

## **Navigating Opposition Proceedings Before the TTAB: Tips for New Practitioners**

By James Babcock

This article is meant as an introduction to the discovery and testimony period in an opposition proceeding before the Trademark Trial and Appeal Board (TTAB). It will begin by exploring the most recent changes that have been made to discovery—namely the 2007 amendments that made initial disclosures, discovery conferences, and pretrial disclosures a requirement in opposition proceedings. After that, it will address the practical effects that these amendments have had on practice before the TTAB, with a particular emphasis on the consequences of ignoring initial disclosures. Finally, this paper will explore the very basics of the testimony period. The testimony period is the only period during which parties can present evidence that the Board will base its decision on. Accordingly, it is essential that any party to either an opposition or a cancellation proceeding be aware of how this period functions and how evidence needs to be submitted to the Board.

On August 1, 2007, the United States Patent and Trademark Office issued a final rule that, among other changes, instituted a modified form of the Federal Rules of Civil Procedure disclosure practices in inter parties Board proceedings.<sup>1</sup> The apparent reason for adopting a disclosure model was the belief that it would (1) increase the possibility of early settlement of board disputes, (2) even without settlement, that it would promote more efficient discovery practices at trial, (3) it would prevent incidents of unfair surprise and (4) it would increase the likelihood of fair disposition of the parties' claims and defenses.<sup>2</sup> Under the new system, the Board's notice of the commencement of the proceeding will set out deadlines for disclosure, discovery, and trial-related deadlines. The new rule instituted the requirement that all parties engage in a discovery conference 30 days after the date the answer is due, that the parties make initial disclosures 30 days after the opening of the discovery period, that the parties disclose expert testimony 30 days prior to the close of discovery, that the plaintiff make pre-trial disclosures 15 days before the opening of their testimony period and that the defendant make pretrial disclosures 15 days before the opening of their testimony period.<sup>3</sup>

The requirement for a discovery conference and initial disclosures has had a limited impact in practice. While it has changed the layout of an opposition or cancellation procedure, there are many ways to avoid the procedure if the parties desire. First, the parties have the opportunity to modify disclosure deadlines and obligations upon stipulation of the parties approved by the Board, upon motion granted by the Board, or by order of the Board.<sup>4</sup> This flexibility extends to the point that the parties can stipulate to waive initial disclosure altogether.<sup>5</sup> The ability to waive has extended to the point that, in one case, the Board stated that while it is preferred that the parties then disclose an alternative discovery plan, in the absence of one, the Board will still accept the waiver and assume the parties plan to utilize traditional discovery devices as a substitute.<sup>6</sup>

Provided that the parties have not waived initial disclosure, the TTAB requirements essentially mirror those in Federal Rule 26(a)(1). The TTAB does not require disclosure of damage computations or insurance agreements because those are going to be irrelevant to opposition or cancellation proceedings. Otherwise, parties are required to disclose all of the witnesses, documents, and things that contain discoverable information that the disclosing party may use to support its claims or defenses unless that information is being used solely for

impeachment.<sup>7</sup> Expert witnesses must now be disclosed in the same manner as required under Federal Rule 26(a)(2).<sup>8</sup> The one modification to the rule with experts is that, if a party retains an expert after the deadline for expert disclosure, they can file a motion with the Board to make use of that expert. It is then in the Board's discretion to make a motion regarding that testimony and to set a deadline for any rebuttal expert.<sup>9</sup> Finally, the requirements for pre-trial disclosure are somewhat reduced. The requirements are solely that 15 days before each party's testimony period, they must disclose witnesses who are expected to or may testify by affidavit in addition to witnesses who are expected to or may testify by giving oral testimony.

Because of the relatively narrow scope of opposition or cancellation proceedings, the requirements for initial disclosure and pre-trial disclosure generally are not particularly burdensome to parties. However, failure to comply with these requirements can have serious effects on any given proceeding. First, it should be noted that a party cannot seek discovery until it has made its own initial disclosures.<sup>10</sup> In addition, there are sanctions available for non-compliance with the initial disclosure requirements. In particular, if a party either (a) fails to comply with an order of the TTAB relating to disclosure or discovery<sup>11</sup> (b) fails to make the required initial disclosures AND informs the other party that the required disclosures will not be made,<sup>12</sup> or (c) fails to disclose information through its initial disclosures and pre-trial disclosures and then later seeks to admit it, that party will be subject to sanctions within the Board's discretion.<sup>13</sup> In one case, the Board elaborated that sanctions for violations of (a) or (b) could include: limitations on the number of depositions, interrogatories, or document requests that one party could make, an order precluding the party from relying at trial on information or documents that should have been disclosed, or an order barring the opposer from later introducing information which it did not produce.<sup>14</sup>

