

March 20, 2006

Gerald F. Rogers, Esq.
United States Patent and Trademark Office
Trademark Trial and Appeal Board
P.O. Box 1451
Alexandria, VA 22313-1451

**Re: Proposed Changes to Trademark Trial
and Appeal Board Rules**

Dear Mr. Rogers:

In response to the request for comments on the recently proposed changes to the rules governing practice before Trademark Trial and Appeal Board (“TTAB”), we respectfully submit the following for consideration.

Historically, one of the most beneficial aspects of *inter partes* proceedings before the TTAB has been the relative low cost, as compared with litigation in state or Federal Courts. This cost-effective means of resolving of trademark disputes has made the TTAB a vital resource for all trademark owners, including foreign trademark owners and those with limited resources. We are concerned, however, that the proposed initial disclosure requirements and other rule changes, may increase significantly the cost of TTAB proceedings. This may prompt many trademark owners to forego protection. Alternatively, others may proceed directly to the Federal Courts, which impose more complicated procedural requirements but which also afford additional remedies, including, injunctive relief, damages and attorneys’ fees are available. Current TTAB practice affords parties ample time to discuss settlement before having to commit significant resources to preparation of extensive preliminary disclosures. Under the proposed changes this advantage also may be lost. Therefore, we urge the TTAB to reconsider adopting many of the proposed rule changes in view of these comments.

1. Lowering of Interrogatories from 75 to 25

The TTAB is proposing to lower the limit of interrogatories from 75 to 25. This proposed change is apparently designed to align TTAB practice with that in Federal Courts. However, the TTAB counts subparts as an individual interrogatory, even though they may not be designated as such. Accordingly, reducing the limit to 25 will drastically limit the usefulness of

interrogatories in TTAB proceedings. Interrogatories are a cost effective way of obtaining information. The proposed change is likely to increase costs, however, as parties will be forced to rely more heavily on discovery depositions, which usually entail travel costs and other expenditures. Therefore, we believe the interrogatory limit should not be reduced. Alternatively, should the TTAB believe it is important to lower the limit to 25, it should revise the proposed rule to permit subparts.

2. Initial Disclosures

While initial disclosures are now required in Federal Court proceedings, the TTAB's proposal goes far beyond what is required to be served in Federal Court.

Rule 26 of the Federal Rules of Civil Procedure requires that a party identify persons with knowledge of relevant facts and the location of relevant documents.¹ On the other hand, the new proposed TTAB rules would specifically require disclosure of the following:

- ◆ Origin of mark
- ◆ Dates of first use and extent of past use
- ◆ Evidence of actual confusion
- ◆ Awareness of third party marks
- ◆ Classes of customers
- ◆ Channels of trade
- ◆ Marketing methods
- ◆ Surveys
- ◆ Other litigations involving the mark
- ◆ Knowledgeable officers or employees
- ◆ Location of relevant documents

Only the last two categories are typically included in disclosure requirements under federal practice. The initial disclosure proposed by the TTAB will require parties with a substantial history to perform extensive document searches before discovery even opens. This will escalate the initial costs associated with TTAB proceedings.

One of the reasons given for the initial disclosure requirements is that this has raised the percentage of early settlements in Federal Courts. While this may be true in some cases where the initial disclosure requirement is a minimal undertaking, the results may be the opposite under the TTAB's proposed rules. If the proposed initial disclosure rules are adopted by the TTAB in their current form, many parties will be required to spend significant resources at the outset of the case. Since cost control often plays a pivotal role in settlement, many parties that would have otherwise settled at an early stage may be less likely to settle after investi

¹ While damages computations and insurance policies are also required, these categories are not relevant to TTAB proceedings.

ng significant resources to comply with the arduous initial disclosure requirement. In other words, parties will conclude that since resources have already been spent, they may as well stay in the case.

The proposed rule changes also may amplify the disparity between wealthier parties and those of more modest means. The ease with which discovery may be obtained under current TTAB procedures helps neutralize the relative size differences between parties. Under the proposed rule change, "scorched earth" tactics may be adopted by some litigants as a means of obtaining results that might not otherwise be attainable.

