Trademark Trial and Appeal Board: Significant Rule Changes Just Issued Are You Ready for the Nov. 1 Effective Date?

Live 90-Minute Teleconference Program with Interactive Q&A
Sponsored by Legal Publishing Group of Strafford Publications

Tuesday, October 30, 2007
1:00pm Eastern Standard Time

Which Rules Did the Trademark Trial and Appeal Board Change and Why?

By Beth Chapman

Special Counsel
Oblon, Spivak, McClelland, Maier & Neustadt, P.C.
1940 Duke Street
Alexandria, VA 22314
703-413-3000
bchapman@oblon.com

I. History/Background Behind the Rule Changes

A. The last major Rule changes by the Trademark Trial and Appeal Board (Board) were those in its 1998 Final Rules package. At that time, the Board, *inter alia*, specifically amended Trademark Rule 2.120(a) to reflect that the 1993 Federal Rules of Civil Procedures relating to automatic disclosure, scheduling conferences, conferences to discuss settlement and to develop a discovery plan, and transmission to the court of a written report outlining the discovery plan, are not applicable to Board *inter partes* proceedings.

B. Over time, concern arose regarding abuses, particularly relating to discovery matters, in some Board *inter partes* proceedings. The Board was especially concerned in view of its limited jurisdiction as an administrative tribunal relating only to the question of registrability of marks. The Board has no authority to issue injunctions or to award damages relating to the use of marks.

C. In the relatively recent past, the Board deployed its ESSTA system (Electronic System for Trademark Trials ands Appeals), allowing virtually all filings to be made electronically; and the Board recognizes that many parties to Board cases communicate with each other through electronic means. Much had changed since 1998.

D. The current Proposed Rules were published in the Federal Register on January 1, 2006 (Fed. Reg. Vol. 71, No. 10, at pp. 2498-2509). The Board stated its goals are to: increase efficiency in the commencement of the proceedings; increase efficiency in the exchange of discovery and pre-trial information; enhance earlier settlement prospects; and increase procedural fairness.

E. The Proposed Rules resulted in significant responses from business and industry, trade organizations and the trademark bar. About 19 months later, on August 1, 2007, the Final Rules were published in the Federal Register (Fed. Reg. Vol. 72, No. 147, pp. 42242-42264), in rather different form from the rules as originally proposed.

F. Some of the 2007 Rule changes became effective on August 31, 2007 and the remainder will become effective November 1, 2007.

II. Major 2007 Changes to the Board Rules

A. Service of the complaint on the defendant is now made by the plaintiff, instead of the Board. The plaintiff serves the complaint on the party, its attorney or its domestic representative, as appropriate, at the correspondence address of record in the United States Patent and

Trademark Office (USPTO). If the plaintiff's service copy is returned to the plaintiff as undeliverable, the plaintiff must notify the Board within 10 days of receipt of the returned copy. Trademark Rules 2.101 (Notice of Opposition) and 2.111 (Petition to Cancel). A Certificate of Service on the defendant must be included with the complaint filed at the Board.

B. The Board's Standard Protective Order is in effect for all *inter partes* Board proceedings, except for those cases pending that had a negotiated protective order in place prior to August 31, 2007. Trademark Rule 2.116(g). This may pose problems in cases where the adverse party is without counsel (*pro se*).

C. A mandatory Discovery Conference shall occur no later than the opening date of the discovery period and the parties must discuss subjects set forth in Fed. R. Civ. P. 26(f) as well as any subjects set forth in the Board order instituting the proceeding. Trademark Rule 2.120(a)(2). A Board Interlocutory Attorney or Administrative Trademark Judge will participate in the Discovery Conference if timely requested under Trademark Rule 2.120(a)(2). Note: The Federal Rules of Civil Procedure are subject to amendments effective December 1, 2007, absent contrary Congressional action.

D. Initial Reciprocal Disclosures require "basic information" information be exchanged no later than 30 days after the opening of the discovery period. Trademark Rule 2.120(a)(2). The discoverable information under Fed. R. Civ. P. 26(a)(1)(A) and (B) is required, but the Board anticipates this will be more limited information than in district court cases because of the limited claims and defenses available in Board proceedings. Absent a Board order to the contrary, a party must make initial disclosures before seeking general discovery. Trademark Rule 2.120(a)(3).

