

## Hot Topics in Intellectual Property Law

Wednesday, July 15, 2015, 12:00 p.m. to 5:00 p.m.  
The Union League Club, 38 East 37<sup>th</sup> Street, New York

Earn 3.5 NY/NJ CLE credits incl. 0.5 ETHICS  
FOR BOTH NEWLY ADMITTED & EXPERIENCED ATTORNEYS



### AGENDA

\*\*\*Materials are available on <http://www.nyipla.org/assnfe/ev.asp?ID=114>

- 12:00 - 12:45 Registration & Lunch  
12:45 - 1:00 *Welcome Remarks*  
Hosted by the **NYIPLA Trademark Law & Practice Committee**  
**Co-Chairs Pina Campagna and Dyan Finguerra-DuCharme**
- 1:00 - 1:30 Keynote Address  
**Chief Judge Gerard F. Rogers**, *Trademark Trial and Appeal Board*
- 1:30 - 2:30 **Increased Scrutiny to Trademark Applications Based on Foreign Registrations**  
**Sandra Edelman**, *Partner, Dorsey & Whitney*
- Tips on Prosecution from a Former Trademark Examining Attorney**  
**Teresa Lee**, *Partner, Pryor Cashman*
- 2:30 - 2:45 Refreshment break
- 2:45 - 4:45 **Cyber Intrusions and Theft of IP/Trade Secrets**  
**Seth DuCharme**, *Deputy Chief, Terrorism and Cybercrimes Unit, United States Attorney's Office for the Eastern District of New York*
- Attorney Advertising and Social Media and Ethical Implications**  
**Michael Graif**, *Social Media Law Adjunct Professor, Benjamin N. Cardozo School of Law and Partner, Curtis, Mallet-Prevost, Colt & Mosle*
- Recent Developments in Copyright Law**  
**Joe Salvo**, *Executive Vice President and General Counsel, Sesame Workshop*
- Update on the Hague**  
**David Gerck**, *Attorney, Office of Policy and External Affairs, USPTO*
- 4:45 - 4:50 Closing Remarks



**GERARD F. ROGERS**, *USPTO Trademark Trial and Appeal Board*

Gerard Rogers is a member of the Senior Executive Service and serves as Chief Administrative Trademark Judge of the USPTO Trademark Trial and Appeal Board. As chief judge, he has management responsibility for the processing of trademark appeals, oppositions, and cancellation proceedings; the preparation and issuance of precedential decisions of the Board; and collaboration with stakeholders to enhance Board processes and procedures.

He joined the Patent and Trademark Office as a trademark examining attorney in 1987. From 1990 to 1992, he worked as a staff attorney for the Assistant Commissioner for Trademarks.

Mr. Rogers joined the Trademark Trial and Appeal Board in 1992 as an interlocutory attorney and held that position until he was appointed to the position of administrative trademark judge in 1999. In 2009 he accepted an appointment as Acting Chief Administrative Trademark Judge, and in 2010 the word Acting was removed from the title.

Mr. Rogers is a graduate of New England School of Law and the University of Massachusetts/Amherst.

FY 2015 TTAB Performance Measures (1)	FY 2014 EOY Results	FY 2015 Actual, Target or Projected	FY 2015 YTD Through June 2015	Variance
<b>JUDGES and INTERLOCUTORY ATTORNEYS</b> Administrative Trademark Judges – EOY or Current Reporting Period Interlocutory Attorneys – EOY or Current Reporting Period	21  12.5	Actual 21  13.5	21  13.5	On target (and hiring)
<b>FILINGS</b> Notices of Appeal Extensions of Time to Oppose Notices of Opposition Petitions to Cancel	2,794 17,285 5,509 1,722		2,219 12,306 3,800 1,288	+7.6% -4.2% -8.5% -4.2%
<b>TOTAL PENDENCY</b> Average total pendency, commencement to completion, excluding precedents Appeals (406 decided FY14; 291 in FY15) Trial Cases (131 decided FY14; 86 in FY15) ACR Trial Cases (21 decided FY14; 5 in FY15 w/4 pending)	43.8 weeks 165.2 weeks 136.3 weeks		41.9 weeks 154.2 weeks 91.2 weeks	-4.3% -5.4% -33.1%
<b>PENDENCY- Final Decisions</b> (Cancellations, Oppositions, Ex Parte Appeals) Measured from ready for decision date until mailing for final decisions, excluding precedents, in appeals and trial cases during reporting period	9.2 weeks	10-12 weeks (target)	9.7 weeks	Better than target range
<b>PENDENCY- Contested Motions</b> (1) Measured from ready-for decision until mailing; average of orders on contested motions, excluding precedents, issued during reporting period (2) Age of <b>single</b> oldest contested motion ready for decision at end of reporting period	9 weeks 11.9 weeks	(targets) 8-9 weeks (avg.) 12 weeks or less	9.4 weeks 18.8 weeks	4.4% > target 56% > target

FY 2015 TTAB Performance Measures (2)	FY 2014 EOY Results	FY 2015 Actual, Target or Projected	FY 2015 YTD Through June 2015	Variance
<b>PRODUCTION-DECISIONS</b> Cases Decided on Merits Precedential Decisions Issued Contested Motions Decided Uncontested Motions Processed	537 45 1,358 28,861	 40-45 (target)	377 25 941 22,377	+5.6% 17% < target -4.5 % +3.4%
<b>INVENTORY—Cases Ready for Final Decision</b> The number of pending appeals and trial cases in which briefing was completed, or in which briefing and arguments were completed, thus becoming ready for decision on the merits, as of the end of the reporting period	Ex Parte Appeals 81 Oppositions 18 Cancellations 6	Total Case Inventory 115-135 (target)	Ex Parte Appeals 119 Oppositions 27 Cancellations 9	155 cases 14.8% > target
<b>INVENTORY—Contested Motions Ready for Decision</b> The number of cases with contested motions in which briefing was completed, becoming ready for decision, as of the end of the reporting period	135	Cases with Motions 130-160 (target)	183	14.4% > target
<b>CUSTOMER SERVICE DESK</b>  Percentage of Calls Answered Percentage of Calls Answered in 20 seconds or less	96.4% 76.9%	Target 92% 80%	96.2% 77.9%	better than target below target

**Inter Partes Proceedings at the TTAB:  
Advanced Practice Tips**

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## I. GENERAL INFORMATION

### Employees and Duties

In deciding *inter partes* cases, the Board's Administrative Trademark Judges work in panels, generally consisting of three judges. The record in such cases varies in quantity and quality, and the cases are briefed, and, perhaps, argued orally before a panel of judges. Before an *inter partes* case reaches a panel, however, the Board may have considered various filings and motions through the Board's electronic filing system (ESTTA) or by a Board paralegal or staff attorney.

The Board automatically processes an initial request to extend the time for filing an opposition, or any request based on good cause that will not run more than 120 days from the date of publication of the mark for opposition, if filed electronically through the Board's ESTTA system. Most oppositions filed electronically are instituted automatically. In addition, many motions filed electronically are automatically associated with the appropriate electronic case files and routed to a Board paralegal or attorney for action. Certain consented motions, however, are approved automatically. Paralegals at the Board enter extensions of time to oppose, institute new proceedings, and enter motions that cannot be processed electronically through ESTTA.

The Board's paralegal staff also handles routine motions and issues orders seeking information regarding the status of cases. For example, in *inter partes* cases, paralegals process consented motions to extend or suspend which are not filed electronically or for which an inquiry as to the status of the matter which occasioned an existing extension or suspension is appropriate; prepare suspension orders when potentially dispositive motions or motions to compel are filed; prepare orders relating to attorneys' requests to withdraw; prepare orders under Trademark Rules 2.128 and 2.134; and prepare orders disposing of cases when parties agree to settle cases through dismissal, abandonment of an application, surrender of a registration, and the like.

The staff attorneys, also referred to as Interlocutory Attorneys, review orders prepared for their signature by the paralegals on *inter partes* cases, participate in discovery conferences upon request of at least one of the parties, handle all contested pre-trial matters that arise in *inter partes* cases, and handle certain types of uncontested motions.

Generally, every pending *inter partes* case that is not yet briefed and submitted for decision is assigned to a paralegal (for entering motions and other filings) and a staff attorney (for deciding contested motions and managing the progress of the case). Often, however, the Managing Interlocutory Attorney, as necessary to balance dockets, reassigns cases with fully briefed contested motions ready for decision. This is particularly true for summary judgment motions. The Board's customer service representatives inform callers which paralegal or staff attorney is responsible for any particular request for an extension of time to oppose, newly filed opposition or cancellation, or instituted *inter partes* case. They also answer status inquiries, including inquiries regarding whether paper filings have been electronically scanned and entered in electronic case files. Receipt and entering of filings, as well as the name of the staff attorney to whom a case has been assigned, can also be easily checked in the TTABVUE system, available through the USPTO website, at [ttabvue.uspto.gov/ttabvue](http://ttabvue.uspto.gov/ttabvue). The Board's main phone number is (571) 272-8500.

### Electronic Information

The general public may use [www.uspto.gov](http://www.uspto.gov) to access the USPTO's home page. A link to the TTAB home page is available on the Trademarks home page, as well as from the "Boards and

Counsel” option in the “IP Law & Policy” drop down menu. For direct access to the Board’s page from your browser, use the following address: [www.uspto.gov/trademarks/process/appeal/index](http://www.uspto.gov/trademarks/process/appeal/index).

The Board’s home page allows access to all TTAB online resources, including ESTTA and TTABVUE. The TTAB web page also has a link to a combined listing of the Trademark Rules, from Title 37 of the Code of Federal Regulations, and the Trademark Act, from Title 15 of the U.S. Code. This document does not present the *official* versions of either, but is a resource presented by the Office.

In addition, links to the Board’s weekly summary of issued decisions, to the final Board decisions posted on the USPTO’s Freedom of Information Act (“FOIA”) site, and to various documents regarding policy and procedure appear on the Board’s home page. These documents include the TTAB’s standard protective order, a copy of an announcement in the *Official Gazette* regarding telephone conferencing for *inter partes* proceedings, and materials regarding the 1998 and the 2007 changes to the Trademark Rules, among other resources. The Federal Register notice of the final 2007 rules and a summary chart listing each changed rule for the 2007 rules changes remain posted on the TTAB’s webpage.

The Board’s manual of procedure, the **TBMP** (not to be confused with the TMEP, the USPTO’s manual of trademark examining procedure), can also be accessed without charge via the Board’s web page. Neither the Office nor the Government Printing Office (“GPO”) publishes the manual in paper form. **The manual is referenced as “TBMP § XXX (2014).”**

The Board’s web page also has a link to access archived editions of the TBMP. The second edition, accessed using the “archive” link, remains relevant to the very few *inter partes* cases commenced prior to November 1, 2007. However, even for these cases, the second edition of the TBMP must be read in conjunction with the August 1, 2007, Federal Register notice detailing significant changes to TTAB rules of procedures. That notice may be access via the TTAB’s home page and is available at [www.uspto.gov/trademarks/process/appeal/RULES08\\_01\\_07.pdf](http://www.uspto.gov/trademarks/process/appeal/RULES08_01_07.pdf).

**TIP:** If the answer to a practice and procedure question is in one of these online resources, any call to the Board may be met with a polite suggestion that the caller look up the answer on his or her own. Also, do not call and ask: “Are there are any cases on\_\_\_\_?” (A surprising number of people do.)

#### Electronic Filing and Proceeding Files

The Board has an electronic workflow system known as TTABIS. The great majority of pending *inter partes* proceeding files now exist only in electronic form. The remaining proceeding files are “hybrid” files, meaning that older paper submissions remain in proceeding folders in the Board’s physical file storage, but as new papers for these cases are filed, they are either submitted electronically or scanned into the TTABIS system and stored in electronic image form. The public interface for TTABIS is TTABVUE.

The TTABVUE system provides image records of all scanned or electronically filed documents in a TTAB proceeding and provides the prosecution history of *inter partes* and *ex parte* appeal proceedings, including current status. One can also access information on “potential oppositions,” *i.e.*, applications that are the subject of extensions of time to oppose. Case searches can be conducted by *inter partes* proceeding number, the number of an involved application or registration, by mark, or by party name. Embedded links in the prosecution history of a particular



*ex parte* appeal file history, potential opposition file history, or *inter partes* file history provide access to the image versions of the corresponding documents. TTABVUE can be accessed via a link on the TTAB web page.

There is also a link on the Board's web page for the ESTTA electronic filing system. ESTTA can be used to file any document in a TTAB proceeding, with specific forms for extensions of time to oppose a published application, notices of opposition, petitions to cancel, *ex parte* appeals or motions or briefs for any pending *inter partes* or *ex parte* proceeding (opposition, cancellation, concurrent use and appeal). Electronically filed extensions of time to oppose are processed automatically, in most cases within one business day, as are notices of appeal and notices of opposition. All ESTTA filings are acknowledged with a return e-mail. Other filing options are forms for filing consented motions to extend time or suspend in *inter partes* cases. A filer using these forms receives an automatic grant of the motion, via e-mail communication to both parties. ESTTA filings not processed automatically still receive the benefit of immediate routing to the correct TTAB employee for processing.

**TIP:** Plan ahead, keep filing deadlines in mind, and allow plenty of time to resolve issues that may arise because unexpected problems may occur with ESTTA. Use of ESTTA, though highly recommended, is optional. If the ESTTA system is down, parties should submit their filings on paper to meet their deadlines.

**TIP:** Upon successful submission and transmission, the filing will be assigned an ESTTA tracking number. If the submitting party encounters a problem, such as the filing not appearing in the TTABVUE docket history, a Board IT specialist will be able to remedy the problem quickly if provided with the ESTTA tracking number.

**TIP:** If a submission is "bulky" (*i.e.*, greater than 300 pages), it is best to file such submission via ESTTA in multiple, logical parts. For example, a filing that is 400 pages may be submitted in two parts, 300 pages then 100 pages. Of course, if it does not make sense to break the submission up in such a manner, it should be submitted in a manner more reflective of its contents, *e.g.*, 190 pages then 210 pages, because the first 190 pages comprise logically related materials.

**TIP:** Any questions regarding the technical aspects of ESTTA should be directed to a Board IT specialist, by email sent to [ESTTA@uspto.gov](mailto:ESTTA@uspto.gov). (Note: this email address is used for technical inquiries only, not for filing papers through ESTTA).

Parties filing papers for proceedings that are already pending can use ESTTA, but be aware of the announcement posted on the Board's web page regarding use of ESTTA for particular types of filings. The ESTTA form identifies the filer and the nature of the paper, functions as the first page of the document in the record, and provides for attachment of an image-based document (*e.g.*, a brief).

**MADRID NOTE:** For any application seeking, through the Madrid Protocol, to extend a foreign registrant's international registration into the United States, extensions of time to oppose or a notice of opposition, must be filed via the ESTTA system. Note, too, that the plaintiff will not be able to amend the notice of opposition after it is filed. TBMP §§ 315, 507.01.

Further, the scope of the grounds for the opposition against an application filed pursuant to the Madrid Protocol is limited to those grounds identified in the ESTTA cover form notwithstanding what grounds are asserted in the attached notice of opposition. TBMP § 315; *see CSC Holdings*,



*LLC v. SAS Optimhome*, 99 USPQ2d 1959, 1962-63 (TTAB 2011); *Hunt Control Sys., Inc. v. Koninklijke Philips Elec. N.V.*, 98 USPQ2d 1558, 1561-62 (TTAB 2011).

**NOTE:** A link on the TTAB homepage, “ESTTA Tips” opens an announcement with current news about ESTTA functionality and with recommendations regarding how best to use ESTTA when filing particular types of motions.

#### How to Contact the Board

Use of ESTTA is the most effective way to submit filings in a proceeding. Otherwise, all mail for trademark matters **under the jurisdiction of the TTAB** should be directed to the address set out below.

U.S. Patent and Trademark Office  
Trademark Trial and Appeal Board  
P.O. Box 1451  
Alexandria, VA 22313-1451

Papers being delivered by hand or by courier should be taken to the Trademark Assistance Center on the Concourse level of the Madison Building, 600 Dulany Street, Alexandria, Virginia.

While the USPTO no longer uses any of the specialized “Box” addresses previously used for trademark mail, the TTAB filer may wish to include an attention line or other indication in its transmittal letter to indicate that the paper is for the TTAB. Do not send papers for applications or registrations involved in Board proceedings to Examining Attorneys, Post Registration, or other sections of the Trademark Office.

**TIP:** Even advanced practitioners routinely send filings for opposed applications via TEAS or to the attention of the Examining Attorney who approved the mark for publication. Do not do this! It can cause serious delays. In contrast to filings for applications involved in oppositions, some filings for registrations involved in cancellation cases must be directed to the Board, while others should be directed to another part of the Office. For example, while a proposed amendment of a registration involved in a cancellation proceeding must to be brought to the attention of the Board, an affidavit of continuing use or a renewal application should be filed with the Post Registration division of the Office. It is always helpful, however, to alert the Board to any filing being made in another part of the USPTO, for any registration involved in a cancellation proceeding. In one instance, a respondent in a cancellation case, with consent of the petitioner, submitted an amendment for its registration, but only to the attention of the Post Registration section. It was not brought to the Board’s attention until *two years after* the cancellation case had been dismissed, when the respondent filed a Section 8 & 15 affidavit reciting the amended identification.

**Unauthorized filings made by fax or email** may not be acknowledged and will not be considered.

Papers filed with the Board by mail are often accompanied by **unnecessary extra copies of the same papers**. Don’t send them. The Board does not need courtesy copies of such papers. They waste paper and resources and are no longer required under any circumstances. In fact, originals are sometimes lost among the sea of unnecessary copies that must be discarded or recycled. See *ITC Entm’t Grp. v. Nintendo of Am.*, 45 USPQ2d 2021 (TTAB 1998). Even better, use ESTTA whenever possible, for it results in faster processing for counsel and client.

Do not communicate with Board attorneys via email, unless specifically instructed by the Board attorney to do so. Use the telephone for your procedural questions, status inquiries, or requests for phone conferences.

## II. PRE-TRIAL CONSIDERATIONS; CORRESPONDENCE & SERVICE

“Pre-trial” considerations in Board *inter partes* cases are in part the same as those for civil suits, *e.g.*, evaluating possible settlement options, and determining what claims or defenses to pursue if settlement is not possible, but there are some Board-specific considerations. For the prospective opposer, attention must be paid to the time for filing the opposition to an application and the requirements for obtaining extensions of the time to oppose (the opposition period) and/or negotiating to settle with an applicant during the opposition period (original or extended).

### NO Suspension

The Board will not suspend the running of the time for filing an opposition for any reason. Thus, suspension will not be granted on consent of the parties, to accommodate settlement, to allow for the Examining Attorney’s consideration of a proposed amendment (see below), or because the parties are involved in a civil action. TBMP § 209.01(a). Such reasons, however, would be a basis for filing a motion to suspend after institution of an opposition.

### Amendments During Opposition Period

The filing of a request for an extension of the opposition period does not vest the Board with jurisdiction over the file. *Compare* Trademark Rule 2.84, *with* Trademark Rule 2.133. Any amendment proposed by an applicant, whether of its own volition or to accommodate a concern of a potential opposer, should be filed via TEAS using the “Post-Approval/Publication/Post-Notice of Allowance (NOA) Amendment Forms,” accessed through the TEAS icon at the Trademarks homepage and more directly at [www.uspto.gov/trademarks/teas/post\\_publication.jsp](http://www.uspto.gov/trademarks/teas/post_publication.jsp). Any phone inquiry for informal discussion of the content of the amendment should be directed to the Examining Attorney. Also, note that the amendment should not be one that would require republication of the mark. Trademark Rule 2.84(b).

**TIP:** Occasionally, an Examining Attorney may not understand that the Trademark Examining Organization’s “dormant” jurisdiction will be revived when the applicant files a post-publication amendment for an application subject to potential opposition, and the Examining Attorney may state that the amendment cannot be discussed because “the Board has the file.” You may need to explain the process if you want to get an informal reading on a contemplated amendment. Of course, the actual decision on any proposed amendment will be based on the written submission. Remember that the Board will not suspend the running of the opposition period for any reason, even while a proposed amendment is being considered. If acceptance of the proposed amendment is critical to the applicant’s avoiding an opposition, the applicant will have to be assiduous in alerting the Board to the filing of the proposed amendment and working with the Examining Attorney to obtain a review of the proposal.

### Pre-Trial Phase of Oppositions/Extension Practice

The attorney who an applicant appoints to prosecute the application will be considered the representative for applicant until the application is either abandoned or results in issuance of a registration. Thus, if the application is allowed, the mark is published for opposition, and is then

subject to extensions of time to oppose, the Board will communicate with applicant's counsel regarding the approval of extensions. Likewise, if an opposition is filed, the Board will notify the attorney. Such notification is separate and distinct from Rule 2.101(b), 37 C.F.R. § 2.101(b), which requires the opposer to send a service copy of its notice of opposition to the applicant or its counsel or domestic representative.

An attorney who wishes to withdraw from representation of an applicant during the opposition period (original or extended) must direct the request for leave to withdraw to the Board, not the law office in which the application was examined. If a potential opposer retains new counsel, then the new attorney can file the next extension request or the opposition. There is no need for the prior attorney to file a request to withdraw; however, the new attorney should include a request to change the correspondence address to his or her address (see *infra*).

During the period for filing a notice of opposition, there generally are no service requirements for the attorneys for the applicant and the potential opposer. For example, an applicant who files an amendment need not send a service copy to a potential opposer. Similarly, a potential opposer need not forward a service copy of an extension request to the applicant. There are, however, many practical reasons for doing so, especially if the parties are actively negotiating a settlement. Under Trademark Rule 2.101(b), 37 C.F.R. § 2.101(b), the notice of opposition must be served on the applicant by the opposer and proof of service must be included for the Board at the time of filing of the notice of opposition.

#### Correspondence Addresses on Board Files

The attorney who prosecuted an application will be listed as defendant's counsel in an opposition. The attorney filing the opposition will be listed as plaintiff's counsel. Thereafter, the Board will accept filings signed by any attorney, since the attorney's signature on the filing constitutes a representation to the Board that the filing is authorized. Trademark Rule 2.17. However, the Board will not change a correspondence address merely because a new attorney files a paper; there must be a specific request to change the correspondence address. Trademark Rule 2.18. Also, because attorneys for applicants often have been appointed by a power of attorney in the filed application, a revocation or new power may be required when an applicant chooses new counsel.

The correspondence address in a cancellation proceeding is that of the registrant until an appearance has been made by an attorney or an appointment of an attorney has been made.

#### Withdrawals of Attorney/Changes in Representation

Client and counsel share a duty to remain in contact with each other and the Board, and to communicate changes in representation. When a client loses interest in a case and/or counsel has difficulty communicating with the client, the Board should be promptly notified. Likewise, when an attorney leaves a firm or wishes, for whatever reason, to withdraw from representation of a party, the Board must be notified. Often, the Board does not find out about such a situation until long after an important deadline has passed. *CTRL Sys. Inc. v. Ultraphonics of N. Am., Inc.*, 52 USPQ2d 1300 (TTAB 1999).

**Counsel** of record, whether of record because appointed by a power of attorney in an application, or through the filing of a pleading (i.e., notice of opposition, petition for cancellation, answer to petition), **remains of record** and is responsible for safeguarding the client's interests **unless counsel seeks, and is granted, leave to withdraw**. Patent and Trademark Rules 2.19, 11.116, 37

C.F.R. §§ 2.19, 11.116. For an attorney whose client is involved in a Board proceeding, it is the Board that grants or denies requests to withdraw. TBMP § 513. **All too often, attorneys cease representing their clients and fail to file requests to withdraw.**

#### Assignments/Mergers/Acquisitions

When an application or registration is assigned, or a party merges with or is acquired by another party, it is not unusual for correspondence problems to arise and/or for prosecution or defense of a case to suffer. Except in unusual circumstances, the Board will not conduct double correspondence, *i.e.*, it will only conduct correspondence with one attorney, firm or party on each side of a case.

**TIP:** Parties may provide a reasonable number of email addresses with respect to correspondence from the Board. Thus, it is suggested that they do so in instances where more than one attorney or firm is representing a party or parties on each side of the case. This situation may arise, for example, in consolidated proceedings where there are several unrelated plaintiffs against a single defendant or when an assignment occurs and the assignee is joined.