In view of the above, we urge the TTAB to carefully reconsider both the necessity and the scope of the proposed initial disclosures rules. Should this new rule be adopted, the TTAB also should consider adding a rule specifying the consequences for failing to disclose facts as of the initial disclosure deadline. Such a provision will be essential to ensure that all parties comply with the new initial disclosure requirement.

3. Expert Disclosures

The proposed rule requiring disclosure of expert witnesses 90 days prior to the close of discovery also creates a potential for abuse. Some parties may defer providing information within the initial 90 days of the discovery period, thereby making it difficult to identify the type of expert testimony required. An alternative would be to consider allowing parties an opportunity to complete expert testimony following the completion of fact discovery. As drafted, the proposed change may create a whole new species of motions that ultimately may delay proceedings and drive up costs. Under current practice, expert identification is typically done through interrogatories. This seems to work quite well given the limited areas for expert testimony in the TTAB. Accordingly, we request that the TTAB reconsider the proposed rule regarding expert disclosures.

4. Pretrial Disclosures

The TTAB's proposal for pretrial disclosures 30 days prior to the opening of testimony addresses a problem that generally does not exist in TTAB proceedings, that is, avoidance of unfair surprises at trial. Because there is no live trial at the TTAB, a party cannot spring a surprise witness on another party. Rather, one party during its testimony period notices the deposition of the witness. This gives more than adequate notice to the other party and avoids unfair surprise. Therefore, the pretrial disclosure will merely add unnecessarily to the costs associated with the proceeding. We therefore urge that it not be adopted.

5. Remaining Proposals

While other proposed rules not addressed in these comments may also be unnecessary, they are not as problematic as the proposed rules discussed above.

6. Conclusion

TTAB proceedings currently serve a vital role in the cost-effective resolution of trademark disputes. To preserve this system of dispute resolution, the TTAB should not seek to replicate federal court proceedings in every respect and should avoid changes in the rules of procedure that will unnecessarily increase the costs and burdens imposed on litigants. Unfortunately, the proposed rules discussed above will add to the costs of proceeding in the TTAB, and in some instance may have the unintended consequence of discouraging settlement. If this were to happen, the TTAB would become a much less attractive dispute resolution forum and many parties may simply decide to proceed to Federal Court due to the availability of additional remedies.

In conclusion, we strongly urge the TTAB to reconsider adopting the proposed rule changes.

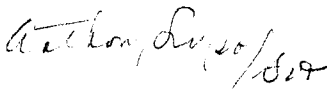
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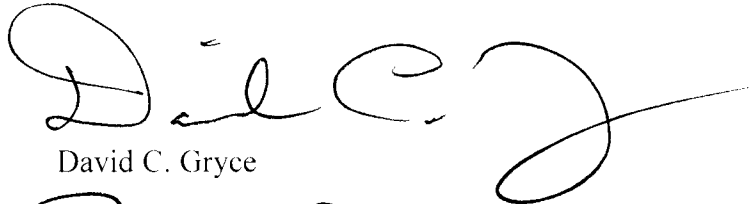
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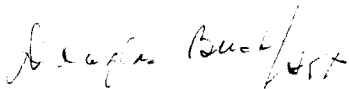
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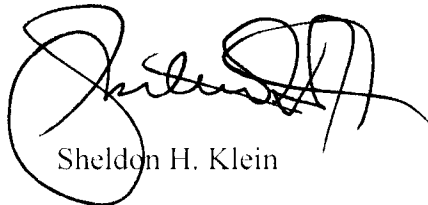
Anthony V. Lupo



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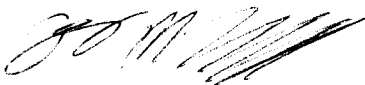
Sheldon H. Klein



Cristina A. Carvalho



Mark H. Tidman



Leo M. Loughlin