under the new rules.

**THE HOPE IS THAT THE REQUIREMENT FOR THE INITIAL CONFERENCE AND DISCLOSURES WILL FOSTER QUICKER SETTLEMENTS.**



The new rules provide that registrations may be made of record by filing printouts from the USPTO's database records on its web site. Failure to disclose evidence during the initial disclosure may lead to exclusion of key evidence at trial.

### EXPERT DISCLOSURES

Expert testimony is unusual in TTAB proceedings. In cases that do use expert testimony or include consumer survey evidence, any expert witnesses must be disclosed 30 days prior to the close of the discovery period. If a party inquires about an expert through traditional discovery, the responding party cannot withhold the identity of the expert until the deadline. Because the rules require disclosure of just the testifying experts—not the consulting experts—it is not necessary to reveal expert information if it has not been decided whether the expert will actually testify.

### PRETRIAL DISCLOSURES

Fifteen days prior to the opening of the parties' respective testimony periods, each party must exchange its intended witness testimony and evidence to be relied on during the testimony/trial period. The new rules require a general summary or list of the subjects to be covered by the testifying experts, as well as a summary or list of the types of documents and things to be introduced as exhibits during such testimony. As with the initial disclosure, failure to disclose evidence during the pretrial disclosure could lead to the exclusion of key testimony and evidence at trial.

Parties are not required to disclose deposition excerpts for use in their testimony period, nor are they required to disclose any notices of reliance they intend to use.

### STANDARD PROTECTIVE ORDER

Effective August 31, 2007, a standard protective order, available at [www.uspto.gov](http://www.uspto.gov), became automatically applicable in all cases, unless the parties agree to different terms. It is recommended that the parties consider modifying the TTAB's standard protective order depending on the parties' respective situations, e.g., proceedings where one party is *pro se*. Additionally, since the TTAB has no jurisdiction after the close of the proceedings, the parties may consider entering into a separate agreement providing for a remedy at law in the event of a breach of the standard protective order.

### CONCLUSION

The new rules provide a slightly longer standard schedule than the prior rules, to accommodate the initial conference and disclosures. The hope is that the requirement for the initial conference and disclosures will foster quicker settlements. However, for cases that do not settle quickly, from both the plaintiff's and the defendant's perspectives, the new rules will increase and accelerate costs, especially in light of the preparation needed for the initial conference and disclosures, as well as the ESI requirements. Under the new schedule, there are more deadlines that must be closely observed. Additionally, while some of the delay tactics used by parties in the past through motion practice have been eliminated, the new rules add several new types of motions pertaining to the new schedule and disclosure requirements that may cause proceedings to be suspended.

Trademark owners need to reevaluate their strategies, both at the time a mark is adopted and when they are contemplating pursuing contested proceedings before the TTAB. Before adopting a mark, companies should be aware that it is now even more imperative to conduct thorough investigations during the clearance process. The "wait and see" attitude adopted in the past by parties selecting marginally available marks is not advisable with the increased and accelerated costs of TTAB proceedings. The cost-effective approach is to spend more time and resources during clearance—and for some, to take a more conservative stance in selecting a mark—rather than risking a potentially costly opposition.

For parties facing TTAB proceedings, the new rules should substantially influence their decisions to negotiate and settle cases as soon as possible. This is particularly advisable for smaller companies with smaller legal budgets. Parties that decide to proceed in the TTAB must understand that they will need to prepare the evidence in their cases much more quickly than in the past, and they should be prepared to litigate with the same vigor and time commitment that they would devote to judicial proceedings before state and federal courts. ►►

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