When an application or registration is assigned during pendency of a proceeding, the Board generally will join the assignee. The assignor remains a party. This facilitates taking of discovery and the presentation of evidence at trial from all relevant parties. If the assignor and assignee are to be represented by different attorneys, it is the responsibility of the parties to so inform the Board. Moreover, while the Board, when it becomes aware of an assignment or other transfer of interest, may order joinder *sua sponte*, it is the assignee/transferee that bears responsibility for filing a motion to join or substitute. In conjunction with filing such a motion, the party should provide explicit information about future correspondence.

#### Communication With Adverse Party

Clearly, there are times when adversaries do not communicate well. Communication problems, however, are not unique to adversaries who are actively contesting a case. Even as between parties that are negotiating to settle or negotiating terms for providing discovery material, it is not unusual for parties to have misunderstandings regarding requests to extend or suspend. Sometimes, the misunderstanding is whether settlement talks are extant. *See Instruments SA Inc. v. ASI Instruments Inc.*, 53 USPQ2d 1925 (TTAB 1999). Moreover, the Board often receives complaints that an extension or suspension was requested as a ruse, and the additional time was used by the adversary to prepare a motion for summary judgment or a complaint for a civil action. The Board is usually unable to aid a party that has not been careful in its dealings with an adversary. When involved in negotiations, parties are well advised to timely seek extensions of Board dates, reduce agreements to writing and file them in the form of a stipulation, or at least maintain a paper trail. TBMP § 501.02.

**NOTE Regarding Foreign Parties:** *Under Trademark Rule 2.119, a foreign party to a Board proceeding is not required to appoint a domestic representative. When an adversary is not resident in the United States, is not represented by a U.S. attorney, AND has not appointed a domestic representative, service must be made on the adversary abroad. (On the other hand, most foreign parties involved in proceedings before the Board have both a domestic representative and U.S. counsel representing them. Often the domestic representative and counsel is the same individual.) An appointment of domestic representative is considered effective until revoked or a substitute domestic representative is appointed. Accordingly, if a domestic representative is appointed to receive correspondence on behalf of an applicant during*

*prosecution of the application, the appointment is considered to continue even after a registration issues.*

### III. INTER PARTES PLEADING, DISCOVERY, DISCOVERY MOTIONS

#### In General

The Board accommodates parties' negotiations to settle cases by liberally granting suspensions. Due dates, *e.g.*, for an answer or for responses to discovery requests, scheduling orders, and the like, should not be forgotten while the parties are negotiating. **It is a mistake for a party to presume that the mere existence of settlement talks will discharge any obligation to respond to discovery, take discovery, or present evidence; it is a mistake made too often.** Unfortunately, the mistake often is not recognized until the party that deferred activity files a motion to extend or reopen that is contested by the adversary.

The better practice, **when settlement negotiations are ongoing**, is for the parties to stipulate to a suspension for a time certain. Suspension for settlement talks is always subject to the right of either party to request resumption at any time if talks break down, so there is no downside risk of delay by stipulating to suspension. A **stipulated suspension is preferred over a series of stipulated extensions**. The Board may suspend, *sua sponte*, if multiple extensions are stated to be for the purpose of accommodating settlement talks.

**NOTE:** *After the pleadings close, the parties are required to confer to discuss settlement, possible narrowing of claims or defenses, and to plan for disclosures and discovery ("discovery conference"). The Board has stated that it will continue with its policy of liberally granting suspensions to accommodate settlement talks, so long as the requests are filed before the pleadings close or after the discovery conference.*

**TIP:** While the Board is liberal in granting periods of suspension to accommodate settlement discussions, the Board also has an interest in bringing its pending cases to conclusion. Prolonging the pendency of the case for years to accommodate occasional discussions of settlement is disfavored. Parties seeking numerous suspensions for settlement talks will be required to provide evidence of their progress towards settlement in order to show good cause for continued suspension for settlement talks in long pending cases.

#### Jurisdiction Over Applications/Registrations; Proper Captioning

Remember, once a notice of opposition or petition to cancel is filed, the Board has jurisdiction over a defendant's involved application or registration. Any amendment, change of address, change of counsel, etc., must be filed to the attention of the Board with reference made to the application serial number or registration number *and* the opposition number or cancellation number. Filing to the attention of the Examining Attorney, for an application, or to Post Registration, for an existing registration, with or without reference to the pending Board case, will delay processing and action. Filings with **typographical errors** in case numbers, application numbers or registration numbers are **too frequent, undermining novice and experienced practitioners alike**.

#### Notice of Opposition and Petition for Cancellation—Contents

Remember the narrow scope of the Board's jurisdiction, namely, determining the right to federal registration of a mark. Draft your pleadings with this in mind. Thus, do not make allegations that are better suited for civil cases involving trademark infringement or unfair competition.

To avoid any ambiguity, when pleading a statutory ground for relief set forth the ground in the language of the statute itself. A well-drafted complaint sets the proper course for the proceeding and may head off an initial flurry of pleading motions. Further, a good complaint shows your opponent and the Board that you have given thought to the case and that you know what you will need to prove to prevail in the proceeding.

**TIP:** Clear and precise pleadings avoid needless and costly motion practice. Do not use a claim of false suggestion of a connection under Section 2(a) as a substitute for a claim of likelihood of confusion under Section 2(d). This problem usually arises in petitions to cancel registrations that are over five years old. The claims under Sections 2(a) and 2(d) are different, requiring different proofs. The Board will deny attempts to get around the five-year limitation of Section 14(1) of the Trademark Act when a plaintiff essentially makes a claim of likelihood of confusion under the guise of a claim of a false suggestion of a connection. Also, recall that a dilution claim requires a pleading that the claimed mark became famous prior to the defendant's first use date or application filing date.

**TIP:** Where multiple claims are asserted, it is particularly helpful to the Board when the plaintiff provides separate headings for each claim. Doing so provides clarity for the plaintiff and its claims; assists the defendant in recognizing the claims and in forming its answer; and reduces motion practice in regard to the sufficiency of the claims.

**TIP:** When seeking to amend the pleadings, point specifically to the proposed changes. For example, if a new claim is being added, specifically state as much, including an instruction directing the Board and any adverse party to the paragraphs in which the new claim is found, and provide information about whether the remaining paragraphs are unchanged or, if changed, specify what and where they are. It is particularly helpful when a party seeking to amend its pleading provides the amended pleading and a copy with tracked changes illustrating where changes were made, throughout the proposed pleading.

Exhibits to a party's pleading are not of record unless they are identified and introduced during the proper testimony period. The only exception is that a federal trademark registration owned by the plaintiff and pleaded in the notice of opposition or petition for cancellation is in evidence if the pleading is accompanied by a copy or original of the registration, prepared and issued by the USPTO and showing current status and title, or by a printout of information from the electronic database records of the USPTO showing the current status of and title to the registration.

**NOTE:** *Take care that whatever reprints from USPTO electronic database records are used by a filer must be sufficient to prove both the status of and title in a particular registration.*

**TIP:** It is highly recommended that plaintiffs elect this option, which provides an easy and quick method for making the pleaded registration of record for all purposes in the proceeding. At a minimum, doing so helps focus discovery activities on matters truly in need of inquiry, and helps avoid the unfortunate situation where, after trial and at final decision, it is first recognized that plaintiff had not properly made the pleaded registration of record.

Oppositions filed against applications based on a request for extension of protection under 66(a) of the Trademark Act may not be amended to add a claim. *See O.C. Secrets Inc. v. Hotelplan*

*Italia S.p.A.*, 95 USPQ2d 1327 (TTAB 2010). Claims are limited to those identified in the ESTTA cover form notwithstanding what claims are asserted in the attached notice of opposition. See *CSC Holdings, LLC v. SAS Optimhome*, 99 USPQ2d 1959, 1962-63 (TTAB 2011); see also TBMP §§ 315, 507.01.

#### Notice of Opposition and Petition for Cancellation—Service

A plaintiff filing a notice of opposition or petition for cancellation is required to send a service copy of its pleading, including any exhibits, to the attorney, domestic representative or party (applicant or registrant) itself. See Trademark Rules 2.101(b), 2.111(b); TBMP § 309.02(c); and the full explanation of the import of these amendments in the 2007 notice of final rulemaking. In general, **for a notice of opposition**, the plaintiff must forward its service copy to the correspondence address for the applicant shown in USPTO records, whether that is an attorney, domestic representative or the applicant. In contrast, **for a petition for cancellation**, the plaintiff must serve the owner of the registration at its address shown in USPTO records, or the owner's domestic representative, if one is of record. Note that there is a distinction to be drawn between an attorney that represented a registrant before the USPTO during the application process and an appointed domestic representative. The TTAB considers the attorney's role as counsel to end when the registration issues but considers the appointment of a domestic representative to continue until revoked. **For both types of cases, it is especially important to note that the plaintiff's pleading must include proof of service (see Trademark Rule 2.119 for acceptable methods of service) or the pleading will be considered defective and the case not properly commenced. In addition, actual service must be made by the opposer or petitioner. Contrary to the apparent belief of some plaintiffs, ESTTA does not serve the complaint on the defendant. In the absence of proof of service or actual service in accordance with the proof of service, the proceeding may be dismissed as a nullity.** See *Schott AG v. L'Wren Scott*, 88 USPQ2d 1862 (TTAB 2008), *Springfield Inc. v. XD*, 86 USPQ2d 1063, 1064 (TTAB 2008). For an opposition to be considered timely, service must be made during the opposition period. However, for a cancellation proceeding, a slight delay in serving the petition is not necessarily fatal. See *Jacques Moret Inc. v. Speedo Holdings B.V.*, 102 USPQ2d 1212, 1216 (TTAB 2012) (although respondent's motion to dismiss for insufficient service must be granted, respondent is clearly on notice of the instant proceeding and the proceeding is resumed with an amended date of institution); *Equine Touch Found., Inc. v. Equinology, Inc.*, 91 USPQ2d 1943 (TTAB 2009) (copy of petition served by mail 7 days after filing through ESTTA—defective service curable because petitioner acted promptly and petition to cancel not time barred at time service made).

**TIP:** If the plaintiff receives a returned service copy, it is most expedient to so notify the Board via ESTTA.

**TIP:** A plaintiff may serve the complaint on more than one address if there is any concern over which is the correct address.

#### Answer—Contents

Do not include a boilerplate affirmative defense that the complaint fails to state a claim. Such a pleading often results in a motion to strike decided in plaintiff's favor, since a plaintiff usually is able to plead a claim for relief. Rather than attacking the sufficiency of the pleading by way of a pro forma affirmative defense, if you really believe that the pleading is lacking, then you should file a formal motion.



Do not include pro forma defenses of laches and acquiescence when answering a complaint. Before asserting such defenses, consider the limitations placed on them by the U.S. Court of Appeals for the Federal Circuit, the Board’s reviewing court, and the Board. Generally, a laches defense is unavailable in an opposition proceeding, while in a cancellation proceeding the time for laches to run begins with the issuance of the registration. Under certain circumstances, however, a laches or estoppel defense in an opposition may be based upon the opposer’s failure to object to the applicant’s prior registration of substantially the same mark as that in the opposed application.

Decide before answering, if you can, whether to seek restriction of a plaintiff’s registration under Section 18 of the Trademark Act, and then assert this as a counterclaim in the answer. If the grounds for a Section 18 counterclaim are learned during discovery, promptly move to amend the answer before trial, so as to give the plaintiff adequate notice of the proposed restriction.

If you are aware of grounds for a counterclaim when you file your answer, plead the (compulsory) counterclaim at that time. Failure to do so may preclude you from asserting the counterclaim later. If the grounds are learned after answer, a motion to amend to plead the counterclaim should be made promptly after the grounds are learned.

#### Answer—Service

The defendant (applicant or registrant) in a TTAB proceeding has always borne an obligation to forward a service copy of its answer to the plaintiff.

#### Motions, in General

Trademark Rule 2.127 is the Board’s motions rule. The response period for any motion is 15 days from the date of service; add 5 days if service was made by first class mail, Express Mail, or overnight courier. **Do NOT add 5 days if service was made by electronic means such as e-mail or fax**, when parties have agreed to use electronic transmission for service. *See* Trademark Rule 2.119(b)(6), (c).

*TIP:* As a practical matter, and because of considerations involving security protocols and firewalls, many parties elect to retain traditional service methods but also agree to send email courtesy copies or courtesy notifications that the receiving party is being served separately by a traditional method.

**Failure to file a brief in opposition to any motion may lead to its being granted as conceded; do not assume that a motion will be denied as ill-taken or untimely.** Indeed, such conceded motions may be reviewed in only a cursory manner or may not be read at all, on the theory that the non-moving party does not contest any of the content of the motion. Reply briefs on motions are not required, are discouraged, and seldom make much difference. Nonetheless, they may be filed, and are encouraged if a non-moving party raises a new issue (of fact or law) in its response to a motion or if the reply will assist the Board in resolving a complicated issue; however, “last word” replies by a movant, masquerading as assistance for the Board on a purportedly complicated issue, do not fool the Board or the non-movant. Any reply brief, if filed, must be filed within the same 15 days, plus 5 for service, if applicable, that govern responding to a motion. **Surreplies and any other filings, no matter how titled, will not be considered.** TBMP § 502.02(b).

The Board does not require or want either a notice of motion or a proposed order. A motion and the brief in support thereof should be combined into one submission. Most routine motions require that the parties focus on facts that bear on the moving party's request. The Board is aware of applicable law. **Unless the motion raises a novel or unsettled question of law, the parties should concentrate on the facts, not the law.**

**The page limits for briefs on motions cannot be waived or exceeded, even by agreement of the parties.**

*NOTE: Trademark Rule 2.127, 37 C.F.R. § 2.127, has been clarified to comply with existing decisional law and provides that a table of contents, an index of cases, and other items, if included in a combined motion and brief, all count against the page limit. The rule does not, however, require use of a table of contents, index of cases, description of the record, etc. It is the filing party's choice as to what shall be included; but what the party chooses to include will be counted against the limit. Also, Trademark Rule 2.126, 37 C.F.R. § 2.126, has been amended to delete the option to submit filings to the Board on CD-ROM.*

**TIP:** However, in a situation involving a summary judgment motion, or response thereto, with many exhibits, a table of exhibits is helpful to the Board.

#### Motions or Stipulations Relating to Late/No Answer

Late Answers—If you receive a notice of institution and misdocket the due date for the answer or otherwise miss the due date, contact plaintiff first to see if it will stipulate to late filing of the answer. If so, then file the answer with a stipulation. Plaintiff should agree to late filing if its counsel understands Board practice enough to realize that there is little chance the Board would refuse to accept a late answer and enter default judgment. If plaintiff does not stipulate, then file the answer with a motion to accept it, motion to cure default, or the like. Just because the Board is liberal in curing defaults, do not merely file the answer late without explanation. Sometimes, even experienced practitioners make the mistake of doing this.

If you get a notice of default, do not call the Board attorney assigned to the case to explain why your client did not answer (*e.g.*, talking settlement with opposer). The default cannot be cured by phone. Write in with your explanation. If the parties agree, they can simply stipulate to resetting of the due date for answer, which will cure the default, and there will be no need to explain the reason for the delay. If you respond to the notice of default on the merits, focus on the facts contributing to default, not an explanation of applicable law; the Board is familiar with applicable law.

When the defendant fails to answer, the plaintiff can move for entry of default judgment, so long as it has waited long enough to receive any service copy that should have been sent. That motion will serve in lieu of a notice of default from the Board and will act to place defendant on notice of possible default judgment sooner than the Board may do so. There must be proof that a service copy of the motion was sent to defendant for this strategy to work.

**TIP:** To save the client the expense of drafting and filing the motion, plaintiff's attorney can call and remind the Board to issue the notice of default, so long as 15 days have passed since answer was due. The Board's paralegals draft notices of default and default judgment orders. Call customer service and ask for the paralegal assigned to your case to request issuance of the notice of default.

When the defendant fails to answer on time but wants to defend on the merits, the plaintiff should consent to late filing of the answer if defendant asks, because they are almost universally allowed to answer and defend, and any money spent on contesting a motion to reopen time to answer, motion to cure default, or the like, is not well spent.

#### Motion to Dismiss in Lieu of Answer

If confronted with a motion to dismiss under Fed. R. Civ. P. 12(b)(6) challenging the sufficiency of the complaint, do not respond to the motion by arguing the merits of the case. The question raised by such a motion is solely whether the claim is sufficiently pleaded, and not whether the claim is meritorious. *See, e.g., Petroleos Mexicanos v. Intermix S.A.*, 97 USPQ2d 1403 (TTAB 2010) (Board found petitioner's allegations relating to priority to be sufficient for petitioner's claim under Section 2(d), leaving to trial the question whether the particular activities constituted use of a type sufficient to support the claim). A defendant should be sure that a motion to dismiss has a reasonable basis. *See Schering-Plough Animal Health Corp. v. Aqua Gen AS*, 90 USPQ2d 1184 (TTAB 2009) (Board sanctioned applicant for filing untenable motion to dismiss).

**TIP:** Remember that a plaintiff may respond to a motion to dismiss by filing an amended pleading. Fed. R. Civ. P. 15(a)(1)(B). The amendment will be accepted "as a matter of course" and will effectively moot the motion under Rule 12(b)(6).

**TIP:** Even in situations where a motion to dismiss is considered on its merits and is well-taken, the Board often allows the plaintiff leave to amend the defective pleading.

**NOTE:** *Fed. R. Civ. P. 12(b)* provides for the possibility that a motion to dismiss may be treated as a motion for summary judgment if "matters outside the pleadings are presented to and not excluded by the court." However, under the Trademark Rules, a party may not file a motion for summary judgment until after initial disclosures have been made, unless filed on grounds of claim or issue preclusion or lack of jurisdiction. Trademark Rule 2.127(e)(1). Therefore, the Board will exclude from its consideration matters outside the pleadings that are presented with or by a motion to dismiss and will not treat the motion as a motion for summary judgment, unless the matter presented with or by the motion to dismiss relates to claim or issue preclusion or lack of jurisdiction by the Board to hear a claim. *See TBMP § 503.04.*

#### Motion to Strike Matter From Pleading

Remember the narrow scope of the Board's jurisdiction, namely, determining the right to federal registration of a mark. Draft your pleadings with this in mind. Thus, do not make allegations that are better suited for civil cases involving trademark infringement or unfair competition. The Board has never been a forum for infringement claims and does not recognize Section 43(a) of the Trademark Act as a cause of action within its jurisdiction. These are easy targets for a defendant's motion to strike matter from a pleading.

Do not include a boilerplate affirmative defense that the complaint fails to state a claim. Such a pleading often results in a motion to strike decided in plaintiff's favor, since a plaintiff usually is able to plead a claim for relief. Rather than attacking the sufficiency of the pleading by way of a pro forma affirmative defense, if you really believe that the pleading is lacking, make a formal motion to dismiss. Pro forma defenses of laches and acquiescence are easy targets for a motion to strike. Before asserting such defenses, a defendant should consider the limitations placed on them by decisions of the Court of Appeals for the Federal Circuit and the Board.

### Settlement and Discovery Planning Conference

Parties to Board *inter partes* cases are required to conference in accordance with the relevant requirements of Fed. R. Civ. P. 26(f). The notice of final rulemaking (accessible on the TTAB home page of the USPTO website) provides a detailed discussion of what subjects parties are expected to discuss during such conferences, and notes that the parties' discussions must also include matters they are directed by the Board's institution order to discuss. See TBMP § 401.01. The parties must conference within 30 days of the close of pleadings. Thus, if the defendant defaults or the plaintiff withdraws prior to answer, the conferencing requirement becomes moot. Similarly, a motion to dismiss would result in deferral of the conferencing requirement. Until the pleadings close, there can be no meaningful conference. Mere settlement discussions are not a substitute for the discovery conference. Settlement discussions before and/or during the conference are encouraged, but Trademark Rule 2.120(a)(1) requires that other topics also be addressed in the conference. *Promgirl, Inc. v. JPC Co.*, 94 USPQ2d 1759, 1761 (TTAB 2009). See also TBMP § 401.01.

While the parties are required to conference, the Board does not participate unless invited to by any party. The notice of final rulemaking and notice of institution in any particular case describe more particularly how to request Board involvement in this required conference.

**NOTE:** *The ESTTA system includes a form for requesting participation of a Board attorney in the settlement and discovery planning conference.*

**TIP:** Use of the ESTTA form for requesting the participation of a Board attorney in the settlement and discovery conference is the most effective way to do so. If the requesting party has not been contacted by a Board attorney to arrange the conference within a few days, then a follow-up call is in order. If something is filed after the request (*e.g.*, a change of correspondence address, a consented motion to extend dates pending conclusion of the conference, an amended pleading), the later-filed submission may overtake the request for Board participation and delay its acknowledgment by the Board.

The Board is unlikely to find good cause to suspend any case between close of the pleadings and the deadline for the conference, even on consent of the parties to discuss settlement, because settlement is a subject to be discussed in the conference. Nor will the Board extend the deadline date for the conference solely to accommodate settlement discussions. However, the deadline will be reset as necessary for situations such as a defendant's default, a motion to dismiss, or filing of a counterclaim. Further, when suspension or extension is warranted for a reason other than to accommodate settlement discussions, a motion to suspend or extend will be considered.

When a party refuses to participate in a settlement and discovery planning conference, any adverse party may make a motion for sanctions. There is no requirement that a motion to compel attendance precede the motion for sanctions. Such a motion for sanctions, however, must be filed prior to the deadline for any party to make its initial disclosures. It must be remembered that all parties share the obligation to arrange the conference. TBMP § 408.01.

### Motions to Extend/Re-open—Without Consent

Motions to extend or reopen can, of course, arise whenever there is a deadline looming or recently expired. Keep in mind that motions to extend or re-open the time to answer and motions to extend time to file final briefs on the case are treated more liberally than motions to extend or

re-open during discovery or trial periods. **Do not make the mistake of assuming that the Board's liberality with respect to pleading deadlines will also apply to discovery and trial deadlines.**

The Board has no rule of its own on extensions. Thus, Federal Rule 6 applies. Fed. R. Civ. P. 6. **Good cause must be shown to obtain an extension of an unexpired period under 6(b)(1)(A); excusable neglect must be shown to obtain an extension of an expired period (also referred to as a "re-opening" of the period) under 6(b)(1)(B). Many practitioners fail to distinguish the two.**

The Supreme Court's *Pioneer* decision (*Pioneer Inv. Servs v. Brunswick Assocs. Ltd. P'ship*, 507 U.S. 380 (1993)), and the Board's *Pumpkin* decision (*Pumpkin, Ltd. v. Seed Corps*, 43 USPQ2d 1582 (TTAB 1997)) are excusable neglect cases to note.

A frequent failure of movants who seek an extension or re-opening is their failure to make a detailed presentation of facts supporting their position. The party moving for an extension or re-opening has the burden of persuading the Board that it was diligent in meeting its responsibilities and should be permitted additional time. Also, when a non-movant has rebutted specific facts alleged by the movant, the movant should focus any reply brief it may file on overcoming the specifics of the response, not in making a general rebuttal. All too often, a non-movant scores points by making specific rebuttals and the movant fails to revisit the issue when it files a reply brief. Thus, on a motion to extend or re-open, both the movant and non-movant must take care to focus on the specifics of the factual issues; even **eloquent appeals for the Board to exercise its equitable powers often fail in the face of specific demonstrations of fact.**

Motions to extend or re-open frequently are rooted in a party's assertion that it deferred relevant activities because it thought the parties were going to settle. Settlement negotiations will generally constitute good cause for a motion to extend, although if it is believed that the motion will be contested, it is advisable to detail the circumstances that bear this out. The mere fact that settlement negotiations were ongoing will not usually constitute excusable neglect for a motion to reopen; accordingly, the better practice in such a situation is to file a motion to extend or for suspension prior to the expiration of the pertinent time period.

It is not unusual for parties to consent to a series of motions to extend but then have one party later throw up its hands and say, "enough is enough." Often, when a series of consented motions to extend is followed by a contested motion, the movant will not have included a very specific showing in the motion that has become the first to be contested. The Board may grant the contested motion but note that, in view of its having been contested, no further motions to extend will be approved except upon agreement of the parties or a showing of extraordinary circumstances.

