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Via Electronic Mail
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Trademark Trial and Appeal Board
P.O. Box 1451
Alexandria, VA 22313-1451

Attention: Gerard F. Rogers

The International Trademark Association is responding to the United States Patent and Trademark Office's ("USPTO") January 17, 2006 notice of proposed rule making concerning certain changes to the rules of practice governing proceedings before the Trademark Trial and Appeal Board ("TTAB"). 71 Fed. Reg. 2498 (2006). INTA appreciates the USPTO's efforts to update TTAB rules in order to expedite procedures, ensure parties' full and fair exchange of information, and promote settlement of disputes. However, many of the proposed changes present a significant departure from established TTAB practice. Therefore, INTA believes that the interests of both the USPTO and trademark owners would be better served if certain aspects of the proposal were given additional review and consideration prior to final implementation. Our comments are provided below.

§ 2.101 – Filing an Opposition

Proposed Rule: The USPTO proposes to change existing opposition practice to require an opposer, rather than the TTAB, to serve the notice of opposition on an applicant. The opposer would utilize the correspondence address of record and must file proof of service on the applicant as part of the opposition filing. The proposal also specifies steps for the opposer to take if it believes that the correspondence address of record is not accurate, or if the service copy of the opposition is returned to opposer as undeliverable.

Comments: INTA does not object to this proposal, but takes this opportunity to reiterate its long-standing position that maintaining accurate and up-to-date information in the official USPTO records is imperative. If parties to proceedings will bear the burden of obtaining service of process, they must be able to rely upon the accuracy and currency of correspondence information in the USPTO database, without risk of error or loss of rights.

INTA requests that the proposed rule be supplemented to provide that, if the opposer has served an additional copy of the notice of opposition at a different address, because it believes the correspondence address of record is not accurate, the TTAB will make a final determination as to what constitutes the correspondence address of record, and that determination will be taken as the official applicant correspondence address for all service and communication requirements in the proceeding.

§ 2.111 – Filing Petition for Cancellation

Proposed Rule: The USPTO proposes to change existing cancellation practice to require a cancellation petitioner, rather than the TTAB, to serve the petition for cancellation on the registrant, utilizing the correspondence address of record, and filing proof of service on the registrant as part of the cancellation filing. The proposal also specifies steps for the petitioner to take if it believes that the registrant's correspondence address of record is not accurate, or if the service copy of the petition to cancel is returned to petitioner as undeliverable.

Comments: INTA asks that the USPTO consider certain significant issues regarding the nature of cancellation practice and the impact of this proposed change. Experience shows that registrants do not always notify the USPTO of their change of address and that the address information contained in the USPTO records therefore will be incorrect in many cases. Further, change of address requests filed by paper (both before and subsequent to the availability of the electronic filing system) may not be incorporated into the official trademark database. Moreover, in the years following registration, it is not uncommon for registrants to cease operations. Therefore, there is a far higher incidence of stale correspondence addresses in registration records than in application records. The requirement that petitioner, rather than the TTAB, serve the petition imposes a greater burden on the petitioner to locate the registrant than on an opposer to locate the applicant in an opposition. Moreover, the higher incidence of stale correspondence addresses increases the possibility of challenges interposed by registrants as to a petitioner's diligence in its efforts to locate a registrant. It is against this backdrop that clarification of the petitioner's obligation regarding service of process is sought.

In the discussion of the change in § 2.111 on page 2502 of the Federal Register, it is indicated that the USPTO proposes to define the phrase "correspondence address of record." However, there is no such definition in the proposed rule. Thus, there appears to be an inconsistency between the comments and the proposed rule for which clarification is sought.

Also, proposed § 2.111(b) does not specify a petitioner's obligations regarding service of process in those instances where it believes that the correspondence address of record is incorrect, but it is unable, exercising reasonable efforts, to determine a current address for registrant. Taking into consideration that it is the responsibility of the registrant to notify the USPTO of any change of address, and that petitioners should not be held to an unreasonably burdensome obligation for locating a registrant, clarification also is sought as to upon what grounds a registrant will be permitted to challenge service and by what standard a petitioner's compliance with § 2.111(b) will be judged. To balance the petitioner's obligation to serve the registrant with the registrant's interest in obtaining timely notice of actions filed, the TTAB rules should expressly require registrants to maintain an up-to-date correspondence address in the USPTO's official registration records, absent which a registrant's challenge to adequate service of process would be precluded.

Finally, INTA requests that the proposed rule be supplemented to provide that, if the petitioner has served an additional copy of the petition for cancellation at a different address, because it believes the correspondence address of record is not accurate, the TTAB will make a final determination as to what constitutes the correspondence address of record, and that determination will be taken as the official registrant correspondence address for all service and communication requirements in the proceeding.

