TTAB TOP 5

ANDY I COREA BREAKS DOWN THE CRUCIAL THINGS THAT UK ATTORNEYS NEED TO KNOW ABOUT THIS US TRIBUNAL

The United States Patent and Trademark Office's (USPTO) Trademark Trial and Appeal Board (TTAB) has the same role as most of its international counterparts – to adjudicate disputes regarding trade mark applications and registrations. However, TTAB proceedings follow a litigation model and therefore differ greatly from those in most other countries.

Parties considering adversarial proceedings in the US should be aware of the TTAB's procedures and prepare accordingly.

1. The TTAB's jurisdiction is limited to the question of trade mark registration

The TTAB is an administrative tribunal of the USPTO. It is only empowered to determine the right to register trade marks. 15 USC §§ 1067-68, 1070, 1092. The TTAB has no jurisdiction to determine the right to use a trade mark, nor may it decide broader questions of infringement or unfair competition. *FirstHealth of the Carolinas Inc v CareFirst of Md Inc*, 479 F3d 825 (Fed Cir 2007). Likewise, the TTAB has no authority to issue injunctions, award damages or issue monetary sanctions. 37 CFR § 2120(g). Therefore, a decision at the TTAB will not automatically force the losing party to cease use of a mark.

There are four types of adversarial (generally referred to as *inter partes*) proceedings that come before the TTAB: oppositions, cancellations, interferences, and concurrent use proceedings. Oppositions involve a challenge to a published trade mark application. The most common basis for opposition is that the opposed mark is confusingly similar to an existing mark owned by the opposer.

Cancellations are similar proceedings, brought after a registration has been issued.

> *The TTAB has no jurisdiction to determine the right to use a trade mark, nor may it decide broader questions of infringement*

Interferences and concurrent use proceedings are much rarer. Interferences involve conflicts among owners of conflicting pending applications where the TTAB determines that extraordinary circumstances exist; for example, a complete resolution of the issues would require a series of oppositions, all raising substantially the same issues. *See In re Family Inns of America, Inc*, 180 USPQ 332 (Comm'r Pats 1974).

In a concurrent use proceeding, the TTAB determines whether one or more parties is entitled to a registration with conditions and limitations. These often involve geographic restrictions when each party has made use of the mark in a different geographic area.

2. TTAB proceedings follow the model of US litigation and can generate substantial discovery and trial costs

Adversarial proceedings before the TTAB are similar to civil cases in US federal district courts. The TTAB follows the Federal Rules of Civil Procedure and Evidence, with some minor exceptions. After the case commences, the parties are required to confer regarding discovery and make initial disclosures of relevant information and documents.

They can also engage in written discovery and take discovery depositions. After discovery is completed, a trial period occurs during which each party may submit the evidence it wants the TTAB to consider. After the parties have entered their complete trial testimony, the parties submit written briefs and may also request oral argument.

Discovery

One of the biggest differences in US practice is the availability of discovery. Each party is entitled to take discovery regarding matters raised in the pleadings as well as any matter that might serve as the basis for an additional claim, defence, or counterclaim. *Neville Chemical Co v Lubrizol Corp*, 183 USPQ 184, 187 (TTAB 1974). Each party has a duty to make a good faith effort to satisfy the discovery needs of its adversary. *Luehrmann v Kwik Kopy Corp*, 2 USPQ2d 1303, 1305 (TTAB 1987). The TTAB can assess non-monetary penalties for failure to participate in discovery. *See, eg, Amazon Technologies Inc v Wax*, 95 USPQ2d 1865, 1869 (TTAB 2010). In exceptional cases, it can order judgment against a party that fails to cooperate in discovery. *Benedict v Superbakery Inc*, 665 F3d 1263, 101 USPQ2d 1089, 1093 (Fed Cir 2011) (entry of judgment warranted in view of repeated failures to comply with reasonable orders of the TTAB and no lesser sanction would be effective), *aff'g* 96 USPQ2d 1134 (TTAB 2010).

The following written discovery methods are available in TTAB proceedings:

a. Interrogatories – Up to 75 written questions (including subparts) to the opposing party. These often include

identifying people with relevant information who may later be deposed and identifying documents that must be provided to the adverse party.

b. Requests for Documents – Requests to produce documents and other tangible items related to the case. Responsive documents generally include written communications, electronically stored information (eg emails), sales information, customer lists, promotional materials, marketing and business plans, and advertising and product samples.

c. Requests for Admission – Requests that an adverse party admit certain facts. Each Request is considered admitted unless it is denied in writing within 30 days of service.

Each of these discovery mechanisms requires written responses and/or objections. Discovery may require disclosure of highly confidential information, but that information still must be produced and is protected from dissemination by the TTAB's Standard Protective Order (37 CFR §2.116(g)).

In addition, each party may take up to 10 discovery depositions in which a witness is examined under oath before a court reporter. Witnesses may include parties or non-parties with evidence relevant to the proceeding. Typically, a party can expect its key employees with knowledge about the development and marketing of the product associated with the mark to be deposed.

> *Parties can simplify the presentation of evidence by stipulating to uncontested facts and agreeing to use witness affidavits and declarations*

Motions

Motion practice is another way in which US proceedings differ from most other countries. Parties requesting specific procedural or substantive relief can file written motions. TTAB procedures allow consideration of almost all motions allowed under the Federal Rules of Civil Procedure. These arise most often during discovery disputes where a party moves to compel discovery responses from a non-cooperative opponent or, alternately, a party moves for a protective order to prevent unduly burdensome discovery. In addition, the TTAB frequently rules on Motions for Summary Judgment, in which a party asserts that there are no factual disputes in the case, and it is entitled to judgment as a matter of law.

