

Client Alert

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The United States Patent and Trademark Office Amends Rules Governing *Inter Partes* Proceedings Before the Trademark Trial and Appeal Board

In August and November of 2007, the United States Patent and Trademark Office (USPTO) amended its procedural rules for *inter partes* proceedings conducted before the Trademark Trial and Appeal Board (TTAB) to align more closely those rules with the Federal Rules of Civil Procedure. This *Client Alert* explains the recent rule changes and addresses their potential impact on future TTAB proceedings.

incorporate the use of technology, and enhance settlement prospects. In addition to requiring initial disclosures, the new rules prohibit the submissions of CD-Roms, expand the use of e-mail, and address typographical errors and other technical deficiencies. Below is a discussion of the significant changes to the TTAB rules and the effect these changes may have on trademark holders and practitioners alike.

"To avoid potential sanctions or discovery waivers, practitioners need to be aware of these significant changes."

Background

In 1993, the Judicial Conference of the United States promulgated, and the US Supreme Court adopted, amendments to the Federal Rules of Civil Procedure, which required, among other things, extensive initial disclosures before the commencement of discovery. At that time, the USPTO declined to adopt all of the 1993 changes to the Federal Rules. Years later, after consulting with the Trademark Public Advisory Committee and reviewing empirical data, the USPTO determined a change was in order.¹ The USPTO concluded that adoption of a "disclosure regime," similar to that utilized in federal court cases, would prove beneficial in *inter partes* proceedings before the TTAB.

The recent TTAB rule amendments are intended to increase efficiency,

Commencement/Service: Rules 2.99; 2.101; 2.105; 2.111; and 2.113

Previously, upon commencement of an *inter partes* proceeding through the TTAB, a plaintiff filed a notice of opposition, petition to cancel a registration, or a concurrent use entitlement claim, submitting multiple copies of these documents for the TTAB to then serve on the defendant. Now, the new rules require the plaintiff (opposer, petitioner or claimant) to serve the defendant and include a proof of service with the pleading that is submitted to the TTAB. When a plaintiff is unsuccessful in serving the defendant, the plaintiff must notify the board within 10 days after receipt of any returned service copy.² The rules permit the TTAB to send notices to parties by e-mail so

long as a party has provided the TTAB with an e-mail address.

This rule change takes into account the fact that defendants “. . . are often in contact before the plaintiff files its complaint or claim, and . . . that continuation of direct communication is vital both for promoting possible settlement of claims and for ensuring cooperation and procedural efficiency in the early stages of a proceeding.”³ Proponents of this change believe that it will increase the likelihood of earlier settlement of disputes before the Board. Opponents of this change suggest that the new service requirement may be too complicated for *pro se* plaintiffs.

Standard Protective Order: Rule 2.116(g)

Previously, protective orders were imposed either *sua sponte* by the TTAB, or after a motion was filed by the party or parties requesting a protective order. In many cases, discovery became inefficient when parties could not agree on a protective order.

Rule 2.116(g) makes a protective order standard in all cases currently before the TTAB. Under the new rule, the TTAB's notice of institution of a proceeding will advise the parties of the applicability of the standard protective order. The terms of the protective order are available on the TTAB Web site. Parties must abide by the protective order, but may stipulate to vary its terms. Notably, a party may move for a more extensive protective order when the standard order will not be sufficient due to the nature and information involved in the case.

The implementation of a standard protective order should make discovery more efficient and expedite the commencement of substantive discovery in cases where confidential information may be relevant.

Initial Disclosures and Discovery Conferences: Rule 2.120

The TTAB will continue to issue an institution order at the outset of the proceedings, listing the trial dates and related deadlines. However, the institution order will include new deadlines trademark owners and practitioners have not encountered before. These include deadlines for: a disclosure/discovery/settlement conference; initial disclosures; disclosure of expert testimony; pretrial disclosures; and rebuttal to pretrial disclosures.