Sanctions for violations of (a) and (b) are generally not a problem for parties unless they have effectively repudiated disclosure or have failed to respond to an order of the Board regarding discovery—and it should be noted that the order setting out discovery dates is not considered a Board order for the purposes of sanctions.<sup>15</sup> However, failure to disclose information followed by an attempt to submit it during the testimony period can get a party into serious trouble. In the 2007 Final Rule, the Patent Office stated that the Board would have discretion to strike any testimony where disclosures were untimely, improper, or inadequate.<sup>16</sup> In one case, this rule resulted in the petitioner's sole witness being stricken from the record—effectively destroying their case.<sup>17</sup> In *Jurgensen*, the petitioner relied solely on the testimony of their President, Mr. Clayman, to support their claim. However, because the petitioner failed to identify him as a witness in both the initial disclosures, and the pre-trial disclosures, the board determined that allowing Mr. Clayman's testimony to be submitted without those disclosures would produce an unfair surprise. Accordingly, the court struck his testimony in its entirety with the additional statement that Mr. Clayman's testimony could not be used during the petitioner's rebuttal period. With the exception of that case however, there is not very much case law showing that the new rules have had an adverse effect on parties.<sup>18</sup>

After the discovery period has been completed and the parties have completed their pre-trial disclosures, each party has a testimony period with which to present their evidence to the Board. Specifically, the Plaintiff will have a 30-day period to present its case in chief, after this, the defendant will have 30-days to present its case and the plaintiff will finally have 15 days to present any rebuttal evidence.<sup>19</sup> There is a 30-day interval between each testimony period.<sup>20</sup> The Board will base its decision solely upon the evidence submitted to it during the testimony period.<sup>21</sup> The dates for the testimony period can be rescheduled by stipulation of the parties or

upon motion granted by the Board, however, without a stipulation or Board order the testimony period can be unrecoverable and result in the case being reviewed without sufficient evidence on the record.<sup>22</sup>

Evidence can be submitted in the testimony period through a variety of methods, one primary source of evidence in the testimony period is through deposition. Depositions are taken during a party's testimony period and are subsequently submitted to the Board along with any exhibits properly authenticated by the witness that could not otherwise be submitted by notice of reliance. Before any deposition can be taken, proper notice must be given in writing to the opposing party or parties, this notice must establish (1) the time and place where the deposition will be taken, (2) the matter for which they are to be used, and (3) the name and address of each witness to be identified.<sup>23</sup> Depositions may be taken in any reasonable place in the United States and may be taken before any officer authorized to administer oaths by the laws of the United States—typically a court reporter.<sup>24</sup> Upon completion, a deposition and its accompanying exhibits must be certified as required by CFR 2.123(f) and submitted to the Board prior to submission of the case for final decision and it must be submitted on each adverse party within 30 days after the completion of the taking of that testimony.<sup>25</sup> Once the deposition has been submitted to the Board it becomes part of the evidence on which the Board can base its deposition.

In addition to depositions, one of the primary means of submitting evidence to the Board is via notice of reliance. A notice of reliance is a cover sheet that allows the submission of some kinds of evidence that are not connected to the testimony of a witness.<sup>26</sup> Among the most important evidence that can be submitted through a notice of reliance is evidence of trademark applications and registrations. At the outset it should be noted that the actual file of any application or registration that is the subject of this Board proceeding will automatically become part of the record, however, the documents or specimens filed to support that application or registration are not always automatically part of the file.<sup>27</sup> Similarly, any registration owned by the petitioner in an opposition or cancellation proceeding, and pleaded by the petitioner in the complaint, will be entered into the record if the complaint is accompanied by a copy of the registration prepared and issued by the Office which shows the current status of and title to the registration, or in the alternative, a printout from the USPTO database will be sufficient.<sup>28</sup> Finally, any registration that is owned by any party or by a third-party may be submitted during the testimony period via notice of reliance.<sup>29</sup>

The notice of reliance is also the means with which interrogatory answers can be submitted. Interrogatory answers can be submitted via notice of reliance if they are submitted with a copy of the question, the answer, and any appended exhibits. However, interrogatory answers can only be submitted by the inquiring party.<sup>30</sup> The only exception to that rule is that when the inquiring party did not submit all of the answers to a set of interrogatories, in that case, the responding party may introduce omitted answers via notice of reliance.<sup>31</sup>

