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Recent Revisions to the Trademark Trial and Appeal Board Rules

Bringing the practice more in tune with that of the Federal District Courts

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The Trademark Trial and Appeal Board (“TTAB” or the “Board”) is a body within the United States Patent and Trademark Office (“USPTO”). The TTAB is primarily responsible for deciding cases involving trademarks. These cases include appeals from decisions by USPTO examiners, and opposition proceedings filed against trademark applications. Initial challenges to registration are considered by trademark examiners, whose judgment may be appealed to the TTAB. Decisions of the TTAB may, in turn, be appealed to a United States District Court, or the United States Court of Appeals for the Federal Circuit.

The TTAB is also responsible for hearing certain kinds of inter partes proceedings. These proceedings include opposition to registration, proceedings involving the

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cancellation of registered marks, and concurrent use proceedings where a party alleges its mark is entitled to joint registration. Inter partes proceedings are governed by the Federal Rules of Civil Procedure, (37 C.F.R. 2.116(a).) The provisions of the Federal Rules of Civil Procedure relating to discovery shall apply in opposition, cancellation, interference, and concurrent use registration proceedings except where the board has its own rule concerning a particular matter of practice or procedure (37 C.F.R. 2.120). If there is no board rule concerning the matter, the Federal Rules of Civil Procedure apply, where applicable and appropriate.

On August 1, 2007, the USPTO issued a final rulemaking action entitled “Miscellaneous Changes to Trademark Trial and Appeal Board Rules,” substantially changing the procedural rules for trademark opposition and cancellation actions. (Miscellaneous Changes to Trademark Trial and Appeal Board Rules, 37 Fed. Reg. 42,242 (August 1, 2007).) The majority of the rules became effective on November 1, 2007. The stated reasoning behind the rule revisions is to expedite cases and encourage greater disclosure and early settlement.

The USPTO believes that the new rules will reduce incidents of unfair surprise and facilitate early settlement discus-

sions, particularly in cases where parties would not have communicated so early in the proceedings (Johnston, Scott, “New Procedural Rules Dramatically Alter Practice Before the Trademark Trial and Appeal Board, *Intellectual Property Today*, September 2007). In instances where the cases do not settle, disclosure would promote greater exchange of information, leading to increased procedural fairness and a greater likelihood that cases eventually determined on their merits are determined on a fairly created record. The early disclosures are meant to serve as a substitute for certain types of traditional discovery and to provide a more efficient means for exchange of information that otherwise would require the parties to serve traditional discovery request and responses.

The revisions have a significant impact on service and discovery in cases before the TTAB. The most significant of the revisions include special service requirements, a mandatory initial discovery conference prior to the start of the discovery process, disclosure of expert witness information before the end of the discovery process and the inability to make submission to the board by CD-ROM.

Specifically, the plaintiff will need to serve a copy of the initial pleading on the party in position of defendant at the time of filing, and submit a certificate of service to the board before it will grant a filing date (37 C. F. R. 2.119). The failure to serve the defendant directly or to file a certificate of service with the board may cause plaintiffs, filing too close to a deadline, to miss the

deadline and forfeit their opportunity to bring their claim. If for any reason the plaintiff is unable to effectively serve the defendant, the plaintiff must notify the board within 10 days of receipt of any returned service copy and provide any relevant information about the defendant's whereabouts.

Once the complaint is served and an answer is filed, a mandatory early discovery and settlement conference must be attended by each of the parties. The initial discovery conference is conducted in accordance with Federal Rule of Civil Procedure 26(f). Discovery will not begin until after this conference or may begin concurrently, but not before. The parties may opt to include an interlocutory attorney or an administrative trademark judge, who will participate in the conference upon the request of any party. The request for the participation of a board professional may only be made with or after the answer is filed but under no circumstances later than 10 days prior to the deadline for conducting the discovery conference.

A party may not seek discovery through traditional devices until after the party has made its initial disclosures. A party may also not move for summary judgment until after it has made its initial disclosures, except on the grounds of claim or issue preclusion or lack of jurisdiction by the board.

The parties must also serve expert disclosures for those experts who will be testifying in the case in accordance with Federal Rule of Civil Procedure 26(a)(2). This amendment requires service of a detailed report from any testifying expert no later than 30 days before the close of the discovery period. In addition, the board standard protective order is now applicable in all inter partes cases pending before the Board (37 C. F. R. 2.116 (g)).

These enhanced service and discovery provisions were enacted with the goal of bringing practice before the TTAB more in tune with procedure before the federal district courts. As such, some welcome the rule revisions as favorable to expediting proceedings, ensuring full and fair exchange of information and encouraging early resolution of disputes (Comments regarding proposed rule changes from International Trademark Association to Gerard F. Rogers, Administrative Trademark Judge, Trademark Trial and Appeal Board, March 20, 2006).

Others voice concern that the revisions may compromise the economy, expediency and accessibility to pro se litigants that is generally attributed to the TTAB. They argue that such a migration toward parity with District Court procedure in trademark registration and use disputes may only serve to compromise the

effectiveness of the TTAB and lead to fewer filings before the TTAB as practice before the TTAB will entail virtually all of the substantial burdens of District Court practice, without offering the advantages of monetary damages and injunctive relief available in a court proceeding. (Comments regarding proposed rule changes from American Intellectual Property Law Association to Gerard F. Rogers, Administrative Trademark Judge, Trademark Trial and Appeal Board, March 16, 2006.)

While the effectiveness of the revised rules in improving practice before the TTAB remains to be seen, there is no dispute that the revisions manifest a philosophical departure for the PTO, which had rejected similar revision proposals in the past. Moreover, both supporters and detractors of the provisions both agree that, while TTAB cases usually linger a minimum of two and a half years between institution and final decision, the TTAB currently enjoys a better than 95 percent settlement rate before final hearing. (Johnson, James H., "2007 Stands as Crucial Year for Trademark Law." *The National Law Journal*, January 2, 2008). Ultimately, it will take several years of perspective to determine whether the revisions were a successful step towards modernization and uniformity, or an ill-advised attempt to fix something that was not broken. ■