Nowadays, if the Board denies a motion to extend, it is more likely than in the past that it will leave schedules as set, unless to do so would, in the Board's view, work some injustice. Generally, however, if the Board denies a motion to extend discovery, trial dates usually will be reset. Similarly, if the Board denies a motion to extend a particular trial period, later periods likely will be reset. *See* TBMP § 536; *see, e.g., Vital Pharms. Inc. v. Kronholm*, 99 USPQ2d 1708, 1711 (TTAB 2011).

**A motion to extend that does not include the consent of the non-movant should not set forth a new deadline or dates.** Instead, the movant should request an extension of a specified length, measured prospectively from the date of the Board's ruling on the motion. Otherwise, the Board

may eventually approve a motion to extend as uncontested, but the movant will find that the requested extension period has expired.

**A plaintiff seeking to extend its trial period must be particularly careful.** It is not unknown for the Board to deny a plaintiff's motion to extend and then go straight to entry of judgment dismissing the case, if the record is devoid of evidence to support plaintiff's claims.

#### Discovery in General, Including Initial Disclosures

A party may not serve interrogatories, requests for production, requests for admissions, or take discovery depositions until it has made its initial disclosures. Trademark Rule 2.120(a); Fed. R. Civ. P. 26(a); *see* TBMP § 401.02; *Dating DNA, LLC v. Imagini Holdings, Ltd.*, 94 USPQ2d 1889 (TTAB 2010). Such disclosures must be made no later than 30 days after the opening of the discovery period. See the notice of final rulemaking (accessible through a link on the home page of the TTAB on the USPTO website) for a more complete discussion.

Parties may agree to waive initial disclosures, subject to Board approval, and proceed solely with traditional discovery. *See Boston Red Sox Baseball Club LP v. Chaveriat*, 87 USPQ2d 1767 (TTAB 2008). If an adverse party does not provide initial disclosures, a party should first file a motion to compel. Trademark Rule 2.120(e)(1). A party may not move for entry of sanctions for failure of an adverse party to provide initial disclosures unless it first obtains an order from the Board compelling the disclosures and the adverse party then fails to comply with the order. *See Kairos Institute of Sound Healing, LLC v. Doolittle Gardens, LLC*, 88 USPQ2d 1541 (TTAB 2008); TBMP §§ 523, 527.02(b); *see also Influence, Inc. v. Elaina Zuker*, 88 USPQ2d 1859 (TTAB 2008) (motion to compel better initial disclosures granted).

**TIP:** To maximize your discovery time, be prepared to make your initial disclosures during the settlement and discovery planning conference. If the case is not settled, you will be able to start taking discovery as soon as discovery opens.

When serving discovery requests, keep in mind the extent of the Board's jurisdiction in *inter partes* proceedings, and tailor your discovery accordingly. Therefore, do not, for example, ask questions that are better suited to trademark infringement or unfair competition actions in federal court.

Although interrogatories and other written discovery requests may be served through the last day of discovery (as opposed to a discovery deposition which must be both noticed *and* taken by the close of discovery), the better practice is to take discovery early in the discovery period. The disadvantages of waiting until the waning days of the discovery period include: you may be precluded from using the fruits of discovery during discovery depositions; there is no opportunity for follow-up discovery; and there may be no way to get late obtained documents into the record. Remember, too, that **motions to extend discovery to allow for follow-up** or because of asserted inadequate responses **will not be viewed favorably if the information was not sought until late in the discovery period.**

In fashioning interrogatories and other written discovery requests, keep in mind the goose-gander rule: generally, a party may not be heard to argue that a discovery request by its adversary is improper when the party itself previously served substantially the same request.

A party which responds to a request for discovery by indicating that it does not have the information sought *or* by interposing objections to providing it, later may be barred by its own

action from introducing the information as part of its evidence on the case (provided that the party which had been thwarted in its attempt to obtain the information raises the issue by objecting to introduction of the evidence in question).

### Interrogatories

Interrogatories, counting subparts, may not exceed 75, except that the Board may allow more upon a showing of good cause or on stipulation. (Good cause to exceed the limit is difficult to establish and even stipulations to exceed the limit will be carefully scrutinized.) Remember to reserve some portion of your 75 interrogatories for follow-up unless you are sure that you will not be serving such follow-up. The Board does not include instructions or definitions in counting interrogatories; nor will these be viewed as having a “multiplying effect” on the interrogatories. For example, if more than one mark is involved, or if only one mark is involved but instructions inform the responding party that answers to interrogatories should cover all of the party’s marks that contain any element of the one mark that is involved, then an interrogatory seeking information for each such mark will be treated as one interrogatory.

### Requests for Production of Documents

The place for production of documents is the place where the documents are usually kept, or where the parties agree, or where and in the manner which the Board, upon motion, orders. As a practical matter, however, parties in Board proceedings often extend the courtesy to each other of copying and sending responsive documents, a practice which the Board encourages. In appropriate cases, the Board may, upon motion, order that the party from which production is sought make photocopies of requested documents and mail them to the requesting party at the requesting party’s expense.

### Requests for Admissions

Requests for admissions are useful for establishing the authenticity of documents and for determining, prior to trial, which facts are not in dispute, thereby narrowing the matters to be tried.

**TIP:** Serve document requests early enough in discovery so that you will be able to use requests for admissions to authenticate the produced documents. Then, at trial, you will be able to introduce the requests for admissions, responses thereto, and the documents which were authenticated through the admissions via the notice of reliance procedure.

### Depositions

The discovery deposition of a person shall be taken in the Federal judicial district where the person resides or is regularly employed or at any place on which the parties agree. The attendance of a nonparty must be secured by subpoena unless the witness is willing to appear voluntarily, and all further proceedings relating to the discovery of the nonparty, including motions to quash the subpoena or for sanctions for defiance of the subpoena, are within the control of the district court that issued the subpoena.

Upon stipulation of the parties, or upon motion granted by the Board, a deposition may be taken by telephone. The location of the telephonic deposition is the same as a regular deposition, where the witness resides or is regularly employed or where the parties agree. While the Board has no objection if the parties wish to electronically record a deposition, all testimony submitted to the



Board must be in written form. A party wishing to introduce, at trial, the discovery deposition of its adversary cannot do so by submitting an audiotape or videotape or other electronic media but must, instead, submit a written transcript. In contrast, an electronic recording of, for example, a commercial demonstration may be made of record as an exhibit to a deposition transcript.

If a party witness not only objects to, but also refuses to answer, a particular question, the propounding party may wait until the completion of the deposition and then file a motion with the Board to compel the witness to answer the unanswered question.

### Discovery and Testimony Depositions Contrasted

There are distinctions between discovery depositions and testimony depositions. While the mechanics of taking the two types of depositions are very similar, there are substantial differences between the two attributable to the different purposes of the discovery and trial stages of a proceeding. Discovery is the phase for acquiring information about the other side's case or information from third parties; the testimony periods comprise the phase of the proceeding when all testimony is taken and all other evidence is introduced, in order to establish the formal record upon which the case is to be decided.

The discovery deposition is taken of the adversary or a nonparty, or an official or employee of the adversary or a nonparty. A testimony deposition, on the other hand, is a device used by a party to present evidence in support of its own case. During a party's testimony period, testimony depositions are taken, by or on behalf of the party, of the party (if the party is an individual), or of an official or employee of the party, or of some other witness testifying (either willingly or under subpoena) on behalf of the party. While a deposition of an adversary may be taken during a party's testimony period, these are rare and involve some risk for the party taking the deposition because, as discussed below, the entire testimony deposition becomes part of the record.

A discovery deposition may only be taken during the discovery period, which generally is ongoing for all parties at the same time. A party may only take a testimony deposition during the party's assigned testimony period; and whether a party has one or more testimony periods depends on the party's position as plaintiff or defendant and whether there is a counterclaim in the case. A discovery deposition does not form part of the evidentiary record in a case unless a party entitled to offer it into evidence files, during that party's testimony period, the transcript of the deposition, or relevant portion thereof, together with a notice of reliance thereon. That is, the offering of a discovery deposition in evidence is elective, not mandatory. In contrast, the transcript of every testimony deposition must be filed and, when filed, becomes part of the record. A notice of reliance should not be used for the filing of a testimony deposition.

The transcript of any deposition, once made of record, is of record for all purposes. Either party can make of a deposition transcript what it will, regardless of which party filed it.

In a discovery deposition, a party may seek information that would be inadmissible at trial, provided that the information sought appears reasonably calculated to lead to the discovery of admissible evidence. In a testimony deposition, a party may properly adduce only evidence admissible under the applicable rules of evidence; inadmissibility is a valid objection.

In both types of depositions, a question objected to ordinarily should be answered subject to the objection, but a witness may properly refuse to answer a question asking for information that is, for example, privileged, confidential business information or irrelevant personally identifiable

information. If the answer involves confidential material, then the answer may be made after stating that it is covered by the terms of the extant protective agreement or order.

#### Standard Protective Order

The Board's **standard protective order** is accessible via the TTAB web page. The standard protective order **applies to every case**, though the parties can agree to augment or supplement its provisions or agree to substitute an alternative order or agreement. Parties must still invoke the provisions of the standard order to protect their information or documents and things. In addition, the application of the standard order does not preclude a party from filing a motion for a protective order when the standard order is not viewed as providing adequate protections.

#### Motions to Compel/for Protective Orders

It is no secret to litigators that judges do not like discovery disputes featuring motions to compel or motions for protective orders. It should be no surprise to TTAB practitioners that Board attorneys do not like them either. From the perspective of Board attorneys, discovery disputes involving motions to compel or for protective orders almost always result from the parties' failure to cooperate, rather than from genuine differences of opinion about what is or is not discoverable under the applicable law.

The credibility of the parties—in many cases, this means the credibility of the parties' attorneys—is often at issue. Counsel should expect that Board attorneys called on to resolve discovery disputes will be making judgments on party or counsel credibility, through reference to patterns of conduct. A party or counsel perceived as the “bad guy” or as less cooperative may face an uphill battle.

Apart from the credibility of the parties or their attorneys, the Board will assess whether there has been a good faith effort to resolve the discovery issues in dispute. The movant must state that a good faith effort has been made to settle the dispute. The best practice is to support such statement by specific recitation of facts regarding conversations between or among counsel, or by submitting copies of correspondence exchanged between counsel, demonstrating that the requisite effort to settle the dispute has been made in order to avoid any unnecessary arguments or distractions concerning the sufficiency of the effort to resolve the dispute. Of course, when no responses whatsoever have been provided, the showing need not be as great as when there is a dispute over the sufficiency of responses or propriety of objections.

If a majority, or even a significant number, of discovery requests are in dispute, then the Board may decline to resolve the dispute on the theory that the parties could not have made a sufficient, good-faith effort to resolve it themselves.

The TBMP includes specific guidelines on what is discoverable in Board cases. *See, e.g.*, TBMP § 414. It is surprising how often disputes regarding discoverability arise, despite TBMP guidelines covering the point. In addition, in Board cases counsel often use discovery requests that might be routine in district courts but should not be propounded in Board cases, usually because they seek information that is related to matters beyond the Board's jurisdiction.

Keep in mind that the Board's caseload may not afford its attorneys the luxury of routinely researching each particular discovery request in dispute. If the TBMP does not say you can have access to a particular type of document or piece of information, it is your burden as the moving party to convince the Board attorney that you should be able to have it. A movant viewed as

credible, reasonable and mindful of the Board's limited jurisdiction is a much more sympathetic figure than a movant with a strained view of what's relevant and reasonable.

The movant on a motion to compel often argues why the information it is seeking is discoverable; but fails to grasp that the discovery request it propounded does not literally seek such information. Sometimes the failure is not the responding party's response; it is the inquiring party's request.

Board attorneys will prefer, when possible, to deal with related discovery requests in groups, rather than to have to slog through individual requests. If you can frame your motion to compel in this way, it likely will be better received.

Board attorneys are big fans of practitioners who extend each other reciprocal courtesies. The Board has received motions to compel where one party has already copied and forwarded documents responsive to its adversary's document requests, only to then be told by the adversary that it will comply with the letter of the law and make documents available for inspection, but will not copy and forward them. Of course, when the courteous party files a motion to compel copying and forwarding, the Board must deny it, because this is not required. On the other hand, in appropriate cases, the Board may order that the party from which production is sought make photocopies of requested documents and mail them to the requesting party at the requesting party's expense.

Finally, note the distinction between a motion to compel initial disclosures, which must be filed prior to the close of discovery, and a motion to compel discovery, which may be filed after the close of discovery so long as it is filed prior to the opening of the first testimony period. Note, however, that a party that does not receive initial disclosures and waits until the end of the discovery period to file a motion to compel them may be found, because of the delay, to have waived its right to the initial disclosures. **Filing of a motion to compel disclosures or discovery will result in issuance of a suspension order by the Board. Once the motion is filed and served, neither party may thereafter serve any additional discovery, but neither party may refuse to provide required disclosures or responses to discovery requests served prior to the filing and service of the motion to compel.**

**TIP:** The Board encourages parties to request a phone conference whenever, despite good faith efforts to resolve a dispute, they reach an impasse in regard to their conferencing obligation, disclosure requirements or discovery. *Cf. Promgirl, Inc. v. JPC Co.*, 94 USPQ2d 1759 (TTAB 2009) ("it is always preferable to involve the Board").

**TIP:** The Board attorney may convene a telephone conference upon his or her own initiative. Be aware when filing a motion, or being served with a motion, that the matter may be heard by telephone conference.

#### Stipulations to Extend Time to Respond to Discovery

There are, of course, prescribed times for responding to discovery requests. Frequently, parties who are being cooperative during discovery will agree to extend response periods. Often, however, they do not reduce these agreements to writing. Then, when the parties have a falling out, and a motion to compel is filed, the movant will insist on receiving discovery responses without objections. The non-movant may be behind the eight ball, if it did not reduce to writing any agreement to extend its response period.

Note that Federal Rule 29 requires reduction to writing of stipulations to extend the time to respond to interrogatories, document requests and requests for admission. Fed. R. Civ. P. 29. The Board does not require this, though the TBMP § 403.04 recommends it. The recommendation should be taken seriously.

#### Motion for Discovery Sanctions

If a party that served a request for discovery receives a response thereto which it believes to be inadequate, but fails to file a motion to compel or to test the sufficiency of the response, the party may not thereafter be heard to complain about the sufficiency of the response. If the requesting party does file a motion to compel, the motion should **not** include a request for sanctions for failure of the responding party to cooperate during discovery. The Board will not enter such sanctions unless a previous Board order relating to discovery has been violated. *Baron Philippe de Rothschild S.A. v. Styl-Rite Optical Mfg. Co.*, 55 USPQ2d 1848, 1854 (TTAB 2000), *No Fear Inc. v. Rule*, 54 USPQ2d 1551, 1553 (TTAB 2000). (However, the Board may enter sanctions if a party fails to attend a properly noticed discovery deposition, or the responding party has clearly indicated that it will not be responding. Trademark Rule 2.120(g).) See TBMP § 527.

#### Motion to Suspend for Civil Action

When parties are involved in a collateral civil action, suspension of the Board case is almost always ordered. The pleadings in the civil case, or at least enough of the pleadings to establish that suspension is appropriate, should be filed with the Board. All that need be shown is that the judge or jury in the civil action may be called upon to decide issues that would have a bearing on the Board case, *i.e.*, if issue preclusion may result, then it is not necessary that the civil action present the possibility of claim preclusion.

**TIP:** Note that Board paralegals are now preparing orders on many, if not most, motions to suspend because of a civil action. They will first look to see if the motion is on consent of the parties. Next, they will look to see if the prayer for relief in the civil action requests an order from the court relating to the Board proceeding, or relating to the application or registration involved in the Board proceeding. (In essence, this is a prayer that seeks invocation of court authority under Section 37 of the Lanham Act.) If the prayer includes such a request, then suspension will be ordered. Thus, for a party desiring suspension of the Board case, an appropriate prayer for relief, in the complaint filed with the court, generally will preclude any argument over whether suspension of the Board case is appropriate.

**TIP:** When a party files a motion to suspend for civil action at the same time it files its complaint or answer, the motion should be filed separately. Pleadings are not read by Board personnel until a motion necessitating such reading is filed. Thus, a motion to suspend (or any other motion) embedded in a pleading usually will not come to the Board's attention in a timely manner.

The party that prevails in the civil action should file a motion to resume Board proceedings *and*, in the same motion, should request the particular disposition of the Board case that the party believes is warranted. Do not just file a copy of the court's decision; but also state what the Board should do as a result of the court's decision.

### Motion for Summary Judgment

The prospects of a favorable ruling on a motion for summary judgment are not strong. Nonetheless, in those cases where the material facts are clearly undisputed and are truly compelling, or where the motion is based on some theory of *res judicata*, summary judgment is a good way to avoid a useless trial. *See, e.g., Orouba Agrifoods Processing Co. v. United Food Imp.*, 97 USPQ2d 1310 (TTAB 2010) (successful motion based on *res judicata*).

A motion for summary judgment may not be filed until the party has made its initial disclosures (except for a motion asserting claim or issue preclusion or lack of jurisdiction), and must be filed prior to the opening of the first testimony period for the plaintiff. *Qualcomm Inc. v. FLO Corp.*, 93 USPQ2d 1768 (TTAB 2010). *See* TBMP §§ 401.02, 528.02. If testimony periods are reset prior to the opening of the plaintiff's testimony period, a motion for summary judgment filed before a first trial period commences is timely. Once the first trial period commences, however, any motion for summary judgment filed thereafter is untimely, even if it is filed prior to the opening of a rescheduled testimony period for plaintiff, and even if no trial evidence was actually adduced by the plaintiff while its trial period was open. The Board will not hesitate to deny any such motion that is untimely, even if the non-movant does not raise the issue.

For moving parties, make sure that the ground upon which you are seeking summary judgment is a ground that was raised in the pleadings. The Board will not entertain a motion for summary judgment on an unpleaded ground, unless the parties have treated the unpleaded issue on its merits and the nonmoving party has not objected to the motion on the ground that it is based on an unpleaded issue. Also, a party which seeks summary judgment on an unpleaded issue may (and is advised to) contemporaneously move to amend its pleading to assert the ground or defense.

**TIP:** If you are a plaintiff moving for summary judgment, make sure that your evidence includes proof of your standing in the case. For a plaintiff pleading a claim under Section 2(d), and relying on ownership of a federal registration, submission of a copy of the registration, certified by the USPTO as to current status and title, generally would suffice; as would copies of USPTO electronic database records showing current status of and title to the registration. *Cf. Research In Motion Ltd. v. NBOR Corp.*, 92 USPQ2d 1926 (TTAB 2009).

When moving for summary judgment, make sure that your position is supported by evidence and is not limited to mere argument. All too often, the Board sees motions for summary judgment that are woefully lacking in probative evidence.

It is important to remember that evidence submitted in connection with a motion for summary judgment is of record only for purposes of that motion. If the case goes to trial, the summary judgment evidence does not form part of the evidentiary record to be considered at final hearing unless it is properly introduced in evidence during the appropriate testimony period. For example, during its testimony period, a party may take the deposition of the affiant who provided an affidavit used for an earlier motion for summary judgment; the affiant/deponent would identify the affidavit and testify as to the accuracy of the information therein, and the affidavit would then be introduced into the record as an exhibit to the deposition.

Whether moving for or objecting to summary judgment, make sure that the brief is specific in setting out the material facts that are or are not genuinely in dispute. Although it is not required, it is helpful if the parties specifically list the material facts not in dispute. This helps the Board get to the crux of the motion and may allow the Board at least to narrow the issues for trial even if

the motion does not result in disposition of the entire case. It is also helpful if the parties actually stipulate to the undisputed material facts.

Trademark Rule 2.127(e) provides a 30-day period for responding to the motion for summary judgment. This is longer than the standard 15-day period for responding to other types of motions.

#### Accelerated Case Resolution (ACR)

Accelerated Case Resolution, or ACR, is an abbreviated trial on the merits of a case. It is a procedural option available when agreed upon by both parties. In form it can vary, but may be thought of as approximating a summary bench trial.

In one typical form, the Board may handle a motion for summary judgment and response, or cross-motions for summary judgment, as the final record and arguments upon which a case may be decided. In a situation where the summary judgment motion is already filed and briefed, the parties stipulate that the Board may make findings of fact on the summary judgment record, in lieu of adhering to the summary judgment standard that would require finding no genuine dispute of material fact exists, such that one party is entitled to judgment in its favor (or, of course, finding the existence of genuine disputes of material fact such that neither party is entitled to judgment in its favor). *See, e.g., Lebanon Seaboard Corp. v. R&R Turf Supply Inc.*, 101 USPQ2d 1826 (TTAB 2012); *Weatherford/Lamb, Inc. v. C&J Energy Servs., Inc.*, 96 USPQ2d 1834 (TTAB 2010); *see* TBMP §§ 528.05(a)(2), 702.04(c). In another approach to ACR, the parties agree to submit their briefs with their evidentiary submissions, so as to merge the trial and briefing periods. The parties further agree to appropriate limitations on the presentation of evidence or briefing options, such as to present evidence by affidavit or declaration, to submit a joint stipulation of facts, to limit their main briefs to 25 pages and any reply brief to 10 pages, and to stipulate that the Board may resolve any genuine dispute of material fact that may exist in the record. TBMP § 702.04(b). The two approaches are very similar but, usually, the former situation arises when, after filing cross motions for summary judgment, the parties elect ACR. The latter situation arises when the parties first elect ACR and then file their submissions, knowing in advance of filing that they are putting together their ACR record and brief.

In another form, the parties stipulate to facts, leaving the Board to apply the law to the stipulated facts; or the parties may stipulate to some facts and agree that the Board will resolve any remaining issues of fact based on the submissions made in conjunction with the ACR briefs and evidence. TBMP § 702.04(d)-(e). *See also Edom Laboratories, Inc. v. Lichter*, 102 USPQ2d 1546 (TTAB 2012).

These are examples, as the Board's ACR option provides the parties significant flexibility to agree on a proceeding format that they find most efficient. Several models have been developed by the Board to assist the parties in framing an ACR approach to their case. These options may be accessed from the Board's home page under "TTAB Suggestions for ACR" and directly at [www.uspto.gov/trademarks/process/appeal/TTAB\\_ACR\\_Options.jsp](http://www.uspto.gov/trademarks/process/appeal/TTAB_ACR_Options.jsp). Please note that at least one model does not allow for an oral hearing. Also posted on the Board's home page are "Stakeholder Suggestions for ACR."

Parties should think about the possible use of ACR, as an alternative to full discovery and trial, early in the case. Use of ACR should be discussed in the settlement and discovery planning conference. The earlier in the proceeding the parties elect ACR, the greater the efficiencies they

will realize. Election of ACR early in the proceeding allows the Board an opportunity to work with the parties to tailor a limited disclosure and discovery period, to narrow and focus the issues, to facilitate prompt submission of stipulations, and to set the periods for filing cross-motions or, if preferred, ACR briefs and evidence. Even if the parties do not agree to use ACR when they conference, they should revisit the issue after initial disclosures have been exchanged and initial discovery responses have been provided.

ACR is a less effective option if the parties have already engaged in full discovery and find themselves on the eve of trial. However, even in this latter situation, the parties may agree to combine their trial and briefing periods to shorten the remaining schedule. Various documents posted on the Board's web page describe the process and related options for streamlining Board proceedings.

#### Motion for Discovery Under Federal Rule 56(d)

If an initial motion for summary judgment is not filed as part of the ACR procedure and is solely an attempt by the movant to obtain judgment, the non-moving party generally must choose between filing a response to a motion for summary judgment or seeking an extension of time to respond until after the non-moving party has had an opportunity to take discovery necessary for framing a response.

A motion for extension of time to respond until after the movant has had an opportunity to take discovery must be accompanied by an affidavit. The motion or affidavit must set forth the specific subjects on which discovery is needed and why material cannot be obtained other than from the party that filed the motion for summary judgment (or, in some cases, from third parties). When the Board grants a request for Rule 56(d) discovery, the discovery allowed is limited to that which the nonmoving party *must* have in order to oppose the motion for summary judgment.