Trial

The TTAB does not hear live witnesses in trial. Instead, each party takes trial depositions (which are separate from discovery depositions), under oath and subject to cross-examination, of witnesses and submits the transcripts and associated exhibits to the TTAB as evidence. Much like a live trial, testimony in trial depositions must comply with the Federal Rules of Evidence. Parties may also file Notices of Reliance to admit certain types of documents, such as official records and printed publications.

After all evidence has been submitted, each party files written briefs with the TTAB. The brief cannot introduce new evidence; it must rely solely on evidence that has been submitted in the trial phase. A panel of three TTAB members reviews the written record, briefs and hears oral argument (if any) before issuing a written decision. A decision from the TTAB can take as much as seven months from the close of briefing to be issued.

3. The outcome of TTAB cases can affect subsequent litigation between the same parties

Although the TTAB does not have the power to decide trade mark infringement cases, the US Supreme Court recently ruled that TTAB decisions in oppositions can have preclusive effect on the issue of confusion in subsequent District Court litigation. *B&B Hardware Inc v Hargis Industries Inc*, No 13-352, 575 US ___, 2015 WL 1291915 (March 24, 2015).

In B&B Hardware, the parties engaged in opposition proceedings, and the TTAB refused registration on the basis of confusion. In subsequent trade mark infringement litigation, the Plaintiff argued that the Defendant could not contest the likelihood of confusion finding because the TTAB had issued a final decision, which the Defendant did not appeal. The Supreme Court agreed and held that the Defendant could not challenge the finding on likelihood of confusion.

B&B Hardware is so recent that its effect on subsequent litigation has not been tested. However, as trial courts apply the decision, it could have substantial implications, particularly in the area of preliminary injunctions.

Plaintiffs in trade mark cases may request that a trial court issue a preliminary injunction prohibiting the defendant from using the disputed mark pending the outcome of the case. A plaintiff seeking preliminary injunction must demonstrate "that he is likely to succeed on the merits, that he is likely to suffer irreparable harm in the absence of preliminary relief, that the balance of equities tips in his favor, and that an injunction is in the public interest." *Winter v Nat'l Resources Defense Council*, 555 US 7, 20 (2008). The TTAB finding of confusion

is binding on the federal trial court, so it should be sufficient to establish the likelihood of success on the merits. Moreover, many US courts traditionally presume that the existence of a likelihood of confusion is proof of irreparable harm. Although this presumption is no longer uniformly applied, it is still the law in many jurisdictions. Therefore, a TTAB finding of likelihood of confusion may give a plaintiff the ability to obtain an injunction from the trial court without significant additional proof.

4. The parties can agree to a streamlined process to control costs and receive a faster decision

Although TTAB proceedings have the potential to be long and expensive, the Accelerated Case Resolution (ACR) procedure allows parties to streamline their case and receive a faster decision. Where the parties agree that resolution of the case does not require extensive discovery and trial periods, they can submit a stipulation to use ACR. The ACR stipulation will set out an expedited and relatively contained discovery and trial schedule. Moreover, the parties can also simplify the presentation of evidence by stipulating to uncontested facts and agreeing to use witness affidavits and declarations in lieu of deposition testimony. The parties submit the documentary evidence with their briefs, and the TTAB issues a final decision within 50 days.

ACR is not suitable for every case. Proceedings requiring substantial discovery, factual disputes, or contested evidence are better handled through the standard TTAB process. However, if the parties anticipate stipulating to many facts or relying on one or two witnesses and a relatively minimal record, they should consider ACR. Counsel should review potential TTAB disputes closely to determine if ACR is an appropriate mechanism.

5. There are two distinct mechanisms to appeal TTAB decisions

The TTAB's decisions may be appealed to the US Court of Appeals for the Federal Circuit or by initiating a proceeding in a federal district court.

The Federal Circuit is an appellate court that hears appeals from certain federal administrative agencies (including the USPTO) as well as cases involving specific subject matter, including patents. An appeal to the Federal Circuit is taken on the existing TTAB trial record. 15 USC § 1071(a)(4). The TTAB decision will be upheld unless it is not supported by substantial evidence. *Recot Inc v Becton*, 214 F3d 1322, 1327 (Fed Cir 2000).

In contrast, the district court option offers a more expansive review. The parties may take additional discovery and introduce additional testimony and evidence. 15 USC § 1071(b)(3). The district court reviews all the evidence without deference to the TTAB's finding. *Swatch AG v Beehive Wholesale*, LLC, 739 F3d 150, 155 (4th Cir 2014). Moreover, the dispute can be expanded to include claims of infringement and unfair competition – to the extent permitted under the Federal Rules of Civil Procedure. *Id*.

EFFECTIVE AVENUE

The TTAB process can be difficult to navigate for parties who are used to adversarial matters in other countries. However, once the differences in procedure are understood, TTAB cases can be managed more effectively.

Parties should recognise that involvement in any TTAB case will require more resources than corresponding cases in other countries and should adjust their strategy, expectations and budgets accordingly. They should anticipate discovery and identify key documents and other information requiring disclosure. They should establish a case management plan to develop evidence that can be used at trial. Likewise, they should recognise that the findings at the TTAB could bind them in later proceedings and consider whether the TTAB is the best forum for adjudicating the dispute.

If settlement is a serious consideration, this should be addressed early, and the parties should consider suspending the case to allow for negotiations.

Most importantly, parties should clearly identify the goals of the proceedings and develop reasonable expectations of the outcome and a suitable strategy. ■

TTAB: IMPORTANT CONSIDERATIONS

- ☆ It may require more resources than venues in other countries.
- ☆ You will need to anticipate discovery and prepare for it.
- ☆ Consider the binding nature of the proceedings. Will this be an issue later on?
- ☆ Do you have clear goals and reasonable expectations?

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