E. Expert witness testimony in Board proceedings is rather rare. Under the new Rules, expert witness information must be identified in accordance with Fed. R. Civ. P. 26(a)(2). Expert witness disclosure must be made 30 days prior to the close of the discovery period. If the expert is retained after the deadline, the party must promptly file with the Board a motion for leave to use expert testimony. Trademark Rule 2.120(a)(2).

F. Pre-trial disclosures identifying intended witness testimony and documentary evidence is now required in Board *inter partes* proceedings 15 days prior to the opening of each testimony period. A party need not disclose any notices of reliance it intends to file. Trademark Rule 2.121(e).

III. Other 2007 Rule Changes

A. Written disclosures (but not a disclosed document) may be made of record through a Notice of Reliance by the receiving party. Trademark Rule 2.120(j)(3)(i). The disclosing party may submit other disclosures which should "in fairness" be considered together with the portions offered by the receiving party. Trademark Rule 2.120(j)(5).

B. Motions for summary judgment may not be filed until after the moving party serves initial discovery disclosures, except those motions asserting claim preclusion, issue preclusion or lack of jurisdiction. Trademark Rule 2.127(e)(1).

C. The page limit for briefs on motions is clarified. The rule now specifically provides that the page limit includes the table of contents, authorities, descriptions of the record, statement of issues, recitation of facts, agreement and summary. Trademark Rule 2.127(a).

D. Notice to the defendant of a Board proceeding by publication in the *Official Gazette* applies to oppositions as well as cancellation proceedings. Trademark Rule 2.118.

E. The Board did not adopt its proposed rule reducing the number of allowable interrogatories. Thus, the number remains at 75, counting subparts. Trademark Rule 2.120(d)(1).

F. Trademark Rule 2.122(d)(1) includes an additional method for a plaintiff to make its pleaded registration(s) of record. A plaintiff may file copies from the USPTO's electronic database to establish current status and title of the registration(s).

G. The Board recognizes the technology of the 21st century: CD-ROMS may not be filed with the Board. Trademark Rule 2.126(a)(6). However, the Board encourages parties to provide email addresses. Trademark Rules 2.105(a) and 2.113(a).

IV. Practical Considerations

A. If no answer is filed by the defendant, the plaintiff may wish to file a motion with the Board requesting the Board issue a Fed. R. Civ. P. 55(a) notice of default (show cause order) and otherwise suspend the proceeding.

B. Early discussions between the client and their attorney about the case generally, and specifically regarding initial basic discovery information and settlement possibilities will be necessary.

C. Consider how to handle initial discovery disclosures, the discovery/settlement conference, pre-trial disclosures and the Standard Protective Order in cases involving *pro se* parties. You may want to timely request a Board professional participate in the discovery/settlement conference in these cases. The request for a Board participant must be requested after answer is filed by defendant but no later than 10 days prior to the deadline for the discovery/settlement conference.

D. Utilize the fact that the parties can stipulate to almost any matter, subject to Board approval. This includes extensions of due dates, suspension for settlement (*caveat*: a joint motion to suspend for settlement is unlikely to be approved by the Board if the joint motion is filed after defendant's answer and before the deadline for the discovery/settlement conference), facts in the case, discovery methods, etc.)

E. Be careful to document and disclose all intended testimony and documents (exhibits) during the pre-trial disclosures.

V. What will be the effect of the 2007 Rule Changes?

A. Law firms and/or in-house counsel must docket more dates in each Board proceeding.

B. The importance of early discussions between the client and their attorney regarding the basic nature of the case, possible settlement, etc. cannot be overestimated.

C. More upfront exchange of basic information between the parties and possible early decisions to agree to suspend the case for settlement discussions may become commonplace.

D. No rule determines its own application. As cases move forward through the stages affected by the 2007 Rule changes, the Board will be called upon to interpret the new Rules in the context of specific facts in specific cases. Only then will we discover whether the Board's goals in making the Rule changes will be met, and what the actual effect of the 2007 Rules will be on the parties involved in *inter partes* proceedings before the Board.

BAC/cli I:\atty\BAC\2007 Rule Changes.doc