**Do not** file a Rule 56(d) motion if you can respond without discovery. **Do not** file a Rule 56(d) motion simply because you had served discovery before the motion for summary judgment but the requests went unanswered after the adversary concluded that the filing of the motion for summary judgment tolled its obligation to respond. **Do not** file a combined response and alternative request for discovery under Rule 56(d); the response will show that you do not need discovery to be able to respond.

Trademark Rule 2.127(e) **allows a party filing a motion under Rule 56(d) only 30 days to do so**, as measured from the date of service of the motion for summary judgment. **Extensions will not be granted, even on consent**, though parties embarking on settlement discussions following the filing of a motion for summary judgment can stipulate to suspend the case before the 30-day response period has expired, thereby preserving some of the response period for filing of the motion under Rule 56(d) at a later date (if the suspension for settlement talks does not result in settlement).

**TIP:** If you have outstanding discovery requests, and responses to some of those requests would provide the material or information needed to be able to respond to your adversary's motion for summary judgment, then submit copies of the requests and note those for which responses are needed in your motion under Rule 56(d).



### Presenting Motion/Response During Phone Conference

Parties may opt to use telephone conferences to present and/or dispose of motions. See *Official Gazette* announcement of June 20, 2000, at 1235 TMOG 68, accessible on the Board's web page. See also TBMP § 502.06(a), *Electronic Indus. Ass'n v. Potega*, 50 USPQ2d 1775, 1776-77 (TTAB 1999) (discussion of a phone conference).

**TIP:** Always follow up a written request for a phone conference with a telephone call to the appropriate Interlocutory Attorney. Better yet, make the phone call first and use a writing only to confirm the request, for service on your adversary, and to submit any material or briefs required by the Interlocutory Attorney. Please note that the Board does not consider a phone request for a phone conference to constitute an impermissible ex parte communication, when limited to merely requesting the conference and without any presentation of arguments on the issues or motions to be presented during the conference. Thus, accusing your adversary of improper ex parte communication with the Board, when you are informed that it has requested a phone conference, generally is unwarranted. However, conferences are more easily arranged when the party preparing to request a phone conference informs its adversary in advance and discusses possible dates and times for the conference. Also, remember that when a motion is filed the non-movant has the option of calling the assigned Interlocutory Attorney and requesting a phone conference for the purpose of presenting its response to the motion orally, thus hastening resolution of the motion and avoiding delay.

### Stipulations/Consented Motions to Dispose of Cases

Most Board cases settle. Many settle without the pleadings even being completed. Others settle after pleading and some discovery allows the parties to obtain a fuller understanding of their respective positions. Plaintiffs withdraw complaints; defendants abandon applications or surrender registrations. Sometimes they agree to make amendments or enter into consent agreements intended to smooth the way for pending application(s). Often, the resulting filings are improperly captioned, sent to the wrong correspondence address, fail to list Board opposition or cancellation numbers, do not bear proof that service copies have been sent to the adversary; and either fail to comply with applicable Board rules, which makes pigeon-holing the filings difficult, or fail to specify the precise terms on which the parties want the case disposed.

The simplest way to settle a Board case is to file a single stipulation, signed by each party, specifying whether the involved application or registration is to be amended or abandoned/surrendered, and whether the Board case is to be dismissed with prejudice or without prejudice. Use the opposition number or cancellation number in the caption. Send it to the TTAB; *do not* send it to the Examining Attorney who approved the application or to the Post Registration section and do not file it via TEAS, the electronic filing system for Trademark applications and related filings. Be explicit and do not leave loose ends. If the parties are utilizing a stipulation to dispose of a case, the Board does not need original signatures. A photocopy will suffice. In this way, the parties can file the stipulation as an attachment to an ESTTA filing.

### Disclosure of Testifying Experts

Board rules for *inter partes* cases require disclosures by any party planning to use an expert to present testimony at trial. The notice of final rulemaking discusses these requirements in detail, but the disclosures are essentially those required by Fed. R. Civ. P. 26(a)(2), unless directed otherwise by an order of the Board. Such disclosures are required no later than 30 days prior to

the close of discovery, for any party that has, at that time, plans to use an expert to support a claim, counterclaim or defense. The Board generally will suspend proceedings and issue any necessary orders to allow for discovery about the expert(s). A party deciding to use an expert solely for contradicting or rebutting another party's previously disclosed expert is allowed time to retain and disclose plans to use that expert.

**TIP:** It is recommended that the parties resolve between themselves any purported, curable defects in timely served expert disclosures. *See Gen. Council of the Assemblies of God v. Heritage Music Found.*, 97 USPQ2d 1890 (TTAB 2011) (respondent timely served expert disclosures and cured deficiencies when brought to its attention).

**TIP:** Experts are rarely used in Board cases, because of the expense. When used, the typical use is of a survey expert. If you think you may use a survey expert in your case, even if the possibility is remote, you will want to discuss in the settlement and discovery planning conference possible stipulations regarding entry into the record of expert reports and testimony. For example, parties might agree that expert testimony can be presented in affidavit form and survey results and documents can be introduced as exhibits. Parties could also agree to reserve the right to undertake live cross-examination, if necessary. Such arrangements might be more efficient than required disclosures, discovery about the experts, and presentation of the experts at trial. *See Trademark Rule 2.120(a)(2)* ("Disclosure deadlines and obligations may be modified upon written stipulation of the parties approved by the Board, or upon motion granted by the Board, or by order of the Board.")

#### Board Conference with Parties, Counsel

The Board may require the parties and their counsel to attend a conference in person with a Board judge, panel of judges and/or a Board attorney, to resolve complex discovery and/or pretrial issues. *See, e.g., Blackhorse v. Pro Football Inc.*, 98 USPQ2d 1633 (TTAB 2011). If the Board identifies the case as being, or having the potential to be, overly contentious and/or involve creation of excessive records, the Board will not hesitate to call such a conference. *See id., Gen. Mills Inc. v. Fage Dairy Processing Indus. SA*, 100 USPQ2d 1584, 1592 n.5 (TTAB 2011); TBMP § 502.06(b).

### **IV. INTER PARTES TRIALS, TRIAL MOTIONS, BRIEFING**

#### Trial in General

Although the involved application or registration file automatically is part of the record, remember that allegations in the file must be established at trial (as, for example, the dates of first use). Submissions made by applicant during the prosecution of the application are part of the record without any action by the parties. *See, e.g., Cold War Museum, Inc. v. Cold War Air Museum, Inc.*, 586 F.3d 1352, 97 USPQ2d 1626 (Fed. Cir. 2009). Be mindful, however, that statements of fact and documents and things filed in an application or registration may be used *against* the applicant or registrant, that is, as admissions against interest. Opinions or legal conclusions asserted in an application file, however, are not admissions, but are merely illuminative of shade and tone in the picture confronting the decision maker. *See, e.g., Interstate Brands Corp. v. Celestial Seasonings, Inc.*, 576 F.2d 926, 198 USPQ 151 (CCPA 1978).

Also, exhibits attached to pleadings are not considered part of the trial record, except for a certified copy of a pleaded registration, prepared by the USPTO and showing status and title, or copies of USPTO electronic database records showing status and title of a pleaded registration.

Stipulate to facts. This provides a real saving of time and expense to the parties and to the Board, and reasonable counsel should be able to agree on a number of facts in any case. *See Target Brands, Inc. v. Shaun N.G. Hughes*, 85 USPQ2d 1676 (TTAB 2007) (parties stipulated to 13 paragraphs of facts).

**TIP:** Do not prove your adversary's case. For example, by introducing the entire transcript of a discovery deposition of an adversary, or all of your adversary's interrogatory responses, you may be introducing portions of the deposition or interrogatory responses that are beneficial to the adversary's case. Be careful to rely selectively on only those parts of discovery responses or discovery depositions that are helpful to your case.

### Pretrial Disclosures

Each party is required, 15 days prior to the opening of each of its assigned testimony periods, to disclose witnesses who either will be called or may be called if the need arises. The disclosure required involves providing other parties with the names and certain identifying information about each such witness; a summary of the subjects on which the witness is expected to or may testify; and a summary of the types of documents and things that will or may be introduced as exhibits during the testimony deposition of the witness. If a party does not provide this information for a witness as part of its pretrial disclosures, the Board may, upon motion, strike the testimony of the witness. *See Carl Karcher Enters. Inc. v. Carl's Bar & Delicatessen Inc.*, 98 USPQ2d 1370 (TTAB 2011); *Jules Jurgensen/Rhapsody, Inc. v. Peter Baumberger*, 91 USPQ2d 1443 (TTAB 2009); *see also Spier Wines (PTY) Ltd. v. Shepherd*, 105 USPQ2d 1239, 1246 (TTAB 2012) (motion to preclude testimony of witness first identified in pretrial disclosures granted); *Great Seats Inc. v. Great Seats Ltd.*, 100 USPQ2d 1323, 1327 (TTAB 2011) (failure to name one witness until original pretrial disclosures were made and twenty-six witnesses until a supplement to amended pretrial disclosures, was neither harmless nor substantially justified; motion to quash granted as to twenty-six witnesses but testimony of one witness, identified months earlier, not excluded provided adverse party be given an opportunity to take a discovery deposition); *Byer Cal. v. Clothing for Modern Times, Ltd.*, 95 USPQ2d 1175 (TTAB 2010) (motion to exclude witness "granted in part"). A party that has no plans to take testimony from witnesses must make a disclosure noting that it plans to take no testimony. *See* TBMP § 702 (discussion of pretrial disclosures), the notice of final rulemaking, available by a link on the TTAB home page of the USPTO website. Note that a pretrial disclosure does **not** serve in lieu of a proper notice to other parties of the scheduled testimony deposition of a witness. Also note that a party need not disclose plans to file notices of reliance.

### Taking Testimony

Through the taking of depositions during the testimony period, a party may introduce into evidence not only the testimony of its witness, but also those documents and other exhibits that may not be made of record by notice of reliance. Thus, a party may make of record, as exhibits to testimony, its *own* responses to interrogatories, document production requests or requests for admissions, by having its witness testify so as to identify them and certify the accuracy of the responses. If the witness was previously a witness in a discovery deposition, he or she can similarly identify and certify the discovery deposition testimony. A party can also use testimony depositions to make of record exhibits to pleadings by having its witness testify regarding the exhibits, or can make of record materials submitted with a summary judgment motion, by having the witness identify and testify as to the accuracy of an affidavit made in support of the motion.

Testimony depositions, as in the case of discovery depositions, may be taken by telephone, but may not be submitted in an electronically recorded format. A telephonic deposition is taken upon stipulation of the parties or following grant of a motion for leave to do so; the location of the deposition is the place where the witness is to answer the questions. While the Board has no objection if the parties wish to have a deposition electronically recorded, the testimony submitted to the Board must be in written form. The Board will not review any electronic recordings (*e.g.*, dvd's, videotapes) of depositions. In contrast, an electronic recording of, for example, a commercial demonstration may be made of record as an exhibit to a deposition transcript.

**TIP:** It is preferable that parties refrain from filing exhibits having intrinsic value. Rather, the parties should file photographs of such exhibits. The same goes for large or breakable exhibits. Thus, during the taking of testimony it may be helpful to have a witness be shown both the item itself and the photograph thereof, so that there will be no question that filing of the photograph will satisfactorily serve in lieu of filing of the item itself.

**TIP:** Be selective in the introduction of exhibits to a testimony deposition. For example, the Board does not need to see every advertisement or every catalog. A representative sample of them is sufficient, with accompanying testimony about the extent of publication, circulation figures and the like which would bear on the degree of exposure to the relevant public. Too often, witnesses are asked simply to read what is in exhibits, without being asked important questions necessary to establish the foundation for introduction of the exhibit, knowledge of the subjects discussed in the exhibit, or even being asked if the exhibits accurately reflect what the witness knows.

**TIP:** If a party wishes to make of record its registrations through the testimony of a witness, the witness must have knowledge of the registrations and must specifically testify as to the title and status of each, *i.e.*, that the party is the owner and that the registration is currently in effect. It is not unusual for a witness to be asked to “identify” a registration by reading the number, mark, and listed goods or services, without ever being asked to testify from personal knowledge that the party owns the registration and that it is valid (*i.e.*, current and has had necessary post registration filings made to maintain it).

#### Making Objections to Testimony Depositions

The manner in which an objection is made to testimony depositions depends on the nature of the objection. If an objection could be cured if seasonably made, it must be raised promptly or it may later be found waived. Thus, for example, an objection that the deposition was taken without adequate notice must be promptly raised by a motion to strike. Other objections, such as to particular questions or a line of questions during the deposition, should be made during the deposition and then either renewed in the trial brief or in a motion to strike testimony filed at the time of briefing. This is because, as a general rule, motions to strike testimony will be deferred until the rendering of the final decision if deciding the motion would require reading the testimony.

Objections to testimony should not be made to disrupt the testimony or to interfere with the examination of a witness. It is better to make a continuing objection to a line of testimony rather than to object to each question.

Any objection raised during the deposition must be renewed in your brief on the case or the Board, in all likelihood, will consider the objection to have been waived.

Questions to which an objection is made should be answered subject to the objection, but a witness may properly refuse to answer a question asking for information that is privileged. If the answer involves confidential material, then the answer may be made after stating that it is covered by the terms of the extant protective agreement or order. If a testimony witness refuses to answer a question, a motion to compel is not available, since that is a motion relating to discovery activities. If the Board at final hearing finds the objection not well taken, the Board may construe the refusal to answer against the non-answering party and presume that the answer would have been adverse to the position of the party whose witness refused to answer; or the Board may find that the refusal to answer reduces the probative value of the witness's testimony.

**NOTE:** There is a distinction drawn between a motion based on an allegation that a party failed to make proper or adequate pretrial disclosure and a motion based on an allegation that a party failed to serve a proper or adequate notice of examination. When the deficiency is in the pretrial disclosure, the motion to strike may target all of the testimony (and exhibits), or those portions that were not covered by the disclosure. *See Jules Jurgensen/Rhapsody, Inc. v. Peter Baumberger*, 91 USPQ2d 1443 (TTAB 2009). When the deficiency is in the notice of examination, the motion to strike must seek exclusion of the entire testimony deposition and exhibits. Either type of motion must be promptly filed after the testimony is taken.

#### Correcting, Filing and Serving Transcripts

Trademark Rules 2.123(f) and 2.125(c) concern *filing* requirements for testimony depositions; Trademark Rules 2.125(a) and (b) concern *service* requirements. It is commonly assumed that testimony deposition transcripts must be filed with the Board within 30 days of the taking of the deposition. Also, Rule 2.123(f) states that the court reporter taking down the deposition testimony must file it. In fact, the Board does not require filing by the court reporter and corrected, certified transcripts need only be filed prior to final hearing to be considered timely filed. The parties, however, should be served with copies of the transcript within 30 days of the deposition to facilitate taking of subsequent testimony. An uncertified copy, including copies of exhibits, usually will allow orderly continuation of trial, though it is certainly preferable to have every transcript marked by the witness and attorneys with necessary corrections, and certified after correction, as soon as possible after the taking of the deposition.

Errors in the transcript should be corrected by the officer certifying the transcript, or should be corrected by the witness by writing the correction above the original text and initialing the correction. The Board prefers that the correction be made on the actual pages of the transcript, rather than on a list inserted at the end of the transcript. The Board does not enter corrections for litigants, and a list of corrections at the end of a transcript may be overlooked.

**TIP:** It is preferable for each of the parties to file all of its own testimony depositions at the same time to avoid the problem of separation and possible loss. By keeping the depositions together, the Board is better able to process the testimony and enter it into the file.

#### Notice of Reliance

If a party is relying, by way of a notice of reliance, on a registration it owns, a USPTO status and title copy of the registration must be filed (*i.e.*, a certified copy, prepared by the Office to show the status of, and current title to, the registration); the copy must have been issued by the Office within a reasonably contemporaneous time of the filing of the complaint. Alternatively, the party may submit copies of USPTO electronic database records showing status of and title to the pleaded registration. Third-party registrations may be made of record by way of a notice of

reliance by submission of plain copies of the registrations or of electronic printouts retrieved from the database of the USPTO. A listing of third-party registrations or a trademark search report taken from a private company's database is not acceptable.

**TIP:** It is both faster and more economical to take advantage of the Board practice by which a party may make its registrations of record by submitting printouts retrieved from the USPTO electronic databases. Such records should reflect current status and title. Trademark Rule 2.122(d); see *Research In Motion Ltd. v. NBOR Corp.*, 92 USPQ2d 1926 (TTAB 2009).

**Remember that the Board does not take judicial notice of Patent and Trademark Office records.**

A notice of reliance can also be used to introduce certain printed publications in general circulation, government records, and an adverse party's responses to requests for admissions or to interrogatories, but not documents produced by an adversary (see below). See § 704 of the TBMP for more specific information on use of notices of reliance. With respect to discovery responses, the party making these responses of record should be selective, and submit only material that is relevant and helpful to making its own case.

Documents Produced by Adversary

Documents produced by an adversary pursuant to a request for production of documents may not be made of record by a notice of reliance, unless they are admissible as printed publications or official records, or unless they were produced in lieu of responses to interrogatories. Annual reports, catalogs, in-house publications and press releases are not admissible as printed publications. Methods for getting documents into the record include:

- Serve requests for admissions as to the authenticity of the documents the adversary has produced, and then file a notice of reliance on the requests for admissions, the admissions, and the documents or things authenticated by the admissions. This procedure requires that the document production requests be served early enough in the discovery period so that time will remain in the period after the documents are received in which to serve the requests for admissions.
- Offer the produced documents as exhibits in connection with taking the adversary's discovery deposition. Again, the document request must be served early enough in the discovery period that the documents will be produced with sufficient time remaining to take the discovery deposition.
- Offer the produced documents as exhibits in connection with taking the testimony of the adversary as an adverse witness. (Potentially dangerous, since the transcript of every testimony deposition must be filed and you may not have adequate control over what the witness will say.)
- Introduce the produced documents as exhibits during the cross-examination of the adversary's witness. It is risky to rely on this procedure, because it is available only if the adversary takes testimony, and the documents pertain to matters within the scope of the direct examination. Thus, the documents may not come into the record if the adversary does not take testimony, or takes

testimony but the scope of it is limited, or if the witness is not familiar with the documents.

- If the documents are provided as part of an answer to an interrogatory, the inquiring party may make them of record by relying on the interrogatory answer that incorporates the document.
- Combine a request for production of documents with a notice of taking deposition, and ask that the requested documents be produced at the deposition. This requires that the combined request for production and notice of deposition be served well prior to the date set for the deposition, because a discovery deposition must be both noticed and taken prior to the close of the discovery period, and because Fed. R. Civ. P. 34(b) allows a party 30 days in which to respond to a request for production of documents.
- By agreement of the parties reduced to a written stipulation. (A recommended alternative that saves time and money for all parties.)

#### Notice of Reliance and Internet Evidence

Documents that are obtained from the Internet that are identified by their date of publication or date that they were accessed and printed, and their source (URL), may be submitted under a notice of reliance in the same manner as a printed publication. TBMP § 704.08(b); *see Safer, Inc. v. OMS Inv., Inc.*, 94 USPQ2d 1031 (TTAB 2010).

#### Motion to Strike Notice of Reliance

An objection to a notice of reliance on the ground that it is untimely or does not comply with the procedural requirements of the Trademark Rules must be promptly made. If the objection can be cured, the Board may allow the filing party time to cure the defect, failing which the material will be stricken. If the objection is to the substance of the evidence, *e.g.*, its materiality, relevance or competence, a motion to strike should not be filed at the time the notice of reliance is filed. Rather, the objection should be raised in the party's brief or in a motion to strike filed with the brief.

#### Motion to Amend Pleadings to Conform to Evidence

Amendments to pleadings *after* trial are allowed under Federal Rule 15(b) when an unpleaded issue was tried with the express or implied consent of the adversary. Fed. R. Civ. P. 15(b). In the case of implied consent, the moving party must show not only that the adversary failed to object to the introduction of evidence on an unpleaded issue, but also that the adversary was fairly apprised that evidence was being offered in support of the unpleaded issue. *See Productos Lacteos Tocumbo S.A. de C.V. v. Paeteria La Michoacana, Inc.*, 98 USPQ2d 1921 (TTAB 2011).

#### Rebuttal Testimony Period

A plaintiff should not use the rebuttal testimony period for a second bite of the apple. Any evidence that supports the pleaded grounds for opposition or cancellation generally constitutes part of the case-in-chief rather than rebuttal and is generally inadmissible as rebuttal. It is preferable to file such a motion prior to briefing, but a motion to strike filed with the defendant's brief will be considered.



### Motion to Dismiss for Failure to Prosecute; Plaintiff Failure to File Brief

When a plaintiff has failed to file any evidence, or has filed only copies of USPTO records that the defendant believes in good faith are insufficient to allow plaintiff to carry its burden of proof, the defendant may move for dismissal. Trademark Rule 2.132; *see Prakash Melwani v. Allegiance Corp.*, 97 USPQ2d 1537 (TTAB 2010) (dismissal under Rule 2.132(a)); *compare* Trademark Rule 2.132(a), *with* Trademark Rule 2.132(b).

When a plaintiff fails to file a brief on the case by the deadline therefor, the Board may issue an order to plaintiff to show cause why the case should not be dismissed based on plaintiff's loss of interest. Trademark Rule 2.128(a)(3). While the order to show cause is easily discharged if the plaintiff retains interest in the proceeding, excusable neglect under Federal Rule 6(b)(1)(B) must be shown to secure acceptance by the Board of a late-filed brief (as well as reopening of trial, should plaintiff seek to have trial reopened). *See Vital Pharms., Inc. v. Conrad J. Kronholm, Jr.*, 99 USPQ2d 1708 (TTAB 2011).

### Briefs

Discuss the pertinent facts of your case in light of the relevant law. Refer to the testimony and evidence of record by citation thereto when making an argument. Use case law strategically. There is no need for string citations to prior case law. Focus on those cases that frame where you think your case fits. Adhere to the page limit (main brief: 55 pages in its entirety; reply brief: 25 pages). **If a party files a brief in excess of the page limit without prior leave of the Board, then the brief in its entirety will be denied consideration.**

**TIPS:** Arguments that are certain losers should be avoided as they weaken the rest of the case. Do not make arguments based on facts that are not of record. Do not assert that the evidence supports a fact if it does not, and do not mischaracterize the facts or a holding of a cited case. This taints credibility.

**TIP:** When referring to evidence, cite to the TTABVue record; e.g., 10 TTABVue at 15 or 10 TTABVue at 47-49 of 241.

### Oral Hearing

Oral arguments in an *inter partes* case are presented to a panel of three TTAB judges. Each side is allotted 30 minutes and a plaintiff may reserve some of its time for rebuttal.

Stick to the facts of your case. Do not make arguments based on facts that are not of record. An oral hearing may not be used as a vehicle for the introduction of evidence.

Engage the judges on the hearing panel in conversation about the case. Do not lecture. The judges will have read the briefs but will not generally have read the record and will therefore have questions about what is in the record and what is not. Be prepared to provide citations to where items of evidence bearing on a particular point can be found. The judges' questions may indicate the legal questions or aspects of a party's theory of the case that concern them most, so be prepared to shift from discussing the points you might otherwise like to make to discussion of the issues or theories that the judges would like to discuss, as revealed by their questions.



**SANDRA EDELMAN**, *Dorsey & Whitney LLP*

Sandra Edelman is a partner in the New York office of Dorsey & Whitney LLP. Her practice focuses on trademarks and unfair competition, copyright and advertising law, with extensive experience in brand name clearance and trademark portfolio management, advertising claims review and counseling on advertising and promotional content in both traditional and social media. She acts as lead counsel in trademark opposition and cancellation proceedings and *ex parte* appeals before the Trademark Trial and Appeal Board, and advises clients on offensive and defensive litigation strategy. Sandy is a mediator for the federal court for the Southern District of New York Program of Mandatory Alternative Dispute Resolution and a member of the INTA Trademark Mediators Network, and has mediated more than 30 intellectual property cases. She is a member of Dorsey's Management Committee and former head of the Trademark, Copyright, Advertising and Brand Management Practice Group.