Finally, the notice of reliance can also be used to submit official records and printed publications. Documents produced by opposing parties also can only be submitted if they fall into one of these two categories.<sup>32</sup> Official records are limited solely to the records of public offices or agencies, or those maintained pursuant to a public officer's duties.<sup>33</sup> Official records are considered self-authenticating and are properly considered part of the record when submitted via a notice of reliance. In addition to official records, printed publications can also be submitted via notice of reliance with no other requirements. Printed publications can be broadly defined as books and periodicals (or electronic copies of printed materials) that are available to the general

public in libraries or are in general circulation with the public or the particular section of the public relevant to the claim before the Board.<sup>34</sup>

Evidence that is not an official record or a public record may still be submitted, but only through the testimony of a person who can properly authenticate and identify the materials. In particular, this is the only means with which to submit internet evidence and the like.<sup>35</sup>

The most important thing to keep in mind during the testimony period is that if you want the Board to consider any fact, you must submit it in an approved format during this period. Evidence that is not submitted or is improperly submitted simply will not be considered. Accordingly, an understanding of both discovery and the testimony period is crucial to the success of either party to a cancellation or opposition proceeding.

Particularly since the 2007 amendments, practice in opposition proceedings is quite similar to general Federal Procedure. However, the differences in the collection of evidence are substantial enough that extra care should be taken by practitioners new to opposition proceedings. Careful practice regarding the submission of evidence is crucial to preventing a practitioner from falling into a trap that would prevent evidence from being reviewed at all. Perhaps the most important way to avoid this sort of mistake is to pay careful attention to the docket set out by the TTAB to avoid missing any deadlines for evidence collection and submission.

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## Endnotes

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<sup>1</sup> 72 Fed. Reg. 42242 (Aug. 1, 2007).

<sup>2</sup> *Id.* at 42244

<sup>3</sup> *Id.* at 42245

<sup>4</sup> *Id.* at 42245.

<sup>5</sup> *Boston Red Sox Baseball Club LP v. Chaveriat*, 87 U.S.P.Q.2d 1767 (TTAB 2008).

<sup>6</sup> *Id.*

<sup>7</sup> 72 Fed. Reg. at 42246.

<sup>8</sup> 37 C.F.R. § 2.120(a)(1) (2009).

<sup>9</sup> 37 C.F.R. § 2.120(a)(2).

<sup>10</sup> 37 C.F.R. § 2.120(a)(3).

<sup>11</sup> This comes from 37 C.F.R. § 2.120(g)(1).

<sup>12</sup> *Id.* at § 2.120(g)(2).

<sup>13</sup> 72 Fed. Reg. 42242, 42256 (Aug. 1, 2007).

<sup>14</sup> *Kairos Inst. of Sound Healing, LLC v. Doolittle Gardens, LLC*, 88 U.S.P.Q.2d 1541 (TTAB 2008).

<sup>15</sup> *Id.*

<sup>16</sup> 72 Fed. Reg. at 42256.

<sup>17</sup> *Jules Jurgensen/Rhapsody, Inc. v. Baumberger*, 91 U.S.P.Q.2d (TTAB 2009).

<sup>18</sup> The other case where failure to make initial disclosures had a substantial effect was *MySpace, Inc. v. Mitchell*, 91 U.S.P.Q.2d (TTAB 2009). In that case, failure to comply with initial

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disclosures resulted in the entry of summary judgment against the defendant. However, those sanctions were only issued after the defendant failed to respond to discovery orders from the Board for over two years and engaged in a series of ad hominem attacks against Plaintiff's counsel.

<sup>19</sup> *Trademark Trial and Appeal Board Manual of Procedure* (TBMP) § 701 (2d ed. rev. 2004).

<sup>20</sup> *Id.*

<sup>21</sup> *Id.* at § 702.

<sup>22</sup> 37 C.F.R. § 2.121(a) (2009).

<sup>23</sup> 37 C.F.R. § 2.123(c).

<sup>24</sup> *Id.*; TBMP at § 703.01(d); 703.01(g).

<sup>25</sup> *Id.* at § 703.01(k); 37 C.F.R. § 2.125(a).

<sup>26</sup> TBMP at § 704.02.

<sup>27</sup> *Id.* at § 704.03(a); 37 C.F.R. § 2.122(b)(1)–(2)

<sup>28</sup> 37 C.F.R. § 2.122(d)(1).

<sup>29</sup> TBMP at §§ 704.03(b)(1)(A), 704.03(b)(1)(B); 37 C.F.R. § 2.122(d)(2), (e).

<sup>30</sup> 37 C.F.R. § 2.120(j)(5) (2009).

<sup>31</sup> *Id.*

<sup>32</sup> 37 C.F.R. § 2.120(j)(3)(ii).

<sup>33</sup> 37 C.F.R. § 2.122(e).

<sup>34</sup> *Id.*

<sup>35</sup> Internet postings are not considered self-authenticating because the typical Internet posting is transitory and may therefore change without any notice. TBMP at § 704.08.