§ 2.116(g) – Protective Order

Proposed Rule: The USPTO proposes that the TTAB's standard protective order protecting confidentiality of information disclosed during a TTAB proceeding be applicable to all *inter partes*

proceedings, unless the parties agree to, and the TTAB approves, an alternative protective order, or unless a motion by a party to enter a specific protective order is granted by the TTAB.

Comments: Current rules provide that if parties to a TTAB proceeding wish to have the terms of the protective order remain binding following the completion of the proceeding, the protective order should be signed by the parties and their attorneys to create a binding contract that will survive the termination of the proceeding. TBMP § 412.03. Under the language of the proposed rule, it appears that the standard protective order will automatically apply during the course of the proceeding, but protection will cease when the proceeding is terminated. *See* § 2.116(g) (“[S]tandard protective order is applicable during disclosure, discovery and at trial”). In many, if not most, cases, the parties will want the terms of the protective order to survive termination of the proceeding, to ensure that confidential information still in the possession of the adverse party is not disclosed after the TTAB case is closed. While the automatic application of the standard protective order will require disclosure of confidential information, there is no safeguard against improper disclosure after termination of the TTAB’s jurisdiction. Accordingly, INTA recommends that the proposed rule provide that the confidentiality requirements remain in effect following the termination of the proceeding. In addition, recognizing that the TTAB has no authority over the parties to enforce the agreement after a case terminates, INTA requests that the TTAB develop a mechanism which would balance the interest in facilitating discovery of confidential information with the need to guard against improper disclosure of confidential information after cases are terminated, including, for example, requiring the parties and attorneys to sign the protective order, thereby creating a binding enforceable contract between the parties.

We assume that the USPTO intends that automatic application of the standard protective order removes the need for the parties to confer and reach agreement on its terms. However, the standard agreement itself leaves open a number of issues that are expected to be determined by agreement of the parties, *e.g.*, exceptions relating to the parties’ access to highly confidential material and independent experts’ access to trade secret material. Additionally, the standard protective order does not address all possible proceedings, *e.g.*, the order appears to assume that both parties are represented by counsel, which is not always the case. INTA asks that these issues be addressed and remedied before final implementation.

Finally, the first sentence of proposed § 2.116(g) indicates that it is only by a stipulation approved by the TTAB that an alternative to the standard protective order can apply. However, the last clause in the last sentence of the proposed rule indicates an alternative: “under an order submitted by motion of a party granted by the Board.” In view of this seeming inconsistency, INTA asks that, before a final rule is enacted, it should be made clear that a party can file a motion to have an alternative protective order apply in appropriate circumstances.

§ 2.120 – Discovery

Proposed Rule (Generally): The USPTO proposes to revise the discovery rules governing *inter partes* proceedings by incorporating provisions of the Federal Rules of Civil Procedure (FRCP) relating to automatic disclosure, scheduling of conferences, conferences to discuss settlement and to develop a discovery plan, and a written report outlining the discovery plan. Wherever appropriate, the provisions of the FRCP relating to disclosure and discovery would apply in opposition, cancellation, interference and concurrent use registration proceedings except as otherwise provided. These would apply in modified form, as noted in the rules and further explained in documents posted on the USPTO’s website.

Comments: To the extent that the USPTO’s proposal is intended to expedite proceedings, ensure full and fair exchange of information, and encourage early resolution of disputes, INTA supports the proposal. However, we believe that clarification is required with respect to the intent and requirements of many of

the new disclosure provisions. We discuss these in more detail below in the context of § 2.120(a)(3). As an initial proposition, to carry out the intent of the rules, it is imperative that the rules be very clear as to what are the parties' obligations. The obligations must be evident within the specified rules, and not by reference to background discussion or to a website posting that is informational, has no force of law, and that is made subsequent to the enactment of the regulatory specification.

§§ 2.120(a) (1) and (a)(2) Discovery Conference

Proposed Rule: The USPTO proposal sets forth new procedures during the discovery phase of proceedings, including a mandatory discovery conference and initial disclosures

Comments: As an initial matter, it is noted that the discussion of the proposed change to § 2.120(a) on Page 2502 of the Federal Register indicates that the revisions provide for “a discovery conference and for initial and expert disclosures in lieu of discovery.” Since discovery conferences and disclosures do not take the place of discovery, and the TTAB affirmatively states so elsewhere in the discussion, clarification is requested as to what is meant by this comment.