The discovery conference resembles settlement or case management conferences that occur in district court cases. Despite these new deadlines, the parties are not required to file a disclosure or discovery plan following the discovery conference (unless so stipulated, or if ordered by the TTAB).

The discovery conference may be conducted in person or by other means.⁴ Upon the request of either party, an Interlocutory Attorney or Trademark Judge may participate in the discovery conference. Parties must submit that request by phone or by electronic filing (ESTTA) after an Answer is filed, and no later than 10 days before the deadline for the discovery conference.

During the discovery conference, the parties should discuss the extent of the information the parties plan to exchange through initial disclosures.⁵ Discovery will typically open after the discovery conference (unless the parties extend their discovery conference deadline resulting in discovery opening at the same time as the conference). A party will not be able to propound or otherwise seek discovery, or move for summary judgment on most grounds until after it has made its initial disclosures.⁶ Notably, the parties do not have to wait until after initial disclosures are exchanged to move for summary judgment on the basis of issue or claim preclusion, and lack of jurisdiction.⁷

The failure of a party to participate in the discovery conference may justify a motion for sanctions against the non-participating party under Rule 2.120(g).

The initial disclosure rule is meant to encourage prompt exchange of basic information, similar to Federal Rule 26(a)(1). The disclosures “. . . will be treated like responses to written discovery.”⁸ While some speculate that the initial disclosure burden will complicate TTAB proceedings, the USPTO disagrees, finding that “[i]nitial disclosure obligations should be easier to meet in Board cases than civil actions. . . [because] the extent of available claims and defenses that may be advanced is not nearly as broad as in the district courts.”⁹

Expert Disclosures: Rule 2.121

New to *inter partes* proceedings under Rule 2.121 is the requirement to timely disclose planned use of expert witnesses. To meet the burden of proper disclosure, a party planning to use experts must follow the requirements outlined in Rule 2.121(a), (d) and (e) and Federal Rule 26(a)(2). Moreover, a party must inform the TTAB that it has satisfied its expert disclosure requirement.¹⁰

“The Board may [s]uspend proceedings to allow for discovery limited to experts” and “[t]he Office recognizes that there may be cases in which a party may not decide that it needs to present an expert witness at trial until after the deadline for expert disclosure. In such cases, disclosure must be made promptly when the expert is retained and a motion for leave to present testimony by the expert must be filed.”¹¹ Ultimately, it is within the TTAB’s discretion to grant or deny late identification of experts.¹²

Submissions on CD-Rom: Rule 2.126

Previously, the TTAB permitted submissions of materials in CD-Rom format. The TTAB found that this option was infrequently utilized and this feature presented technical problems for the TTAB.¹³ Rule 2.126 deletes the option to submit materials in CD-Rom format.

Conclusion

The TTAB has adopted numerous rules regarding *inter partes* proceedings. To avoid potential sanctions or discovery waivers, practitioners need to be aware of these significant changes. These new rules are designed to enhance procedural efficiencies by adopting a disclosure regime and implementing additional use of technology (e.g., e-mail) by the TTAB. Most of the rules are applicable to cases pending or commenced on or after August 31, 2007, or November 1, 2007. More information on the TTAB rule changes and dates of applicability is available on the USPTO’s Web site: <http://www.uspto.gov/web/offices/dcom/ttab/index.html>.

Endnotes

¹ 72 Fed. Reg. 42244.

² 72 Fed. Reg. 42242.

³ 72 Fed. Reg. 42242.

⁴ 72 Fed. Reg. 42245.

⁵ 72 Fed. Reg. 42246.

⁶ See Rule 2.127(e)(1) and 2.127(e)(2).

⁷ *Id.*; 72 Fed. Reg. 42245.

⁸ 72 Fed. Reg. 42246.

⁹ 72 Fed. Reg. 42245.

¹⁰ 72 Fed. Reg. 42246.

¹¹ *Id.*

¹² *Id.*

¹³ 72 Fed. Reg. 42247.

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