The article on which her presentation is based, entitled "*Why Wait Three Years? Cancellation of Lanham Act Section 44(e) and 66(a) Registrations Based on Non-Use Prior to the Three-Year Statutory Period for Presumption of Abandonment,*" was published in *The Trademark Reporter* (December 2014) and was selected as the winner of the 2015 Ladas Memorial Award Professional Category for writing excellence on the subject of trademarks and related matters.

Sandy graduated from Cornell University (B.A., 1978), with distinction, and received her law degree, with honors, Order of the Coif, from George Washington University Law School (J.D., 1981).

# The Trademark Reporter®



**The Law Journal of the International Trademark Association**

## **TRADEMARK USE ISSUE**

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**November–December, 2014**

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# The Trademark Reporter®

## EDITOR'S NOTE

From time to time in the course of human events, *The Trademark Reporter* (TMR) publishes a theme issue. This is one such time. The theme is trademark use.

As the TMR has become increasingly international in focus in recent years, it gives us special pleasure to include in this issue articles focusing on not only United States law but also European law, Chinese law, Brazilian law, and Canadian law, as well as the unique insights and perspectives that come from comparing and contrasting the differing legal regimes. The issue includes articles addressing practical considerations arising from new methods of using trademarks in new media environments; comparing the differing legal structures (common law and use-based on the one hand and civil law and non-use-based on the other) in the United States and Europe; examining the ways in which these differing legal systems have regulated (or not) often highly controversial keyword advertising that forms the backbone of Internet commerce; describing emerging trends in China, particularly regarding what is fair use; elucidating use and registration requirements under Brazilian trademark law (including new developments there); defining trademark use and how the manner of use affects registration, enforcement, and cancellation in Canada (again including new legal developments); analyzing the leveling effects of the Internet in establishing trademark use and trademark rights under U.S. law and the consequences of non-use—namely, abandonment. How “use in commerce” is treated by the Trademark Trial and Appeal Board as distinct from the United States district courts is even at the heart of a case currently pending before the United States Supreme Court.

This summary barely scratches the surface of the use-related issues presented on these pages. On behalf of all of the editors, I hope it sparks timely and topical insights and is, of course, eminently useful.

Jonathan E. Moskin  
*Editor-in-Chief*

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**WHY WAIT THREE YEARS?  
CANCELLATION OF LANHAM ACT SECTION 44(e)  
AND 66(a) REGISTRATIONS BASED ON NON-USE  
PRIOR TO THE THREE-YEAR STATUTORY PERIOD  
FOR PRESUMPTION OF ABANDONMENT**

*By Sandra Edelman\**

**I. INTRODUCTION**

The review of a typical United States trademark search report will likely reveal a number of U.S. registrations issued under Sections 44(e) and 66(a) of the Lanham Act, for which the registrant was not required to prove actual use of its mark in United States commerce as a condition of obtaining the registration.<sup>1</sup> These registrations frequently cover multiple classes and dozens, or even hundreds, of goods and services on which the mark may never have been used, because the U.S. registrations are based on international registrations secured by non-U.S. owners in jurisdictions where proof of use of the mark in commerce is not required. Thus, in these jurisdictions, there is no statutory bar to obtaining a registration covering many goods or services on which the mark has not been and may never be used.

Section 44(e) and 66(a) registrations are therefore distinguishable from registrations issued under Section 1 of the Lanham Act,<sup>2</sup> in which the applications can be based either on actual use of the mark in commerce prior to filing under Section 1(a), or a bona fide intent to use the mark in commerce under Section 1(b), with the further requirement that a

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1. Pursuant to Section 44(e) of the U.S. Trademark (Lanham) Act, 15 U.S.C. § 1126(e), a foreign applicant of a country with whom the United States maintains certain treaty rights can obtain a U.S. registration of a mark based on ownership of a registration or pending application in the applicant's country of origin. See *Imperial Tobacco Ltd. v. Philip Morris, Inc.*, 899 F.2d 1575, 1578 (Fed. Cir. 1990). Under Section 66(a) of the Lanham Act, 15 U.S.C. § 1141(f), enacted as part of the Madrid Protocol Implementation Act, a trademark owner in an international jurisdiction that is a participant in the Madrid Protocol may apply for an "international registration" based on a national application or registration in a member country, and then file a request for extension of protection of that registration in the United States. See *Saddle Springs, Inc. v. Mad Croc Brands, Inc.*, 104 U.S.P.Q.2d 1948 at \*\*3-4 (T.T.A.B. 2012). The primary difference between the two types of registration is that a Section 66(a) registration "always remains part of and dependent on the international registration, in contrast to a Section 44(e) registration which stands independent of the underlying foreign national registration." *Id.*

2. 15 U.S.C. § 1051.

registration will not issue for a Section 1(b) application until proof of actual use in commerce is provided by the applicant.<sup>3</sup>

The difference in the scope of goods and services covered by Section 1 registrations on the one hand, and many Section 44(e) or 66(a) registrations on the other, can be illustrated by different registrations obtained for the exact same mark by non-U.S. based pharmaceutical companies. A registration issued under Section 44(e) or 66(a) may cover pharmaceutical products for the treatment of a wide variety of medical indications, some of which may never be offered under the mark. In contrast, an additional registration for the same exact mark issued under Section 1 of the Lanham Act—in other words, a registration for which proof of use in commerce is required as a condition of registration—may cover only the specific medical indications for which the pharmaceutical mark is actually in use.<sup>4</sup>

Registrations issued under Section 44(e) and 66(a) for which no use has ever been or will be made on a wide scope of goods and services can present significant complications in the trademark clearance process. Any one of the many goods or services in these registrations can provoke a refusal to register on likelihood of confusion grounds during the *ex parte* examination process, irrespective of whether there is, or has ever been, any use of the mark on the particular good or service cited in an Office Action as the basis for the refusal.<sup>5</sup> These wide-ranging registrations can also create uncertainty as to the true scope of rights the owner might possess and assert against a third party's use of a similar mark.

If an investigation reveals that a mark registered under Section 44(e) or 66(a) has never been used in the United States and there is reason to believe that use may never commence, a petition to cancel the registration on the ground of abandonment is

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3. 15 U.S.C. § 1051(d).

4. For example, a registration for GLEEVEC obtained under Section 44(e) covers oncology indications as well as pharmaceuticals for the treatment of many other disorders, such as musculoskeletal and genitourinary system diseases, as well as antivirals, antibiotics, and antifungals (*see* Reg. No. 323883), whereas a Section 1 registration for the mark GLEEVEC covers only “pharmaceutical preparations for use in the field of oncology, namely for the treatment of cancer” (*see* Reg. No. 2675047); *compare also* Reg. No. 3181206 for the mark ILARIS, issued under Section 66(a) (originally covering multiple medical indications) *with* Reg. No. 3797205, issued under Section 1 (covering only pharmaceuticals for the prevention and treatment of inflammatory disorders); Reg. No. 2622847, for the mark LEVITRA, issued under Section 44(e) (originally covering pharmaceuticals for sexual dysfunction, cardiovascular diseases, central nervous system diseases, cancer, and respiratory and infectious diseases as well as diagnostics adapted for medical use) *with* Reg. No. 3050814 for LEVITRA (in stylized font), issued under Section 1 (covering only pharmaceutical preparations for the treatment of sexual dysfunction).

5. *See* T.M.E.P. § 1207.01(d)(iv) (“During *ex parte* prosecution, an applicant will not be heard on matters that constitute a collateral attack on the cited registration (*e.g.*, a registrant’s nonuse of the mark”).

an appropriate procedure to eliminate a potential obstacle to use and registration of a similar mark by a third party.<sup>6</sup> However, some attorneys may believe that it is not worth filing a cancellation proceeding until the obstacle registration is more than three years old, because non-use of a mark for three consecutive years “constitutes *prima facie* evidence of abandonment” under Section 45 of the Lanham Act.<sup>7</sup> This statutory provision provides an evidentiary boost to the petitioner in a cancellation proceeding. Yet, even without the benefit of *prima facie* evidence of abandonment that arises after proof of three years of non-use of a mark, a petition to cancel a registration on the ground of abandonment can be successful even before the three-year period has elapsed. In other words, why wait three years to eliminate a Section 44(e) or 66(a) registration for a mark that has never been, and likely never will be, used on particular goods or services?

Trademark registrations issued under Section 44(e) and 66(a) may also be vulnerable to cancellation before three years have elapsed on the additional ground of lack of bona fide intent to use at the time the application for registration was filed. Applicants for both Section 44(e) and 66(a) registrations are required to declare a bona fide intent to use the mark in commerce in the United States as part of the application process, but they are not required to prove actual commercial use of the mark in order to obtain the registration.<sup>8</sup> Registrants who “over include” goods and services in a Section 44(e) or 66(a) registration may thus not only be unable to defeat a claim of abandonment after the registration has issued, they also may not be able to establish that they had a bona fide intent to use the mark in the first instance at the time the applications were filed as to all of the goods or services in the registration.

This article will discuss the statutory provisions and case law relevant to cancellation of Section 44(e) and 66(a) registrations on the ground of abandonment, and a strategy that can be pursued to prevail in a cancellation proceeding prior to the third anniversary of the registration’s issuance. In addition, the article will also address the additional tactic of seeking cancellation of Section 44(e) and 66(a) registrations on the ground of lack of bona fide intent to use at the time the applications for registration were filed, a claim that can also be pursued successfully prior to the third anniversary of the registration.

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6. 15 U.S.C. § 1064(3) (a petition for cancellation of a registration may be brought at any time if the registered mark has been abandoned).

7. 15 U.S.C. § 1127.

8. See 15 U.S.C. §§ 1141h(a)(3) and 1141f (as to Section 66(a) registrations); 15 U.S.C. § 1126(e) and T.M.E.P. § 1008 (as to Section 44(e) registrations).

## II. DEFINITION OF ABANDONMENT UNDER THE LANHAM ACT AND BURDEN OF PROOF

Before focusing on the specific issues affecting cancellation of Section 44(e) and 66(a) registrations on the ground of abandonment, it is first useful to review the definition of abandonment under the Lanham Act, and the rules for burden of proof that apply depending on whether the period of non-use of a registered mark is fewer or more than three years.

Section 45 of the Lanham Act states that a mark will be deemed abandoned if its use “has been discontinued with intent not to resume such use. Intent not to resume use may be inferred from circumstances.”<sup>9</sup> The statute further provides that “non-use for 3 consecutive years shall be *prima facie* evidence of abandonment.”<sup>10</sup> This statutory standard leads to specialized rules of burden of proof and persuasion when a petition for cancellation is brought on the ground of abandonment. As the court explained in *Jade Apparel v. Steven Schor, Inc.*,<sup>11</sup> evidence of three years of non-use of a mark “creates a statutory presumption of abandonment, which shifts the ‘burden of production to the mark owner to come forward with evidence indicating that, despite three years of non-use, it intended to resume use of the mark within a reasonably foreseeable time.’”<sup>12</sup> Notwithstanding the shift in the burden of production, the ultimate burden of proof (or persuasion) on the abandonment claim would remain with the claimant.<sup>13</sup>

If there is no *prima facie* evidence of abandonment because the period of non-use of the mark is fewer than three years, the party asserting abandonment has the burden of persuasion by a preponderance of the evidence that there has been non-use of the mark by the legal owner and a lack of intent by that owner to resume use of the mark in the reasonably foreseeable future.<sup>14</sup>

While there have been judicial statements about the “heavy burden” imposed on a party seeking to establish abandonment

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9. 15 U.S.C. § 1127.

10. *Id.*

11. 2013 WL 498728, No. 11 Civ. 2955 (KNF) (S.D.N.Y. Feb. 11, 2013).

12. *Id.* at \*10 (quoting *ITC Ltd. v. Punchgini, Inc.*, 482 F.3d 135, 147 (2d Cir. 2007)).

13. See *Cerveceria Centroamericana, S.A. v. Cerveceria India, Inc.*, 892 F.2d 1021, 1026-27 (Fed. Cir. 1989) (also discussing the different treatment of the burden of proof and production issues in other federal circuits); *Cumulus Media, Inc. v. Clear Channel Communications, Inc.*, 304 F.3d 1167, 1175-77 (11th Cir. 2002) (discussing holdings on the burden of proof for abandonment in other jurisdictions).

14. *Jade Apparel*, 2013 WL 498728 at \*10. The burden of proof by a preponderance of the evidence is the same standard that would typically apply to a cancellation proceeding brought on other grounds, such as descriptiveness or likelihood of confusion and prior rights. See *Cerveceria Centroamericana, S.A. v. Cerveceria India, Inc.*, 892 F.2d 1021, 1023-24 (Fed. Cir. 1989); see also *Wells Fargo and Co. v. ABD Ins. & Fin. Servs.*, 2013 WL 898140, No. C 12-3856 (PJH) at \*6 (N.D. Cal. Mar. 8, 2013) (“abandonment requires *actual* cessation of use. The mere intent to cease use is not enough”) (emphasis in original).



because of the potential forfeiture of rights by the registrant, the Court of Appeals for the Federal Circuit in *Cerveceria Centroamericana, S.A. v. Cerveceria India, Inc.*<sup>15</sup> held that the reference to the onerousness of the burden does not relate to the standard of proof. Rather, it pertains to the great evidentiary difficulties a petitioner likely faces in a cancellation proceeding, as opposed to an opposition, and the fact that “in a cancellation proceeding as opposed to an opposition proceeding, the registrant benefits from a presumption of validity.”<sup>16</sup> The *Cerveceria* court explained that the legislative history of the Lanham Act does not reflect “any intention by Congress to raise the burden of proof for cancellation for abandonment above the normal civil burden of a preponderance of the evidence. Nor do we see any basis for a higher burden of proof in cancellation proceedings for abandonment than for likelihood of confusion.”<sup>17</sup>

Based on the statutory definition and the prima facie evidence of abandonment that arises when there has been proof of non-use of a mark for more than three years, it is undoubtedly easier for a party to prevail on a claim of abandonment when there has been more than three years of non-use. Absent evidence of three years of non-use, however, a party can still succeed on a claim of abandonment, but it will need to carry its burden of persuasion by a preponderance of direct and/or circumstantial evidence that the mark owner has ceased using the mark without an intent to resume use.

### III. ESTABLISHING ABANDONMENT OF SECTION 1 REGISTRATIONS OR U.S. COMMON LAW MARKS WITHOUT THE BENEFIT OF THE STATUTORY PRESUMPTION

While most allegations of abandonment are asserted where there is evidence of non-use of a mark for more than three years, thus enabling the claimant to benefit from the statutory presumption of abandonment, it is possible to bring and prevail on an abandonment claim where the period of provable non-use of the mark is fewer than three years. This circumstance has occasionally arisen in federal court infringement actions where abandonment has been asserted as a defense.<sup>18</sup> For example, in *Cascade Financial Corp. v. Issaquah Community Bank*,<sup>19</sup> the plaintiff,

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15. *Id.*

16. *Id.*

17. *Id.* at 1024. The court held likewise in *Jade Apparel*, 2013 WL 498728 at \*10 n.2.

18. *See* ITC Ltd. v. Punchgini, Inc., 482 F.3d 135, 146 (2d Cir. 2007) (even if a plaintiff demonstrates trademark infringement, “the alleged infringer may nevertheless prevail if it can establish the owner’s prior abandonment of the mark”).

19. 2007 WL 2871981, No. C07-1106Z (W.D. Wash. Sept. 27, 2007).

Cascade Bank, had been known for many years as Issaquah Bank.<sup>20</sup> Cascade brought suit for trademark infringement against Issaquah Community Bank, which began operating under that name in 2007. In response to Cascade's motion for a preliminary injunction in August 2007, the defendant asserted abandonment as a defense, based on Cascade's cessation of use of the name "Issaquah Bank" as of September 2005 following a merger—a period of alleged non-use of just under two years.<sup>21</sup> Cascade argued in response that it had made continuing use of the "Issaquah Bank" name in a limited fashion after the 2005 merger by using the name in a couple of advertisements, continuing to process old deposit and withdrawal slips with the former "Issaquah Bank" name, and maintaining domain names containing the word "Issaquah" (even though the domain names resolved to a Cascade-branded website).<sup>22</sup>

In evaluating the defense of abandonment and the applicable legal standard, the court expressly noted that "Because the period of alleged discontinued use is less than three years, the statutory presumption of abandonment does not apply. 'Nevertheless, abandonment may be inferred from the circumstances in cases where there has been a shorter period of discontinued use.'"<sup>23</sup> On the facts presented on the motion, the court found that the defendant had demonstrated a likelihood of success on its affirmative defense of abandonment, thus precluding a finding of a likelihood of success on the merits on plaintiff's infringement claim.<sup>24</sup>

In another case involving a formal announcement of a bank's change of name, *IntraWest Financial Corp. v. Western National Bank of Denver*,<sup>25</sup> the court found that abandonment had occurred, even though the period of non-use was not long enough to give rise to a statutory presumption of abandonment.<sup>26</sup> The plaintiff IntraWest had used the name "First National Bank of Denver" dating back to 1865, and had obtained a federal registration for the mark FIRST OF DENVER in 1975. In 1982, the bank decided to

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20. *Id.* at \*\*1-2.

21. *Id.* at \*\*1, 8.

22. *Id.* at \*\*2-5.

23. *Id.* at \*8 (quoting *IntraWest Fin. Corp. v. W. Nat'l Bank of Denver*, 610 F. Supp. 950, 958 (D. Colo. 1985)).

24. *Cascade Fin. Corp.*, *supra*, 2007 WL 287981 at \*10; *see also Wells Fargo and Co.*, 2013 WL 898140 (relying on the decision in *Cascade* and holding that the defendant had established a likelihood of success on a defense of abandonment to a motion for a preliminary injunction, where the period of alleged non-use was less than three years and the uses made by the plaintiff after a formal name change were deemed to be residual uses not in the "ordinary course of trade").

25. 610 F. Supp. 950 (D. Colo. 1985).

26. *Id.* at 958.

change its name to IntraWest, regulatory authorities were so informed, and an extensive advertising and informational campaign was undertaken in October 1982 to inform the public and the financial community about the name change. All bank forms were changed to reflect the new “IntraWest” name, and existing forms bearing the name “First National Bank of Denver” were either destroyed or covered over with the new name.<sup>27</sup> A few months later, IntraWest commenced a very limited use of the name “The First National Bank of Denver” in its safe deposit department, mostly consisting of a one-time only advertisement published with the name in December 1982.<sup>28</sup>

The court found that IntraWest had discontinued all use of the name “First National Bank of Denver” for several months after the October 1982 name change and, in light of the brief period of non-use, a “statutory presumption of abandonment does not apply.”<sup>29</sup> Nevertheless, it concluded that “abandonment may be inferred from the circumstances where there has been a shorter period of discontinued use.”<sup>30</sup> The court found there was no evidence of an intent to resume use of the old mark after the publicized name change, specifically characterizing IntraWest’s limited use of the mark in connection with its safe deposit boxes as “merely an afterthought, a sham use devised in an attempt to prevent others from using the mark, not the bona fide use required to establish or retain rights in the mark.”<sup>31</sup> Accordingly, the court concluded that IntraWest had abandoned its trademark rights in its former name.<sup>32</sup>

Outside of the banking context, but again involving a publicly announced name change, the court in *Cumulus Media, Inc. v. Clear Channel Communications, Inc.*<sup>33</sup> considered whether a radio station owned by plaintiff Cumulus Media had abandoned its common law rights in the mark THE BREEZE after it changed its name to Star 98. Thirteen months after the name change, another radio station owned by defendant Clear Channel changed its name from The Mix to The Breeze, adopted a logo “nearly identical” to

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27. *Id.* at 952-54.

28. *Id.* at 954.

29. *Id.* at 958. At the time of this decision, the statutory period of non-use under the Lanham Act that constituted prima facie evidence of abandonment was two years. *Id.* at 956. Section 45 of the Lanham Act was amended in 1996 to change the period to three years for prima facie abandonment pursuant to the Uruguay Round Agreements Act. See *Cumulus Media Inc. v. Clear Channel Commc’ns, Inc.*, 304 F.3d 1167, 1174 n.8 (11th Cir. 2002).

30. *IntraWest Fin. Corp. v. W. Nat’l Bank of Denver*, 610 F. Supp. 950, 958 (D. Colo. 1985).

31. *Id.*

32. *Id.* at 960.

33. 304 F.3d 1167 (11th Cir. 2002)

Cumulus Media's former logo for The Breeze, and actively promoted to the public that "The Breeze was back."<sup>34</sup> On a motion for a preliminary injunction, the district court gave the benefit of the doubt to the plaintiff that the mark was not abandoned based on a remaining use of the mark on an outdoor sign at plaintiff's studio as well as business card uses of the name. However, the district court also noted that as the case went forward on a full record, the court could find that the uses of THE BREEZE that were made after the name change were merely "vestigial holdovers" "evinced merely a haphazard transition" rather than an intent to continue using the mark.<sup>35</sup> Thus, the district court explicitly left open the possibility that Clear Channel might be able to establish abandonment, even though the period of non-use of the mark—thirteen months—was far shorter than the statutory presumption period of three years.<sup>36</sup>

Similar to a formal announcement of a name change, the public communication of a decision to discontinue sales of a branded product can lead to a finding of abandonment prior to a three-year period of non-use. This circumstance occurred in *Hiland Potato Chip Co. v. Culbro Snack Foods, Inc.*<sup>37</sup> The plaintiff, Hiland, which had long-standing rights in the KITTY CLOVER mark for potato chips in the Kansas City market, mailed a letter in November 1980 to thousands of its customers, advising that it would no longer be selling KITTY CLOVER-branded potato chips and would henceforth sell chips under the HILAND mark.<sup>38</sup> Almost immediately after learning of this letter, the defendant, Culbro, which owned the rights to the KITTY CLOVER mark for potato chips in the remainder of the United States, began distributing its KITTY CLOVER chips in the Kansas City market.<sup>39</sup> Hiland brought a suit for infringement, and Culbro successfully asserted abandonment as a defense. The court held that "a public announcement of intention to discontinue the sale of a product may be a circumstance from which an intent not to resume may be inferred."<sup>40</sup> Accordingly, even though the statutory period of non-use for a presumption of abandonment had not occurred—indeed, the abandonment happened almost

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34. These factors led the district court to conclude that Clear Channel's decision to call itself The Breeze was intended to divert market share from the plaintiff and mislead radio listeners. *Id.* at 1170.

35. *Id.* at 1175 n.10.

36. The Eighth Circuit affirmed the grant of preliminary injunctive relief, holding that it was not clear error to find that Clear Channel was not likely to succeed on the merits of its abandonment defense. *Id.* at 1177-78.

37. 585 F. Supp. 17 (S.D. Iowa 1982), *aff'd*, 720 F.2d 981 (8th Cir. 1983).

38. 585 F. Supp. at 20.

39. *Id.* at 21.

40. *Id.* at 22.

simultaneously with the public announcement of discontinued sales—the court found that Hiland had abandoned its rights in the KITTY CLOVER mark.<sup>41</sup>

Finally, in *Playdom, Inc. v. Couture*,<sup>42</sup> the Trademark Trial and Appeal Board (TTAB) recently granted a petition for cancellation of the mark PLAYDOM for entertainment and educational services on the ground that the application, filed under Section 1(a), was void *ab initio* for failure to use the mark on any of the recited services prior to the filing date.<sup>43</sup> The Board also held, in the alternative, that the PLAYDOM mark had been partially abandoned as to certain of the entertainment services identified in the registration.<sup>44</sup> The Board noted that prima facie abandonment had not been established by the petitioner, because three years of non-use had not been proven.<sup>45</sup> Nevertheless, based on testimony that the respondent had not provided certain entertainment services and had no apparent intent to offer those services in the future, the mark was deemed partially abandoned.<sup>46</sup>

The cases discussed above involving Section 1 registrations or U.S. common law marks demonstrate that while perhaps uncommon, it is possible to bring and succeed on an abandonment claim when the non-use of a mark is for a period of time shorter than the three years necessary to constitute prima facie abandonment.