INTA supports the proposal for an early meeting of the parties, to discuss issues and encourage settlement discussions. If it is the intention that the discovery conference also serve as an initial settlement conference of the parties, then we recommend that the USPTO consider providing mediation training to those professionals designated to administer discovery conferences, to better serve the purpose of dispute resolution. INTA has provided mediation training in the past as part of its educational programming and would be pleased to share its experiences with the USPTO.

§ 2.120(a)(2) – Expert Disclosures

Proposed Rule: The USPTO proposes that expert disclosure occur no later than 90 days prior to the close of the discovery period or, if the expert is retained after the deadline for disclosure of experts, promptly upon retention of the expert.

Comments: INTA recommends that the deadline for expert disclosure be changed to no later than 120 or 135 days after the opening of discovery period (or no later than 45 or 60 days prior to the close of discovery if the discovery period is reset). INTA further requests that the rule be explicit that the disclosure requirement applies only to testifying experts. Finally, as explained below, INTA also requests clarification of the provision permitting disclosure of an expert retained after the deadline.

Even if a party serves discovery requests on the opening day of discovery, and the other party responds without having obtained any extension, approximately 35 days of the discovery period will have elapsed (30 days to respond plus five days for requests served by mail). Thus, the USPTO's proposal requiring identification of expert witnesses 90 days before close of discovery would leave no more than fifty-five days from the receipt of discovery responses to take depositions or other follow up discovery before expert witnesses must be identified. In most instances, this does not allow sufficient time for a party to first determine if an expert witness is required and then to select and retain the witness.

In addition, INTA supports the requirement for “prompt” disclosure of an expert retained after the deadline, because oftentimes a party has no need for an expert until the other side retains its own expert. It is suggested, however, that specifying a time period, *e.g.* 15 days after retention, as opposed to “promptly” would better avoid disputes as to whether disclosure complied with the rule.

Finally, clarification is requested as to whether a party would be able to retain an expert at any time after the specified time for disclosure of expert witnesses, and still use that expert as a trial witness.

§ 2.120 (a)(3) – Initial Disclosures

Proposed Rule: The USPTO proposes that a party must make its initial disclosures prior to seeking discovery, absent modification of this requirement by a stipulation of the parties approved by the TTAB, or upon a motion granted by the TTAB, or by order of the TTAB.

Comments: The USPTO states in the background discussion to the proposed rules that initial disclosure will be more limited in TTAB proceedings than it is in civil actions. However, the subsequent discussion regarding the scope of initial disclosure assumes that many more topics fall within the scope of the disclosure and much more information will be exchanged than is required under Rule 26(a)(1) of the FRCP and than generally is provided in civil litigation. Under Rule 26(a)(1), a party need only (A) identify persons with knowledge of information that the party may use to support its position, (B) provide a general description and the location of documents on which a party may rely, (C) provide a calculation of damages and (D) provide information regarding insurance coverage. *See* FRCP 26(a)(1)(A)-(D).

In the USPTO's discussion of "The Interplay of Disclosures and Discovery" found at Fed. Reg., p. 2501, it sets forth its expectation that the disclosures will provide "core information" about a party's claim. This is in sharp contrast to the practice under FRCP 26(a)(1), which calls for only the identification of potential witnesses and the description and location of documents. As discussed below, INTA believes the more limited disclosures of Rule 26(a)(1) are more appropriate.

It is important that the scope of parties' obligations be explicitly defined in the terms of § 2.120 itself. As noted above, while the "initial disclosure" discussion section identifies very specific issues that the TTAB anticipates will be the subject of initial disclosure, proposed § 2.120(a)(3) contains only a general reference to the federal rules without any other suggestion as to the substance of the disclosures. It is respectfully submitted that to the extent that the regulatory framework itself has no specificity, the background discussion regarding what might be included in the disclosures would not and should not be read into the rule itself, thus creating ambiguity in application and opportunity for dispute as to whether a party's initial disclosure is sufficient.

Similarly, the discussion section refers to providing further explanation of the rule in future website postings. Again, such informal "guidance" is without the force of law, and would not measure a party's obligations. In addition, future elaboration does not give interested parties an opportunity to comment thereon during this period of rule-making.

On the one hand, the specific reference to FRCP 26(a)(1), coupled with § 2.120(a)'s silence as to specific requirements for disclosures would indicate that TTAB's disclosure requirements will be no different than what is required under FRCP 26(a)(1). However, the background discussion in this proposal, coupled with the preview of website postings, indicate that, to the contrary, there may be different, more sweeping requirements. Clarification is required to remove the ambiguity and indicate that the more limited general requirements of FRCP 26(a)(1) apply.