#### IV. ESTABLISHING ABANDONMENT OF MARKS REGISTERED UNDER SECTION 44(e)

Registrations issued under Section 44(e) are vulnerable to petitions to cancellation on the ground of abandonment to the same extent as registrations issued under Section 1. The Court of Appeals for the Federal Circuit affirmed this principle in *Imperial Tobacco Ltd v. Philip Morris, Inc.*<sup>47</sup> Philip Morris had filed a petition to cancel Imperial's registration for the mark JPS for cigarettes that had been issued under Section 44(e). Following discovery, Philip Morris moved for summary judgment based on the undisputed fact that there had been no United States sales of

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41. *Id.* at 22; 720 F.2d at 984 (affirming district court determination of abandonment).

42. 2014 WL 788346 Cancellation No. 9205115 (T.T.A.B. Feb. 3, 2014) (non-precedential).

43. *Id.* at \*5.

44. *Id.* at \*7.

45. *Id.* at \*6.

46. *Id.* at \*7.

47. 899 F.2d 1575 (Fed. Cir. 1990).

cigarettes under the registered mark from the date of registration in 1981, up until 1986, when the petition was filed.<sup>48</sup>

The appellate court confirmed that while Section 44(e) registrations provide foreign applicants “a significant advantage over procuring a registration in this country” because of the lack of any requirement to show use of the mark in the United States prior to the issuance of a registration, the “the statute gave no similar advantage in the *maintenance* of a section 44(e) registration.”<sup>49</sup> On the contrary, Section 44(f) of the Lanham Act “provides that a registration obtained under section 44(e) ‘shall be independent of the registration in the country of origin and the duration, validity, or transfer in the United States of such registration shall be governed by the provisions of this chapter.’”<sup>50</sup> In other words, “after registration, a Section 44(e) registrant is entitled only to the same national treatment as any other registrant,” including cancellation on the ground of abandonment.<sup>51</sup>

While the court in *Imperial Tobacco* emphasized that once a Section 44(e) registration issued, the registrant stood on the same ground as a U.S. national registrant as to whether a mark had been abandoned, the court acknowledged that the legal standard for proving abandonment had to be adjusted in the context of a Section 44(e) registration. The necessary modification relates to the definition of abandonment under Section 45 as a *discontinuance* of use without intent to *resume* use.<sup>52</sup> The concepts of discontinuance and resumption of use make sense for U.S.-based registrations, which require proof of use in U.S. commerce as a condition of registration. But the use of a mark can be discontinued and potentially resumed only if it was actually in use prior to registration. As the *Imperial Tobacco* court commented, the statutory language of “intent not to resume use” is “appropriate for the usual situation in which a registered mark has been used at some point in this country. Where there is use, followed by a period of nonuse, the question is whether the registrant ‘discontinued’ use with an ‘intent not to resume.’”<sup>53</sup> In

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48. *Id.* at 1578.

49. *Id.* (emphasis in original).

50. *Id.*

51. *Id.* The court’s analysis regarding the interplay between Sections 44(e) and (f) of the Lanham Act is similar to prior decisions of the TTAB in *Reynolds Televator Corp. v. Pfeffer*, 173 U.S.P.Q. 437 (T.T.A.B. 1972), and *Sinclair v. DEB Chemical Proprietaries Limited*, 137 U.S.P.Q. 161 (T.T.A.B. 1963); see also *Oromeccanica, Inc. v. Ottmar Botzenhardt GmbH*, 223 U.S.P.Q. 59, \* 3 (T.T.A.B. 1983) (Section 44(e) registrations, once issued, stand on the same footing as any other registrations and can be cancelled on the ground of abandonment under the standard set forth in Section 45 of the Lanham Act).

52. *Imperial Tobacco*, 899 F.2d at 1580.

53. *Id.*

contrast, if a mark registered under Section 44(e) has never been used in the United States, references to “discontinued” use and an intent not to “resume” use in the statute is “inapt.”<sup>54</sup>

Evaluating how to make the definition of “abandonment” “apt” for Section 44(e) registrations, the *Imperial Tobacco* court rejected the registrant’s argument that “intent to abandon” should be substituted for “intent not to resume use” as the legal standard. As the court explained, an affirmative desire by the registrant not to relinquish rights in a mark is “not determinative of the intent element of abandonment under the Lanham Act” because in every contested abandonment case, the registrant denies an intention to abandon its mark.<sup>55</sup> Accordingly, in cases involving Section 1 registrations, a registrant has to do more than just deny an intention to abandon its mark. “The registrant must put forth evidence with respect to what activities it engaged in during the nonuse period or what outside events occurred from which an intent to resume use during the nonuse period may reasonably be inferred.”<sup>56</sup> The court concluded that there was “no justification to adopt a different or more liberal interpretation of the statute in connection with a mark of a Section 44(e) registrant, which has *never* been used in the United States. Such a registrant has no right to maintain a registration except in accordance with the statute, and nothing in the statute suggests that the registration of a never-used mark can be maintained indefinitely simply because the registrant does not have an affirmative intent to relinquish the mark.”<sup>57</sup>

As to how to make the “inapt” language of the statute “apt” for Section 44(e) registrants, the court in *Imperial Tobacco* held that it was not error for the TTAB below to substitute “intent to begin use” or “intent to use” for “intent to resume use.”<sup>58</sup> The court observed, “these words are an appropriate adaptation of the statutory language in the situation of a never-used mark.”<sup>59</sup> Based on this legal standard, the court affirmed the Board’s finding that the registrant had not adduced sufficient evidence of an intent to begin use of its mark in the United States to overcome the presumption of abandonment that arose from its non-use of the mark for over five years.<sup>60</sup>

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54. *Id.*

55. *Id.* at 1581.

56. *Id.*

57. *Id.* at 1581-82 (emphasis in original).

58. *Id.* at 1582.

59. *Id.*

60. *Id.* at 1583; *see also* Rivard v. Linville, 133 F.3d 1446, 1448-49 (Fed. Cir. 1998) (“Where a registrant has never used the mark in the United States because the registration issued on the basis of a foreign counterpart registration . . . cancellation is proper if a lack of intent to commence use in the United States accompanies the nonuse.”).

In a more recent case involving a petition for cancellation of a Section 44(e) registration on the ground of abandonment, *City National Bank v. OPGI Management GP Inc.*,<sup>61</sup> the Board relied on the legal standard articulated in *Imperial Tobacco* that “[a] presumption of abandonment based on three years non-use may be invoked against a Section 44(e) registrant who never begins use of the mark or who discontinues using the mark.”<sup>62</sup> Because the registrant’s mark TREASURYNET had only been used internally, which did not satisfy the use in commerce requirement for registration under the Lanham Act, the Board found that there had been no use of the mark for a period exceeding three years from the date of registration.<sup>63</sup> Prima facie evidence of abandonment was thereby established, which the registrant was unable to rebut with evidence of an intent to commence legally sufficient use of the mark in commerce.<sup>64</sup>

## V. ESTABLISHING ABANDONMENT OF MARKS REGISTERED UNDER SECTION 66(a)

Section 66(a) registrations are relatively new,<sup>65</sup> and thus there is very little case law involving petitions to cancel such registrations on the ground of abandonment. The issue did arise in *SaddleSprings, Inc. v. Mad Croc Brands, Inc.*,<sup>66</sup> in which the petitioner contended that the respondent’s Section 66(a) registration for the mark CROC-TAIL (and design) for alcoholic and non-alcoholic beverages was abandoned because it had either never been used in commerce or the registrant had completely ceased using the mark for at least three years.<sup>67</sup> A very recent precedential decision in *Dragon Bleu (SARL) v. VENM, LLC*<sup>68</sup> also involved a claim of abandonment asserted against a Section 66(a) registration.

As in *Imperial Tobacco*, which confirmed that a Section 44(e) registration may be cancelled on the same grounds as Section 1 registrations, the Board in *SaddleSprings* enunciated a similar principle with respect to Section 66(a) registrations. The

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61. 106 U.S.P.Q.2d 1668 (T.T.A.B. 2013).

62. *Id.* at 1678.

63. *Id.* at 1678-79.

64. *Id.*; cf. *Oromeccanica, Inc. v. Ottmar Botzenhardt GmbH*, 223 U.S.P.Q. 59, at \*4 (T.T.A.B. 1983) (rejecting an abandonment claim against a § 44(e) registration where the petitioner could not rely on prima facie abandonment because the period of alleged non-use was less than the two years then necessary. Petitioner made no attempt to prove actual abandonment and gave inadequate notice to the respondent that it intended to rely on prima facie abandonment based on continued non-use after the petition was filed).

65. Authorization for registrations under Section 66(a) was part of the Madrid Protocol Implementation Act, which became effective in the United States on November 2, 2003.

66. 104 U.S.P.Q.2d 1948 (T.T.A.B. 2012).

67. *Id.* at \*1.

68. Opp. No. 91212231 (T.T.A.B. Dec. 1, 2014).



respondent in *SaddleSprings* had moved to dismiss the cancellation petition based on Section 71 of the Lanham Act.<sup>69</sup> This section provides that “an extension of protection in the United States remains in force for the term of the underlying international registration,” except that the Director may cancel the extension if the affidavits of use required to be submitted prior to the sixth and tenth anniversaries of the extension of protection are not timely filed.<sup>70</sup> The respondent argued that Section 71 prohibited the Director from cancelling its Section 66(a) registration at any time earlier than its deadline for filing an affidavit of use by the sixth anniversary of the extension of protection.<sup>71</sup>

The Board rejected respondent’s argument, relying on the legal standard and analysis of abandonment of Section 44(e) registrations set out by the Federal Circuit in *Imperial Tobacco*: “once a U.S. registration issues under Section 66(a), the registration is subject to the same grounds for cancellation as those registrations issued under Section 1 or Section 44(e).<sup>72</sup> Accordingly, “[i]n the absence of justifiable non-use, Section 66(a) registrations which have never been used, or for which use has been discontinued with no intent to resume use, may be subject to cancellation for abandonment even if the international registration remains valid and subsisting.”<sup>73</sup>

The Board’s decision in *Dragon Bleu* addressed the issue, “What is the earliest point in time from which the period of non-use may be measured for an abandonment claim with respect to a Section 66(a) registration?”<sup>74</sup> To answer this question, the Board relied on the analysis of the Federal Circuit in *Imperial Tobacco* with respect to abandonment of Section 44(e) registrations. Because use of a mark prior to registration is not required for applications filed under either Section 44(e) or Section 66(a), the Board in *Dragon Bleu* concluded that “the three year period of non-use that constitutes *prima facie* evidence of abandonment begins no earlier than the date of registration.”<sup>75</sup> Accordingly, lack of use of a mark prior to registration under Section 44(e) or Section 66(a) will not count in the calculation of the period of time of non-use.

The circumstances under which a Section 66(a) registration may be cancelled were addressed in a very different context in a federal court infringement action on a motion to dismiss in *Sandro*

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69. 15 U.S.C. § 1141k.

70. *Id.*

71. 104 U.S.P.Q. 2d at \*1.

72. *Id.* at \*4.

73. *Id.* at \*5.

74. Opp. No. 91212231 (T.T.A.B. Dec. 1, 2014) (discussion of issue in Section III).

75. *Id.*

*Andy, S.A. v. Light Inc.*<sup>76</sup> Plaintiff Sandro Andy, a French apparel company, asserted an infringement claim against defendant Light, based on rights in a Section 66(a) registration for the mark SANDRO, covering over 250 different clothing items.<sup>77</sup> Defendant/counterclaimant Light sought a declaration that Sandro Andy lacked a bona fide intent to use the mark in connection with all of the goods listed in the application for registration and an order directing the USPTO to cancel the registration.<sup>78</sup>

The district court first confirmed the jurisdiction of a federal court to consider a petition to cancel a U.S. registration asserted as a counterclaim in a civil action involving a registered mark.<sup>79</sup> Further, citing the decision of the TTAB in *SaddleSprings v. Mad Croc Brands*, the court affirmed the principle that a U.S. registration issued under Section 66(a) is “subject to the same grounds of cancellation” as those registrations issued under Section 1 or Section 44(e).<sup>80</sup> Accordingly, the court denied the plaintiff’s motion to dismiss the counterclaim for cancellation.<sup>81</sup>

Although it handed down only a procedural ruling on a motion to dismiss,<sup>82</sup> the district court in *Sandro Andy* perceptively characterized the nature of the deficiency in a Section 66(a) registration where there has been both a lack of bona fide intent to use the mark at the time of filing as well as non-use and a continued lack of bona fide intent to commence use of the mark after the registration issued. The court acknowledged that if there was a lack of bona fide intent to use the mark at the time the application for a Section 66(a) registration was filed, then a party with standing could oppose the registration on that basis.<sup>83</sup> After the Section 66(a) registration has issued, according to the court, “There can be a period of time during which a holder of a registration based on § 66(a) has not actually used the mark in commerce but still asserts a bona fide intention to do so. It is in this *liminal state* that a petition to cancel a registration on the ground of lack of bona fide intent to use the mark can be heard.”<sup>84</sup>

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76. 2012 WL 6709268, No. 12 Civ. 2392 (HB) (S.D.N.Y. Dec. 27, 2012).

77. *Id.* at \*1.

78. *Id.*

79. *Id.* at \*2. The court also confirmed that, as in cancellation proceedings litigated before the TTAB, “a litigant in court who prays for cancellation has the burden of overcoming the evidentiary effect of a federal registration.” *Id.* (quoting 5 McCarthy § 30:109 (4th ed.)).

80. *Id.* at \*\*4-5.

81. *Id.*

82. The case was dismissed by stipulation several months after the opinion on the motion to dismiss, so there was no adjudication on the merits of the cancellation counterclaim. *See* Civil Docket for 12 Civ. 2392 (S.D.N.Y.).

83. *Id.* at \*3.

84. *Id.* (emphasis added).

The district court expanded further on the options to cancel the Section 66(a) registration during this “liminal state.” A party can seek cancellation of the registration by attacking the lack of bona fide intent to use prior to filing, or it can allege abandonment based on a lack of intent to commence use after the registration has issued:<sup>85</sup> “What matters is whether *Sandro Andy* used the mark and then abandoned it, or, as here, where *Sandro Andy* allegedly never intended to use it in the first place.”<sup>86</sup> Either way, the mark was subject to cancellation.

The *Sandro Andy* opinion concludes that ultimately it does not matter how to characterize a viable claim for cancellation when there is both non-use and a lack of bona fide intent to use a mark registered under Section 66(a). Yet the court is correct in drawing a distinction between a lack of bona fide intent to use a mark *prior* to filing an application for registration under Section 66(a), and a lack of bona fide intent to commence use in the “liminal state” *after* the registration has issued. As discussed in the Part VI of this article, lack of bona fide intent to use a mark at the time of filing an application for Section 66(a) registration is a ground of both opposition and cancellation on the basis that the application is void *ab initio*. After a Section 66(a) registration issues, however, a separate and additional claim of abandonment arises if a petitioner can show both non-use and the lack of intent by the registrant to commence use of the mark.

## VI. ESTABLISHING LACK OF BONA FIDE INTENT TO USE AT THE TIME OF FILING APPLICATIONS FOR REGISTRATION UNDER SECTIONS 44(e) AND 66(a)

As noted above, the Lanham Act requires all applicants for registration under Sections 44(e) and 66(a) to submit a verified statement affirming a bona fide intent to use a mark as part of the application process, although the registrations may issue without proof of actual use of the mark in commerce in the United States.<sup>87</sup> This verified statement can be challenged in an opposition or cancellation proceeding, and the claim can be successful if the

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85. *Id.*

86. *Id.* (citing *Rivard v. Linville*, 133 F.3d 1446, 1448-49 (Fed. Cir. 1998) and *L’Oreal S.A. v. Marcon*, 102 U.S.P.Q. 2d 1434, 1444 n.12 (T.T.A.B. 2012)). The *Sandro Andy* opinion also rejected the plaintiff’s contention that it only needed to prove a generalized intent to use the mark, rather than an intent to use the mark that is specific to particular goods identified in the registration. 2012 WL 6709268 at \*\*3-4. Thus, if the case proceeded, the plaintiff would be required to prove a bona fide intent to use the mark at issue on each and every one of the 250 goods included in the § 66(a) registration. *Id.* at \*4.

87. 15 U.S.C. §§ 1126(d)(2), 1141(a) (2007); T.M.E.P. §§ 1008, 1904.01(c); *Lane Ltd. v. Jackson Int’l Trading Co.*, 33 U.S.P.Q.2d 1351, 1355 (T.T.A.B. 1994).

allegation of bona fide intent to use at the time the application was filed cannot be substantiated.

The TTAB ruled on the sufficiency of a statement of bona fide intent to use in an application for registration under Section 44(e) in the context of an opposition proceeding in *Honda Motor Co. Ltd. v. Friedrich Winkelmann*.<sup>88</sup> The opposer, Honda Motor Co., opposed the application by Winkelmann to register the mark V.I.C. on the ground of likelihood of confusion with Honda's CIVIC trademark. Honda subsequently amended its grounds of opposition to add Winkelmann's lack of bona fide intent to use the V.I.C. mark in commerce, and moved for summary judgment based on the absence of any documentary evidence created prior to the filing date to support the alleged intent to use. Winkelmann defended the motion by relying on his registration and use of the V.I.C. mark in Europe and the filing of applications for registration in the United States and other countries.<sup>89</sup>

Ruling for Honda on the motion, the TTAB first confirmed the legal standard for the requisite intent to use for applicants who seek registration under Section 44(e) of the Lanham Act: "In determining whether an applicant under § 44(e) has the requisite bona fide intent to use the mark in U.S. commerce, the Board uses the same objective, good-faith analysis that it uses in determining whether an applicant under § 1(b) has the required bona fide intent to use the mark in U.S. commerce."<sup>90</sup> The Board considered the lack of documentary or other evidence concerning the intent to use the V.I.C. mark revealed by Winkelmann's discovery responses, and concluded that there was no genuine issue of material fact as to Winkelmann's lack of a bona fide intent to use the mark.<sup>91</sup>

Accordingly, an applicant or registrant under Section 44(e) will not be given any special advantage in defending against a claim of lack of bona fide intent to use at the time of filing versus a U.S. registrant that filed its application under Section 1(b). The court's decision in *Sandro Andy* confirms that the same standard is applicable to registrations obtained under Section 66(a).<sup>92</sup> Indeed, as that court observed in the context of a Section 66(a)

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88. 90 U.S.P.Q.2d 1660 (T.T.A.B. 2009).

89. *Id.* at \*1.

90. *Id.* at \*2.

91. *Id.* at \*4; *see also* City Nat'l Bank v. OPGI Mgmt. GP, Inc., 106 U.S.P.Q.2d at 1678-79 & n.23 (the petition for cancellation of a mark registered under Section 44(e) alleged both lack of bona fide intent to use the mark and abandonment, on the ground that the mark had only been used internally by the registrant and not in commerce; the Board granted the petition on the ground of abandonment, and thus declined to rule on the lack of bona fide intent to use); L'Oreal S.A. v. Marcon, 102 U.S.P.Q.2d 1434, \*11 (T.T.A.B. 2012) (opposition to application for registration under Section 44(e) sustained on grounds of both likelihood of confusion and lack of bona fide intent to use).

92. 2012 WL 6709268 at \*3-4.

registration, “an overbroad application or request for an extension increases the chances that an opposer can prove by a preponderance of the evidence that there was a lack of *bona fide* intent.”<sup>93</sup>

### VII. CANCELLATION OF SECTION 44(e) AND 66(a) REGISTRATIONS PRIOR TO THREE YEARS FROM DATE OF ISSUANCE

The case law is clear that Section 44(e) and 66(a) registrations are subject to cancellation on the ground of abandonment to the same extent as registrations issued under Section 1. As discussed above in Part III, while abandonment claims are more commonly brought where there is evidence of non-use of a mark for a period exceeding three years, thereby giving rise to a presumption of abandonment, abandonment claims can be brought, and can succeed, even without the benefit of the *prima facie* evidence standard.

Absent *prima facie* evidence of abandonment, a party asserting a claim of abandonment against a Section 44(e) or 66(e) registrant will need to meet its burden of proof that there has been non-use of a mark for a period of time and either direct or circumstantial evidence from which it can be inferred that the registrant has no intention to commence use on the goods or services identified in the registration.<sup>94</sup> If there is sufficient proof that the Section 44(e) or 66(a) registrant had no intention to begin using its mark in U.S. commerce after the registration issued, the registration should be cancelled for some or all of the goods or services to which that conclusion applies, without waiting for the three-year period to elapse.

In pursuing this strategy, it is reasonable to ask whether the Section 44(e) or 66(a) registrant is entitled to any amount of time after the registration issues—a week, a month, a year?—to demonstrate actual use or an intent to begin use of the mark. According to the district court in *Sandro Andy*, during this “liminal state,” the registration is indeed vulnerable to cancellation at any time if the mark is not in use and the registrant cannot show an intent to begin using its mark.<sup>95</sup> Another interesting question

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93. *Id.* at \*4.

94. *Oromecanica, Inc. v. Ottmar Botzenhardt GmbH*, 223 U.S.P.Q. 59, at \*4 (T.T.A.B. 1983).

95. 2012 WL 6709248 at \*\*3-4. The ongoing and continuing intent to use a mark after the issuance of a Section 44(e) or 66(a) registration can be analogized to the burden imposed on Section 1(b) applicants who seek extensions of time to submit a statement of use after a Notice of Allowance issues. Each time a Section 1(b) applicant submits such an extension, the applicant must also file a verified statement of continued *bona fide* intention to use the mark in commerce and each such statement of *bona fide* intent could provide a basis for cancellation if there is no evidence to support the statement. *See Spin Master Ltd. v.*

arises if, after a Section 44(e) or 66(a) registration issues, there is a period of time in which the registrant is not using and does not have any demonstrable intention to begin using the mark, but then subsequently develops such plans. Technically, under established case law applicable to marks registered under Section 1 of the Lanham Act, an “interim” abandonment has occurred, and subsequent use or intent to commence use should not save the registration from cancellation.<sup>96</sup>

Thus, there are viable bases for cancelling Section 44(e) and 66(a) registrations on the ground of abandonment prior to the third anniversary of registration. In addition, as the opinions in *Honda v. Winkelmann* and *Sandro Andy* demonstrate, Section 44(e) and 66(a) registrations, particularly those that cover an excessive identification of goods and services, may also be vulnerable to cancellation on the ground that there was a lack of bona fide intent to use the mark on each and every good or service covered by the registrations at the time the applications for registration were filed.

### VIII. TACTICAL CONSIDERATIONS

While the legal theories for cancellation of Section 44(e) and 66(a) registrations prior to three years from the date of issuance are well founded, assuming a sufficient evidentiary basis is present, it is also important to keep in mind that, tactically, a petition for cancellation on these grounds may never proceed to an adjudicated result. If the registrant has no factual basis for disputing the allegations of non-use and lack of intent to commence use, the registrant is unlikely to devote significant resources to contesting the claims.

In that circumstance, the registrant might choose not to defend the proceeding, and a judgment by default would be granted.<sup>97</sup> Alternatively, the filing of a petition might lead to a negotiated resolution in which the petitioner surrenders the registration for cancellation entirely,<sup>98</sup> assigns the registration, amends the registration to eliminate the goods and services that might be of concern to the petitioner,<sup>99</sup> or provides a consent to

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Zobmondo Entm't, LLC, 778 F. Supp. 2d 1052, 1062-66 (C.D. Cal. 2011) (analyzing, in the context of allegations of fraud, the extent to which an applicant could substantiate a bona fide intent to use not only at the time of filing, but also at each subsequent time of filing an extension of time to submit a statement of use).

96. See, e.g., *Cerveceria Centroamericana, S.A. v. Cerveceria India, Inc.*, 892 F.2d at 1027 (once an abandonment of the mark at issue had been demonstrated as of 1977, efforts to resume use of the trademark in 1984 “represent a new and separate use, and cannot serve to cure [the prior] abandonment ...”).

97. 37 C.F.R. § 2.114(a).

98. 37 C.F.R. § 2.134.

99. 37 C.F.R. § 2.133.

overcome a prior refusal of a mark sought to be registered by the petitioner.<sup>100</sup> These types of resolutions can also be explored by communicating with the registrant prior to filing a petition for cancellation. As with any negotiated compromise, it may be more cost-efficient for a petitioner to pay a mutually agreeable sum of money to the registrant to achieve a desired, certain result, sooner rather than later, instead of expending the time and resources of the parties (and the TTAB) to obtain a judgment of cancellation, even if it is factually justified and legally appropriate.

It is also possible that a potential petitioner for cancellation is uncertain, or even wrong, about whether a target mark has actually been abandoned. Prior to a cancellation proceeding being initiated, which brings with it the opportunity to take discovery regarding the registrant's use of the mark at issue during the relevant time period, it can be difficult to ascertain with certainty that there has been no commercial use of a mark and no intent to resume or commence use. Publicly available sources and/or a private investigation can reveal helpful information and a good-faith basis for initiating a cancellation action, but without access to the registrant's internal records, the information gained prior to a proceeding may be incomplete. If the registrant does, in fact, have sufficient evidence to counter an abandonment claim, a petitioner may need to withdraw the proceeding. Alternatively, information sufficient to rebut an allegation of abandonment may be disclosed voluntarily by the registrant in communications between the parties prior to the filing of a cancellation petition. At that point, a potential petitioner can decide whether or not to commence a proceeding, at least having obtained some clarification as to the extent of the registrant's rights.

## IX. CONCLUSION

Initiating a proceeding to cancel a registration on the ground of abandonment and/or lack of bona fide intent to use at the time of filing requires time and financial resources. It is not an undertaking that should be considered lightly or in every instance where it might be legally possible to succeed on such claims. Nevertheless, if a party has plans to use a mark that are sufficiently important, if the mark is strongly desired, and if an obstacle is presented by a Section 44(e) or 66(a) registration for a mark that appears to be abandoned, a cancellation proceeding should be considered, even before the three-year period for a statutory presumption of abandonment has elapsed. On the right set of facts, there is no reason to wait three years to eliminate an abandoned mark from the register, either in whole or in part.

---

100. T.M.E.P. § 1207.01(d) (viii).

**July 2015 Addendum: Why Wait Three Years? Cancellation of Lanham Act Section 44(e) and 66(a) Registrations Based on Non-Use Prior to the Three-Year Statutory Period for Presumption of Abandonment**

*Couture v. Playdom, Inc.*, 778 F.3d 1379 (Fed. Cir. Mar. 2, 2015) – This decision affirms the ruling of the TTAB granting a petition for cancellation, cited at 104 TMR 1374. The ground of affirmance is that a use-based Section 1(a) application to register a mark for services is void *ab initio* if the applicant has only offered, but has not actually rendered, the services described in the application prior to filing, in accordance with the statutory language of 15 U.S.C. 1127 of the Lanham Act.

*M.Z. Berger & Co. v. Swatch AG*, 2015 WL 3499267 (Fed. Cir. June 4, 2015) – The appellate court confirms for the first time what the TTAB has previously held for many years, that the lack of *bona fide* intent to use is a proper statutory ground of opposition.





**TERESA LEE**, *Pryor Cashman*

Partner Teresa Lee is a member of Pryor Cashman’s Intellectual Property, Media & Entertainment and Litigation Groups. Her practice includes advising on trademark and copyright issues, including their selection, clearance, registration, use and licensing. Ms. Lee handles opposition and cancellation proceedings before the Trademark Trial and Appeal Board and manages contentious IP proceedings around the world. Her extensive transactional experience includes negotiating and preparing co-existence and settlement agreements.

Ms. Lee services clients in a wide variety of industries including high-profile recording artists, songwriters, authors, celebrities, entertainment companies, models, fashion designers, sports teams and associations, athletes, banking and financial institutions, and media executives. Prior to joining Pryor Cashman, Ms. Lee was an examining attorney at the U.S. Patent and Trademark Office during which time she handled thousands of applications and argued numerous appeals before the TTAB.

Ms. Lee graduated from University of Pennsylvania and received her J.D. from Suffolk University Law School.

Ms. Lee is an executive committee member and the co-chair of the Copyright and Trademark Committee of the Entertainment, Arts & Sports Law Section of the New York State Bar Association. Ms. Lee is also a member of the American Bar Association, International Trademark Association and Pennsylvania Bar Association.



**Tips on Prosecution From A Former Trademark Examining Attorney**

New York Intellectual Property Law Association

*Hot Topics in Intellectual Property*

Wednesday, July 15, 2015

The Union League Club, 38 East 37<sup>th</sup> Street, New York, NY

Presented by

Teresa Lee, Partner  
Pryor Cashman LLP  
New York, NY

 PRYOR CASHMAN LLP

## Proper Party Identification

T.M.E.P. § 1201.02

- ✓ Non-Fixable Errors -- end result could lead to *void* applications
  
- ✓ Correctable Errors

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### Use In Commerce

T.M.E.P. § § 904.03 and 1301.04

✓ Goods

traditional specimens

online catalogs (web sites) as point of sale displays --  
*Lands' End Inc. v. Manbeck*



TEEYAK would qualify as a display associated with the goods (being eyewear and hats) because it is physically near the goods and no other marks appear to be used in connection with the goods.



**Caveat:**

A web page for placing pre-sale orders for goods that are *not yet available* does not qualify as use in commerce, even if it meets the requirements for an acceptable display associated with the goods



➤ Placement of mark



✓ Services

-use in connection with the actual rendering or performance of services;

or

-use in the advertising of existing services, e. g., embodiment in marketing and promotional materials

- use must be concurrent with an existing service



**Standard Character (Typed Form)**

v.

**Special Form (Stylized Mark)**

T.M.E.P. § 807.04(b)

- Best to file as Standard Character
- Requirements for Standard Character
- Latin characters
  - Roman or Arabic numerals
  - common punctuation or diacritical
  - no design element present



➤ Restrictions for Standard Character -- prohibitions

- superscripts
- subscripts
- exponents
- other characters not included in USPTO's standard character set

- Problems arise where manner of use does not “match” mark filed as a Standard Character



- ✓ *In re Morton Norwich Products, Inc.*: Applicant sought to register LABID in “typed form” and submitted a specimen embodying the mark as shown below.

**LĀBID**



✓ *In re Grow Company, Inc.*: Applicant sought to register QX in “typed form” and submitted specimens embodying the mark as shown below.

study and collaborate on several peer reviewed scientific articles with Dr. Olan. He is coauthor of more than three dozen scientific articles, reviews and patents published in several major peer reviewed American and European Journals. His continuing research efforts are concentrated in the areas of health, nutrition, food flavors, natural products, bio-fermentation, papdise, DNA/RNA synthesis, super-acids systems, touchy, environmental, and biotechnology products. He is a member of American Chemical Society, Institute of Food Technologists, and American Herbal Products Association.

**Ferial K. Arvanaghi, M.S.**

Ferial Arvanaghi received her Master's degree in Polymer Science from University of Akron in 1986. Since then she has worked in a number of chemical industries including Fertilizer, Pharmaceutical, and personal care products. She has significant experience in QA/QC, direct reserion and analytical method development. Ferial has hands on experience in the areas of controlled release technology, enzyme purification & analysis, characterization of polymeric blends, synthetics & characterization of UV/UVB active monomers & polymers, analysis of benefit agents including oils, sunscreens, alpha-hydroxy acids, proteins, surfactants, and insect repellents. During her career, Ferial has

published articles in peer reviewed journals, and has also filed and granted more than ten US Patents. She is a member of American Chemical Society.

**Halleema N. Ahmed, B.S.**

Halleema Ahmed obtained her bachelor's degree in analytical chemistry in 1993 from Nagajuna University in India. She has great insight and hands-on experience with all analytical methods and is well versed in utilizing state of the art analytical instruments. Halleema has worked as a quality control and analytical chemist for the past eighteen years. Her education, training and experience provide solid expertise in developing and validating analytical protocols.

**Magde L. Peck, B.S.**

Magde Peck received her training in biochemistry in her birthplace of Romania at the Institute Polytechnic of Timisoara. After coming to USA in 1978, through significant positions, she gained valuable insight into the manufacturing, quality assurance and quality control parameters. In 1982, she joined a nutraceutical company as quality control chemist. Her hands on activities in all the facets of manufacturing, quality control, quality assurance and analytical method development make her a valuable asset to the team.

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**ABOUT QUALIMAX, LLC**

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- ☑ Accelerated Stability Testing/Shelf Life Studies
- ☑ Trace Analysis
- ☑ pH, Moisture Content, Melting Point, and Optical Rotation
- ☑ Microbiological Testing
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- ☑ Ultra Violet/Vis (UV)
- ☑ Gas Chromatography (GC) / Flame Ionization
- ☑ High Performance Liquid Chromatography (HPLC)
- ☑ Thin Layer Chromatography (TLC)

**KEY STAFF**

**Dr. Andrew Szalay**

Andrew Szalay received his Pharmacist degree from Szeged University in Hungary, where the renowned Nobel Laureate Albert Szent-Gyorgyi conducted his research leading to the discovery of vitamin C. Later on, Andrew moved to the United States and for the past forty years his research efforts have encompassed the areas of nutrition, botanical extracts, study of medicinal plants, herbs, and development of different analytical protocols. Andy is well versed in developing exclusive analytical methods for analysis of unique ingredients.

**Masoud Arvanaghi, Ph.D.**

Masoud Arvanaghi received his B.S. Degree in Chemistry/Biology in 1978 from Arye-Mehr University of Technology (Iran), and a Ph.D. in physical Organic Chemistry in 1982 from University of Southern California under the tutelage of the 1994 Nobel laureate professor George A. Olah. He also received postdoctoral training in the study of advanced molecular science applications utilizing extreme environmental conditions while at the University of Southern California. He has had the privilege and honor to both

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**ANALYTICAL SERVICES**

- ☞ Method Development and Validation
- ☞ Raw Material Testing
- ☞ Amino Acid Analysis
- ☞ Vitamin Analysis
- ☞ Mineral Testing
- ☞ Residue Testing
- ☞ Dissolution and Disintegration Testing
- ☞ Accelerated Stability

Trace Ana  
pH, Moist

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✓ *In re Mayce Edward Christopher Webber*: Applicant sought to register CWEBB in standard character and submitted specimens embodying the mark as shown below.



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- ✓ *In re United Services Life Insurance Company*: Applicant sought to register FOR LIFE INSURANCE SEE US in typed form and submitted a specimen embodying the mark as shown below.

***for life<sup>®</sup> insurance see US***

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- ✓ *In re wTe Corp.*: Applicant sought to register SPECTRAMET in standard character and submitted specimens embodying the mark as shown below.



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- ✓ *In re Oroweat Baking Company*: Applicant sought to register OROWEAT in typed form and submitted a specimen embodying the mark as shown below.



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## Identification of Goods and Services

T.M.E.P. § 1402

- Scope issues
  - Language
  - Punctuation

Women's apparel, namely, shirts, shorts, jackets.

Women's apparel, namely, shirts, shorts; jackets.

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➤ **Classification issues**

§ 1(a) and § 44 applications

§ 66(a) applications -- restriction



**Disclaimers and Unitary Marks**

T.M.E.P. § 1213

➤ **Telescoped Marks**

- POLLENERGY for bee pollen for use as a dietary food supplement
- HAMERICAN for cooked boneless ham
- VITAMINSURANCE for vitamin capsules
- SUPERINSE for flush toilets
- ORDERRECORDER for computer systems



➤ **Grammar**

- TIP YOUR HAT for “hats”
- TRANSFORMING STATE GOVERNMENT for “providing information in the field of state governments”
- FILING TAXES SO YOU DON’T HAVE TO for “tax preparation”
- BOATS ARE FUN for “boats”
- TAKE THIS MEDICINE for “cough syrup”



➤ **Punctuation**

- CREATIVE NAILS? for “nail polish”
- GO! PUZZLE for “computer games software”
- COMFY. COZY. COTTON for “bed sheets and blankets”
- NAA – NATIONAL ASSOCIATION OF ACCOUNTANTS for “association services, namely, promoting the interests of accountants”
- BONDS – THE FUTURE OF INVESTING for “financial planning”



➤ **Unitary Phrases -- Slogans**

- ✓ A phrase is considered “unitary” if the whole has a single distinctive meaning of its own, independent of the meaning of its constituent parts
  
- ✓ If a mark is deemed unitary, no disclaimer of descriptive or generic elements comprising the mark is required



○ **Double Entendre**

- a word or expression capable of more than one interpretation
  
- if one of its meanings is not merely descriptive, registration should be warranted
  
- if all meanings of a “double entendre” are merely descriptive, then registration should be refused



***In re Tea and Sympathy, Inc.:***

Applicant applied to register THE FARMACY for retail stores and online retail stores featuring natural herbs and organic products in cl. 35 as well as for providing dietary and nutritional guidance and information about dietary supplements and nutrition at retail locations in cl. 44.

The Board deemed the mark a double entendre as a play on the words “pharmacy” and “farm” because it connoted “farm fresh” qualities of applicant’s products used for medicinal purposes that are featured in applicant’s stores.

Merely descriptive refusal reversed.



***In re Delta Light N.V.:***

Applicant applied to register LEDS GO . . . for various lighting fixtures and related goods in cl. 11.

The Board deemed the mark a unitary double entendre as a play off the phrase “let’s go”.

Disclaimer of LEDS deemed inappropriate.



Examples of marks employing double entendre:

- BLACK MAGIC for grip tape
- FOR EYES® for retail optical store services
- THE DEVIL'S ADVOCATE® for legal consulting services
- IT'S ALL IN THE BAG® for handbags and tote bags
- COUCH POTATO® for gift boxes containing assorted theme gifts comprised of snack foods, namely, pretzels, caramel popcorn, corn and grain based chips, potato chips, and candy, sold as a unit



- PIG OUT® for vegetarian substitute for meat and bacon
- SPILL-DA-BEANS® for dried beans
- THE BASKET CASE® for “preparation of customized gift baskets with select items regarding a particular occasion or theme
- MEET MARKET® for entertainment services in the nature of bachelor auctions
- A PIECE OF CAKE for bakery goods
- BLESSING IN DISGUISE for costumes



○ **Incongruity**

- If two or more terms are combined in a mark to create an incongruity, the mark is unitary and no disclaimer of nondistinctive individual elements is necessary
- ✓ TENNIS IN THE ROUND for tennis facilities
- ✓ FRANKWURST for wieners
- ✓ SEARS BLUE SERVICE CREW for retail department stores
- ✓ SMASHINGLY DURABLE for electric and ventilating fans



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## **Tips on Prosecution From A Former Trademark Examining Attorney**

New York Intellectual Property Law Association

*Hot Topics in Intellectual Property*

Wednesday, July 15, 2015

The Union League Club, 38 East 37<sup>th</sup> Street, New York, NY

Presented by

Teresa Lee, Partner  
Pryor Cashman LLP  
New York, NY

## **I. Proper Party -- T.M.E.P. § 1201.02**

### **A. Non-Fixable Errors**

If an application is filed in the name of the wrong party, under certain circumstances, the defect cannot be cured by amendment or assignment in which case, the application is “*void ab initio*”. This issue sometimes does not come to light until the application has moved well into the process, such as, during the notice of allowance stage where extensions or statements of use are filed by a party other than the applicant as originally identified in the application. Some of those incurable circumstances would include:

Where an individual files the application in their own name but it is an actual partnership composed of the individual applicant and another person, that owns the mark. Similarly, where the president of a corporation files the application as an individual applicant when in fact it is the corporation that is the proper owner, then the application is *void ab initio*.

Where a licensee of a particular mark files the application, by definition, the licensee does not own the mark (but rather the licensor does) in which case, the application would be *void ab initio*.

Sister Corporation: If an application is filed in the name of corporation X and a sister corporation Y is the actual owner, the application is void as filed because corporation X is not the owner of the mark.

Parent/Subsidiary: If an application is filed in the name of corporation X, a wholly owned subsidiary, and the parent corporation Y actually owns the mark, the application is void as filed because corporation X (the subsidiary) is not the owner of the mark.

Predecessor-in-interest: If the application is filed in the name of entity A, when the mark was assigned to entity B before the application filing date, the application is void because entity A was not the owner of the mark at the time of filing.

### **B. Correctable Errors**

If however the application is filed by the owner but there was a mistake in the manner in which the applicant’s name was presented in the application, this type of error is usually curable.

Clerical errors such as the addition or absence of “The” or “Inc.” or “LLC” in the applicant’s name may be corrected by amendment so long as this does not result in a change of the entity.

Where the applicant identifies itself by a name under which it does business, which is not a legal entity, then an amendment to state the applicant’s correct legal name is permitted.

Where the applicant mistakenly names an operating division (which by definition is not a legal entity that can and be sued and as such, does not have standing to own or file an

application), then the applicant's name may be amended. (As a side point, the division's use of the mark would be considered use by applicant).

**Change of Name:** If the owner of the mark legally changed its name before filing an application, but mistakenly lists its former name in the application, the error may be corrected because the proper party filed but merely misidentified itself in the application.

**Non-Existent Entity:** If the party listed as the applicant did not exist at the time the application was originally filed, the application can be amended to correct the applicant's name (or entity type). For instance, "ABC Corp." identifies itself as a corporation of Delaware when in fact it is a NY corporation. So long as ABC Corp of Delaware is not an actual existing entity at the time the application was filed, an amendment correcting the entity as being a corporation of NY would be permitted.

## **II. Use In Commerce: T.M.E.P. §§ 904.03 and 1301.04**

### **A. Goods**

Examples of proper specimens for goods would include labels, hang tags, packaging and containers for the product that bear the mark as well as point of sale displays. T.M.E.P. § 904.03(a). Moreover, in appropriate cases, catalogs could qualify as a "point of sale display" for goods. T.M.E.P. § 904.03(h).

#### **1. *Lands' End Inc. v. Manbeck*, 797 F. Supp. 511, 24 U.S.P.Q.2d 1314 (E.D. Va. 1992)**

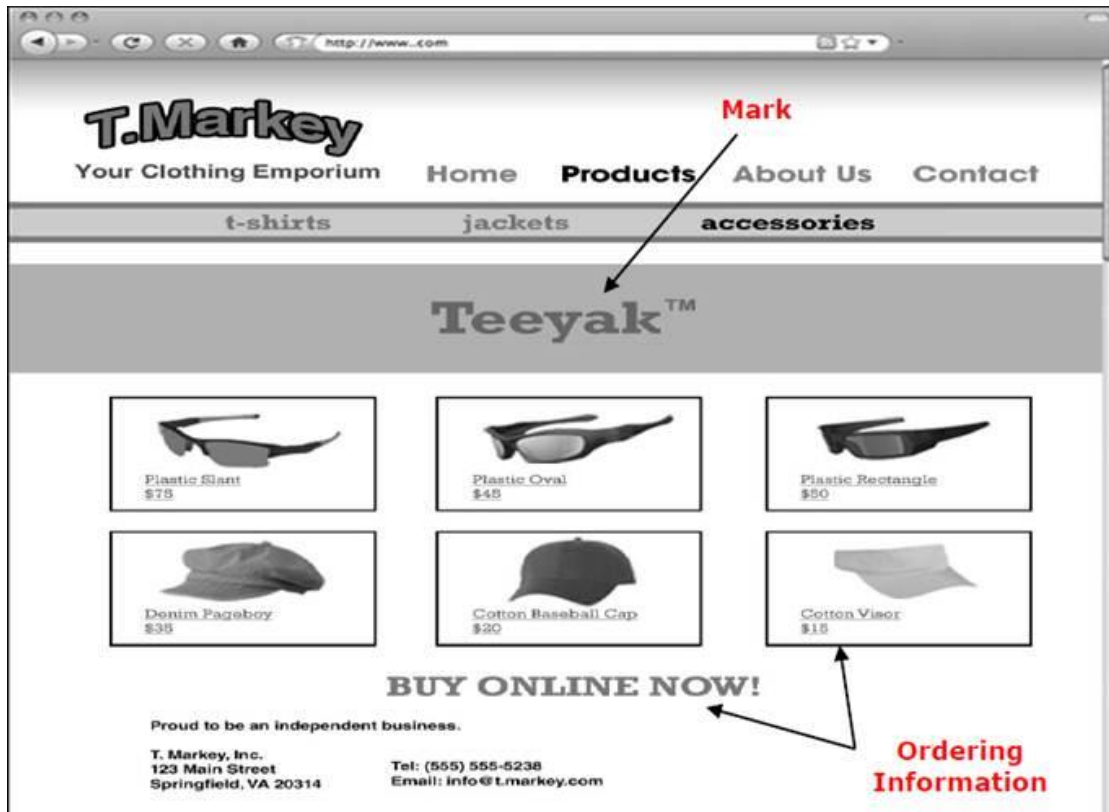
In the seminal *Lands' End* case, the court determined that a catalog page bearing use of the mark in close association with the goods was enough to establish a "display associated with the goods". Here, applicant applied to register "KETCH" for purses. The specimen was a catalog page that included a picture of the goods and below the picture, the mark and a description of the goods. The court stated, "[t]he alleged trademark 'KETCH' appears prominently in large bold lettering on the display of purses in [applicant's] specimen in a manner which closely associates the term with the purses".

In sum, a catalog would not necessarily be automatically rejected as "mere advertising" but could qualify as a "display associated with the goods" provided that it: (1) includes a picture or a sufficient textual description of the relevant goods; (2) shows the mark in association with the goods; and (3) includes the information necessary to order the goods (e. g., an order form or a phone number, mailing address, or e mail address for placing orders). So essentially, such "point of sale display" is "calculated to consummate a sale"; that is, it includes the information necessary for the consumer to decide to purchase the goods, and it appears in a setting that allows the consumer to immediately buy the goods.

**Caveat:** A web page for placing pre-sale orders for goods that are not yet available does not qualify as use in commerce, even if it otherwise meets the requirements for an acceptable display associated with the goods. *See Richardson-Vicks, Inc. v. Franklin Mint*

Corp., 216 U.S.P.Q. 989, 991-92 (T.T.A.B. 1982) (finding that the goods to be identified by the mark must be in existence at the time of a sale).

2. Similarly, in the below, the Mark TEEYAK would qualify as a display associated with the goods (eyewear and hats) because it is physically near the goods and no other marks appear to be used in connection with the goods.



- The mark appears below the web site navigation tabs and is prominently displayed in large font followed by the “TM” designation.
- The mark appears in close proximity of the goods and is directly associated with them.
- Although another mark (e. g., “T.MARKEY YOUR CLOTHING EMPORIUM”) appears on the web page, it appears to function as a retail store service mark since it is located where service marks are commonly placed, there is other matter separating the mark from the goods, and there is another mark placed closer to the goods and better associated with them.
- Product information is provided in the form of pictures and descriptions of the goods along with prices.
- The links shown under each product combined with the advisory “BUY ONLINE NOW!” indicate that direct ordering is possible.

- o NOTE: In the absence of links and the “BUY ONLINE NOW!” instruction, the telephone number would not be acceptable ordering information because it appears to be part of corporate contact information provided to obtain information about the product or the company *and not intended as a means of placing or accepting orders.*

3. Conversely, if the mark appears at the top of a web site, separated from the relevant goods, such use would not qualify as a “display associated with the goods”. For example, the embodiment of MACYS.COM at the top would qualify as valid evidence of use in connection with electronic retail department store services but not as evidence of use as a trademark for the goods shown.



- o The web page would not be acceptable as evidence of use of MACYS.COM as a trademark for the goods featured because the mark is serving only as a service mark for retail store services featuring the goods of others (e.g., “Cuisinart” or “Polo by Ralph Lauren”).
- o MACYS.COM is located in the upper-left corner where retail service marks usually appear and is adjacent to the greeting “Welcome to macys.com.”

- Other third party brands for various goods appear on the web page, such as “Cuisinart,” “Club Room,” “Charter Club,” and “Polo by Ralph Lauren,” which appear more directly associated with the goods.
- Retail store services indicia appear, such as “departments” on the right and “express checkout sign-in,” “bridal registry,” and “want a card? get one here” on the left.

## **B. Services**

For services, the mark must be used: (i) in connection with the actual rendering or performance of the services, or (2) in the advertising of the services which would include embodiment in marketing and promotional materials. T.M.E.P. § 1301.04; *See On-Line Careline, Inc. v. Am. Online, Inc.*, 229 F.3d 1080, 1088, 56 U.S.P.Q.2d 1471, 1476-77 (Fed. Cir. 2000) (indicating that an online menu item bearing the mark ONLINE TODAY was proper service mark use in connection with “providing access to online computer services offering computer-industry news, commentary and product reviews” because, *inter alia*, the “menu items are the mechanisms by which users obtained access to a particular online service”); *In re Metriplex, Inc.*, 23 U.S.P.Q.2d at 1316 (indicating that a specimen that does not explicitly refer to the services may be acceptable if it “show[s] use of the mark in the rendering, i.e., sale, of the services”); *In re Red Robin Enters.*, 222 U.S.P.Q. 911, 914 (T.T.A.B. 1984) (stating that “rendition” of services is properly viewed as an element of the “sale” of services); 37 C.F.R. §2.56(b)(2).