With regard to the specific issues suggested to be covered in initial disclosure on Page 2501 of the Federal Register notice, it is respectfully submitted that such items as surveys, evidence of actual confusion, and extent of third-party use, go far beyond the scope of core information about which a party might be aware before discovery has been conducted, and that it would be ill-advised and prejudicial to require initial disclosure on such topics, the disclosure of which may be apparent only upon close inspection of a party's records. Accordingly, INTA recommends that, if initial disclosure will be required, the rules should be

clear as to the parties' obligations and that the requirements as set forth in FRCP 26(a)(1) should apply. The current proposal raises questions as to the scope of the parties' obligations, which creates the distinct possibility of disputes as to whether a party has met its obligation. Additionally, the current proposal leaves open the possibility that new standards will be established through postings on the USPTO website, to which there is no opportunity to comment. The need for clarity is particularly critical since the requirement of initial disclosure necessarily will affect the dynamics of proceedings.

Finally, we note that there does not appear to be a provision in the proposal for a party to amend its initial disclosures. Given the availability of sanctions for failure to make disclosure, INTA asks that the USPTO consider adding to the proposal by which a party is afforded the opportunity to amend its initial disclosure in appropriate situations.

§ 2.120(d)(1) – Number of Interrogatories

Proposed Rule: The USPTO proposes to reduce from 75 to 25 the number of permissible interrogatories.

Comments: Assuming some of what is normally requested in interrogatories will be disclosed in the initial exchange of information, INTA believes that some reduction in the number of interrogatories may be indicated. However, we believe that the proposed reduction is too drastic. Initial disclosure is not intended as a substitute for discovery, therefore its scope should not cover most topics of discovery. Therefore, it is anticipated that litigants often will require in excess of 25 interrogatories to adequately prepare their cases. Limiting interrogatories to 25 will not allow parties sufficient flexibility to obtain needed discovery and likely will lead an increase in motions filed requesting leave to serve additional interrogatories. We believe that 40 to 50 interrogatories is a more reasonable limit under the circumstances.

§ 2.121(e) – Pretrial Disclosures

Proposed Rule: The USPTO proposes that a party need not disclose, prior to its testimony period, any notices of reliance it intends to file during its testimony period. Each party would disclose the name and address of each witness from whom it intends to take testimony, or may take testimony if the need arises, general information about the witness, a summary of subjects on which the witness is expected to testify, and a general summary of the types of documents and things which may be introduced as exhibits during the testimony of the witness. Pre-trial disclosure of a witness under this subsection would not substitute for issuance of a proper notice of examination under § 2.123(c) or § 2.124(b). If a party does not plan to take testimony from any witnesses, it would so state in its pre-trial disclosure. When a party fails to make required pretrial disclosures, any adverse party or parties could have remedy by way of a motion to the TTAB to delay or reset testimony periods.

Comments: INTA notes that § 2.121(e) indicates that pretrial disclosures will be required prior to the opening of the testimony period. In the USPTO's discussion of "The Schedule for Cases Under Disclosure" found at Fed. Reg., p. 2500, the TTAB indicates pre-trial disclosures will be provided 30 days after the close of the discovery period. If that is the intended deadline, then that should be explicitly stated in § 2.121(e). Further, since both parties' disclosures appear to be due at the same time, INTA invites the TTAB to consider the difficulty faced by a defendant in identifying witnesses and exhibits without full knowledge of the evidence to which it will be required to respond. We also suggest that the TTAB clarify what disclosure obligation may be imposed upon a plaintiff regarding rebuttal testimony.

§ 2.133(a) – Amendment of an Application or Registration

Proposed Rule: The USPTO proposes that an application subject to an opposition may not be amended in substance neither may a registration subject to a cancellation be amended or disclaimed in part, except with the consent of the other party or parties and the approval of the TTAB, or upon motion approved by the TTAB.

Comments: We understand that the proposal is intended to conform the rule to current practice, which INTA supports. INTA asks that the USPTO take this opportunity to make a further refinement to the rule. In the course of a TTAB proceeding, when an amendment to an application or registration has been filed, INTA asks that the TTAB issue a decision on the proposed amendment prior to the time for submission of trial briefs. Having finality on the amendment before briefs must be submitted will ensure that the parties can better present the issues for decision, and need not anticipate alternative situations.

Conclusion

INTA appreciates the opportunity to submit its comments on the proposed changes to the TTAB rules, and we look forward to participating in any further outreach undertaken by the USPTO. Should the USPTO have any questions or comments concerning the INTA response, please contact INTA External Relations Manager Michael Heltzer at (212) 642-1741.

Sincerely,



Paul W. Reidl
President