Accordingly, the use of a mark must be concurrent with an existing service in order to qualify as use in commerce.

For instance, mere preparations to use a mark some time in the future does not constitute use in commerce since the use of the mark must be in connection with an existing service. *See, Aycock Eng’g, Inc. v. Airflite, Inc.*, 560 F.3d 1350, 1360, 90 U.S.P.Q.2d 1301, 1308 (Fed. Cir. 2009) (holding that actual use of the mark in commerce in connection with an existing service is required)

Similarly, advertising and promoting telecommunication services before the services were made available does not constitute actual use. *See, In re Port Auth. of N.Y.*, 3 U.S.P.Q.2d 1453, 1455 (T.T.A.B. 1987) (finding advertising and promoting telecommunications services before the services were available insufficient to support registration)

Likewise, advertising of a marine entertainment park which was not yet open, was not a valid basis for registration. *See, In re Cedar Point, Inc.*, 220 U.S.P.Q. 533, 535-37 (T.T.A.B. 1983)

Another example of non-use is where stickers placed on policies, bills, and letters announcing prospective name change is mere adoption, not service mark use. *See, In re Nationwide Mutual Ins. Co.*, 124 U.S.P.Q. 465 (T.T.A.B. 1960)

### **III. Word Marks v. Stylized Marks: When Special Form Drawing is Required -- T.M.E.P. § 807.04(b)**

As between Standard Character (which traditionally has been referred to as “Typed Form”) and Special Form drawings, it is generally best to file a mark in Standard Character form since the scope of protection would not be limited to any particular rendition of the mark but would cover all variations as to font style, size and color. Conversely, filing it as a Special Form mark would limit the protection to the particular depiction shown in the drawing.

However, not every form of use should or can be protected as a Standard Character type mark as certain criteria must be met in order to qualify as a Standard Character type of mark:

- All letters and words must be depicted in Latin characters;
- All numerals must be depicted in Roman or Arabic numerals;
- The mark can only include common punctuation or diacritical marks (diacritical marks may appear above or below a letter, or in some other position such as within the letter or between two letters); and
- The mark does not include a design element.

The above would therefore prohibit marks that contain superscripts, subscripts, exponents, or other characters that are not in the USPTO’s standard character set.<sup>1</sup> If the mark contains any of these elements, your only choice would be to file it as a Special Form type of mark.

The problem arises where an applicant seeks to apply for a mark as a “Standard Character” but the manner in which the mark is used is so distinctive such that an essential element or feature cannot be produced by standard characters. In those instances, the USPTO would not only reject the specimen of use but may also prohibit an amendment of the application to a Special Form drawing because such an amendment would materially alter the commercial impression. Accordingly, unless the applicant is able to produce a specimen where the use does not stray so far away from the parameters of a Standard Character claim, the subject application may abandon for failure of use, unless of course the applicant elects to amend the application to one based upon an intent to use (assuming it has had a bona fide intention to use the mark in a form that would qualify for registration as a Standard Character type of mark). For these reasons, the initial decision as to whether to file for a particular mark as a standard character form drawing versus special form drawing becomes critical.

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<sup>1</sup> See T.M.E.P. § 807.03(b) and <http://www.uspto.gov/custom-page/standard-character-set>.



**A. Instances Where Standard Character Drawings Were Rejected**

**1. In re Morton Norwich Products, Inc., 221 U.S.P.Q. 1023 (T.T.A.B. 1983)**

Applicant applied to register LABID in typed form for a “pharmaceutical preparation for the relief and prevention of symptoms from asthma, reversible bronchospasms, and other disorders of the lungs and bronchial passages” in cl. 5. The specimen label that was submitted embodied the mark as shown below:

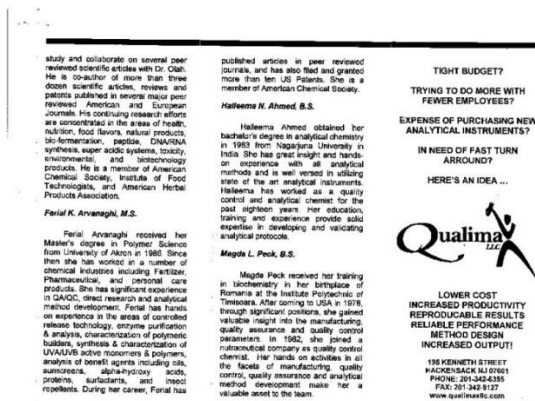
**LĀBID**

The examining attorney refused registration on the basis that the manner in which applicant is using the mark “engenders an uncommon or ‘special’ commercial impression that would be altered or lost” were registration to issue based on a typed form drawing. The Board agreed and was particularly persuaded by the following factors.

The BID portion in applicant’s mark has “an accepted meaning when applied to an abbreviation in drug prescriptions”. Thus, the mark’s style feature embodying the use of a much smaller “A” with a diacritical accent to set apart the BID portion served to impart a “special” or “uncommon significance” to the mark which would not be adequately conveyed by LABID presented in typed form. The Board was quick to point out that the diacritical mark was not attributed great significance but viewed the presence of this feature over the smaller “A” as a further factor which bespeaks the requirement for a “special form” drawing since it could not fairly be conveyed by presentation in typed form.

**2. In re Grow Company, Inc., 2004 TTAB LEXIS 424 (T.T.A.B. 2004)<sup>2</sup>**

Applicant filed an application seeking registration on the Principal Register of the mark QX, in typed form for various analytical related services in cl. 42. Applicant’s specimen consisted of a two-sided 8.15” x 11” three-panel brochure reproduced below:

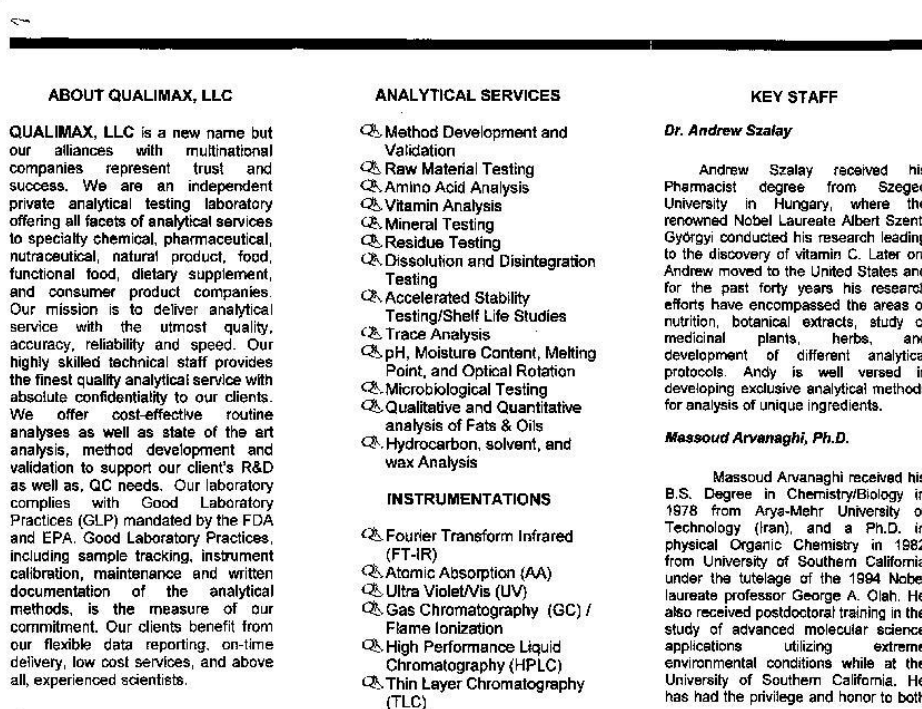


<sup>2</sup> Not citable as precedent of the TTAB.

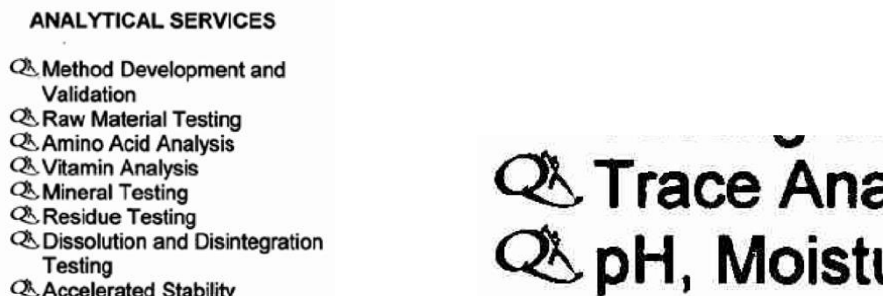


The Board observed that the mark QX does not appear anywhere on the specimen and while conceding that the letters Q and X appear in highly stylized form as the first and last letters of the stylized word QUALIMAX, such usage does not constitute use of QX *per se*, either in standard character or in special form.

Applicant also submitted the second page of the brochure (reproduced below) wherein the QX lettering in stylized form appear in the middle panel as paragraph “bullets” next to each of applicant’s various analytical services.



Close up shots of the above are shown below:



The Board deemed the “bullets” as “so highly stylized that purchasers will not perceive them to be the letters QX”. Moreover, the Board reasoned that the “X is depicted as a highly stylized stick figure human, who is standing on a ‘platform’ created by the extended tail of the Q.

We find that this highly stylized manner in which the letters are depicted is an essential feature of the commercial impression created by the mark as it appears on the specimen”. (As a secondary note, the Board also determined that “[the] letters, *per se*, do not create a separate and distinct commercial impression as they appear on the specimen, and they therefore do not function as a trademark in and of themselves”).

Accordingly, the Board concluded that “applicant is attempting to register in typed [Standard Character] form which is indisputably a special form mark. Trademark Rule 2.52(a)(2), 27. C.F.R. § 2.52(a)(2), provides that a typed form drawing may only be used if ‘the mark does not include a design element’. Because the design element or stylization of the letters QX is so inextricably integrated into the mark as it is displayed on the specimen, we find that the mark may not be registered in typed form”.

3. *In re Mayce Edward Christopher Webber, 2005 TTAB LEXIS 392 (T.T.A.B. 2005)*<sup>3</sup>

Applicant (Christopher Webber, the former NBA baseball player) applied to register the mark CWEBB in typed or standard character form for various articles of apparel in cl. 25. The examining attorney refused to register applicant’s mark on the ground that the mark shown on applicant’s specimen is not a substantially exact representation of the mark as shown in the drawing.



In response to the refusal, applicant claimed that the three sided border which appears almost like a “stylized horseshoe” surrounding the lettering WEBB in the above depiction represents the letter “C” in CWEBB but the examining attorney contended that the “highly stylized letter C” is not immediately or easily recognizable and as such, is not “a substantially exact representation of the mark” and the Board agreed.

Specifically, the Board contended that “a mark cannot be shown as a typed or standard character drawing if it ‘is stylized or has a design element [that] engenders an uncommon or special’ commercial impression that would be altered or lost were registration to issue based on a typed drawing (citing, *In re Morton Norwich Products, Inc.*, 221 U.S.P.Q. 1023, 1023 (T.T.A.B.

<sup>3</sup> Not citable as precedent of the TTAB.

1983) discussed above). Here, the specimen shows the mark as either a highly stylized mark or a mark containing a design element or as just the letters WEBB. The specimen clearly shows the letters WEBB in the same size and font. The letter “C” may be suggested by the design around the letters WEBB but to many, if not most, purchasers it would not. The Board further observed that “[w]hen it is not even clear if the mark is for four or five letters or whether the mark includes a design or another letter, a standard character drawing is not appropriate”. 37 CFR § 2.52(a)(2), Trademark Rule 2.52(a)(2) (standard character drawing appropriate if the "mark does not include a design element").

In its last attempt to argue against the specimen refusal, applicant submitted evidence to show that applicant is a basketball player who has received considerable publicity in the National Basketball Association (NBA). The evidence purported to show that applicant is known as Chris Webber and based upon same, applicant asked the Board to take judicial notice that “Chris Webber's knick (sic) name is CWEBB”. The Board declined that request because it did not find that this is a fact that is “capable of accurate and ready determination by resort to sources whose accuracy cannot reasonably be questioned”. Fed. R. Evid. 201(b).

4. ***In re United Services Life Insurance Company, 181 U.S.P.Q. 655 (T.T.A.B. 1973)***

Applicant applied to register FOR LIFE INSURANCE SEE US filed as a typed form drawing for “insurance underwriting services” in cl. 36 and the examining attorney refused registration on the ground that the typed drawing is not acceptable because the specimens depicted the mark in a manner that would be more appropriate as a special form drawing. The examiner reasoned that because “the ‘US’ has a double meaning, both literally and as part of the corporate or trade name, and since the mark is used only in the special form shown, it is not believed that applicant can or should be allowed to exclusively use or appropriate the mark except in the special form depicted”.

The Board affirmed the examiner’s refusal finding that FOR LIFE INSURANCE SEE US filed as a typed form drawing is not registrable without a special form drawing because the specimen showed the “US” portion of the mark in significantly larger lettering and underlined (see depiction below), suggesting a double entendre because “US” could stand for applicant’s name “United Services” or for the pronoun “us”.

***for life insurance see US***

B. **Instances Where Standard Character Drawings Were Accepted**

If a mark remains the same in essence and is recognizable regardless of the form or manner of display that is presented, displaying the mark in standard character format affords a quick and efficient way of showing the essence of the mark.

1. *In re wTe Corp.*, 87 U.S.P.Q.2d 1536 (T.T.A.B. 2008)

Based upon an intent to use, applicant applied to register SPECTRAMET in standard character form for “contract processing of metals using optoelectric and spectrographic sensors to rapidly identify and optionally sort metals and other materials by their chemical composition” in cl. 40 (as originally set forth under Appl. Ser. No. 78/227,268) and “optoelectronic apparatus for measuring and analyzing the composition of metal” in cl. 9 (as originally set forth under Appl. Ser. No. 78/227,272). Upon issuance of notices of allowance in connection with each application, applicant filed statements of use in connection with which specimens embodying the mark as shown below were submitted:



The examining attorney refused registration on the ground that the specimens do not match the mark as filed in standard character form. In particular, the examiner contended that applicant replaced the letter “C” with an arrow design which itself could be interpreted as the letter “O” which would in turn create a completely different commercial impression (SPEOTRAMET versus SPECTRAMET).

The Board disagreed and noted that “when an applicant submits a standard character drawing, it will often not be an ‘exact representation’ of the mark as shown on the drawing because the very purpose of the typed or standard character drawing is to permit an applicant to apply for a mark without showing any particular style or design”. Moreover, the “mere fact that there is a design element associated with the word in the mark does not prevent an applicant from using a typed or standard character drawing”.

In this case, the Board observed that “while it is not beyond the realm of possibility that some purchasers may, at least initially, wonder if applicant’s mark is actually SPEOTRAMET, most would view the mark as applicant indicates, SPECTRAMET” because not only is “SPECTR-” a more common beginning for a word in English (spectral, spectrographic, spectrogram, spectrometer, spectrophotometer, spectroscope, spectrum, etc.), but also the fourth

letter, as used by applicant, simply looks more similar to a ‘C’ than an ‘O’”. Accordingly, the Board concluded that “[t]here would be little reason for consumers to view the mark as displayed on the specimens as anything other than SPECTRMET”. Finally, the Board observed that the “arrow design is not a very significant element and the mark in the drawing and the specimens remain ‘the same in essence’”.

Accordingly, the Board reversed the examiner’s refusal on the ground the standard character mark on the drawing is a substantially exact representation of the mark as actually used, and also found that SPECTRMET creates a distinct commercial impression apart from any stylization or design element appearing on the specimens, on which the letter “C” was displayed with an arrow design.

2. **In re Oroweat Baking Company, 171 U.S.P.Q. 168 (T.T.A.B. 1971)**

Applicant applied to register OROWEAT in typed form for “bread and cakes” in cl. 30. The specimens displayed the mark as shown below:

The examining attorney refused registration on the ground that because the specimens show a design in the letter “O”, the mark is considered depicted in special form on the specimens and on that basis, rejected the typed drawing.

The Board disagreed and contended that OROWEAT “creates a commercial impression separate and apart from the merely ancillary design with which it is associated” and accordingly, reversed the examiner’s refusal of registration.

**IV. Identification of Goods and Services and Scope Issues: T.M.E.P. § 1402**

Identifications of goods and services as originally presented in an application can only be amended to clarify or limit the nature of the goods and services as originally identified. Accordingly, any subsequent amendments exceeding the scope would not be permitted.

**A.** For instance, if an applicant erroneously identifies its goods as “bottles for water” but, in fact, the applicant meant to apply for “bottled drinking water”, the applicant would not be permitted to amend its application to identify “bottled drinking water”. However, if an applicant identifies its goods as “bottles of drinking water,” this language may be ambiguous enough to allow an amendment to “bottled drinking water”.

**B.** Another impermissible amendment would be where the goods as originally identified are “textiles for use in making home and commercial interiors” but the intended goods



are actually “curtains of textile”. Applicant would not be able to amend to correct the identification because such an amendment would exceed the scope.

**C.** When classifying component or ingredient marks, a distinction should be made between (1) marks that identify products sold as separate ingredients or components and ingredients for use in the manufacture of the finished product, versus (2) marks that identify components or ingredients sold as part of the finished product. In the first scenario, the goods are classified in the class of the component or ingredient since it has not yet been transformed into the finished product. In the second, the goods are classified in the class of the finished product, since the component or ingredient has now been incorporated into other finished goods. In these situations, one must be careful in identifying the goods to set forth: (1) the separate component or ingredient OR (2) the finished product in its entirety.

Example: an application as originally filed identifies “balsam extracts sold as a component ingredient of shampoos” but the applicant is actually using the mark in connection with “balsam extracts” as a separate finished product and submits a specimen showing such use. Not only would such specimen be rejected as not referring to the goods identified but an attempt to amend the goods from “balsam extracts sold as a component ingredient of shampoos” to “balsam extracts” would also be rejected since such an amendment would exceed the scope of the ID as originally stated. Under those circumstances, the applicant’s only option would be to produce a substitute specimen showing use on the original goods identified that was in use prior to the filing date of the application (T.M.E.P. § 904.05), or to amend the basis to one based upon an intent to use (T.M.E.P. § 806.03(c)), assuming the applicant has a bona fide intention to use the mark on the goods that were presumably misidentified. Otherwise, the application would be *void ab initio*.

**D. Practice Note**

For applications filed under § 1 or § 44, amendments to the ID that otherwise do not exceed the scope of the ID as originally filed are permissible even if the amendment results in a change of the classification. For example, if “snack mixes” in cl. 30 is amended to “snack mixes consisting primarily of processed nuts and dried fruit” which then kicks it into cl. 29, the amendment of the ID and class would be permitted.

However, in § 66(a) applications, amendments to the ID that otherwise do not exceed the scope of the ID as originally filed are NOT permissible if the amendment results in a change of classification. Classification is assigned by the IB and as such, cannot be changed. Accordingly, such an amendment would NOT be permitted in a Madrid-driven filing even though the amendment would not technically exceed the scope of the original identification.

**V. To Disclaim or Not to Disclaim: T.M.E.P. § 1213**

Depending upon how unregistrable matter is used or otherwise appears within the context of a particular mark, a disclaimer of such matter may not be appropriate.

**A. Telescoped Marks: T.M.E.P. § 1213.05(a)(i)**

A telescoped mark is one that comprises two or more words that share letters. As a general rule, a telescoped word is considered unitary. Therefore, no disclaimer of an individual portion of a telescoped word is required, regardless of whether the mark is shown in a standard character or special form drawing. Some examples include the following:

- POLLENERGY for bee pollen for use as a dietary food supplement
- HAMERICAN for cooked boneless ham
- VITAMINSURANCE for vitamin capsules
- SUPERINSE for flush toilets
- ORDERECORDER for computer systems consisting of a computer, computer peripherals and prerecorded computer programs for use by financial institutions

However, if a telescoped word is itself unregistrable, a disclaimer of the telescoped word may be required. *See In re Omaha Nat'l Corp.*, 819 F.2d 1117, 2 U.S.P.Q.2d 1859 (Fed. Cir. 1987) (affirming refusal to register FIRSTIER and design for banking services in the absence of a disclaimer of “FIRST TIER” which describes a class of banks).

**B. Grammar and Punctuation: T.M.E.P. § 1213.05(b)(ii)**

**1. Verbs**

A verb by definition expresses an action (e. g., play, run, and sing) or a state of being (e. g., is, are, seem, become, and happen). Accordingly, the presence of a verb may indicate that a mark or portion of a mark is a unitary phrase or slogan because it links a subject with an object, or because it refers to something that is ongoing, thereby creating continuity of thought or expression. Some examples include the following:

- TIP YOUR HAT for “hats”

When linked with the phrase YOUR HAT, the verb TIP renders the mark as a unitary phrase that creates the commercial impression of touching or raising a hat as a greeting or polite gesture. No disclaimer of HAT is required.

- TRANSFORMING STATE GOVERNMENT for “providing information in the field of state governments”

The verb TRANSFORMING indicates an ongoing activity being performed on STATE GOVERNMENT, thereby unifying the terms so that they function as a unit. No disclaimer of STATE GOVERNMENT is required.

- Some additional examples of phrases in which the verb renders the phrase unitary are:

FILING TAXES SO YOU DON'T HAVE TO for "tax preparation"

BOATS ARE FUN for "boats"

TAKE THIS MEDICINE for "cough syrup"

## 2. Punctuation

The use of punctuation, such as a question mark, exclamation point, colon, dash, or period, as well as the meaning of the punctuation itself, may be a factor weighing either in favor of or against a mark or a portion of a mark being a unitary phrase or slogan. Accordingly, punctuation may either unite or separate all or some of the words in the mark. Where punctuation connects all the words, the mark or phrase as a whole is likely unitary. Where punctuation separates some of the words, however, the result likely indicates a mark or phrase that is not unitary, thereby requiring a disclaimer or refusal of the unregistrable matter. Accordingly, punctuation in the mark must be considered in connection with an assessment of the specific arrangement of the words and the overall meaning and commercial impression of the slogan or phrase. Some illustrations include the following:

- CREATIVE NAILS? for "nail polish"

A question mark is generally used at the conclusion of a sentence to indicate a direct question. Here, the question mark at the end of the phrase joins the terms so that they function as a unit, thereby changing the commercial impression. Under these circumstances, no disclaimer of NAILS is required.

- GO! PUZZLE for "computer games software"

An exclamation point is used after an interjection or exclamation to indicate a forceful utterance or strong feeling. It is usually placed at the end of a thought and indicates the conclusion of that thought.

Here, the exclamation point is in the middle of the mark and literally (physically) separates GO and PUZZLE. The exclamation point also conceptually separates GO from PUZZLE because it gives GO a commanding and urgent connotation not applied to PUZZLE. Since PUZZLE is outside of the exclamatory statement and is descriptive for the goods, it is not united with GO. As such, a disclaimer of PUZZLE is required.

- COMFY. COZY. COTTON for "bed sheets and blankets"

In this case, the period after each term physically and conceptually separates the terms such that each stands alone. Therefore, the wording does not comprise a unitary mark and a disclaimer of COTTON would be required.



- NAA – NATIONAL ASSOCIATION OF ACCOUNTANTS for “association services, namely, promoting the interests of accountants”

Here, the punctuation physically and conceptually separates the wording in the mark. Additionally, the phrase NATIONAL ASSOCIATION OF ACCOUNTANTS is descriptive and must be disclaimed.

- BONDS – THE FUTURE OF INVESTING for “financial planning”

The punctuation physically and conceptually separates the wording in the mark and a disclaimer of BONDS is required. Note, however, that THE FUTURE OF INVESTING is a unitary phrase, avoiding a disclaimer of INVESTING.

### C. Unitary Phrases: T.M.E.P. § 1213.05(b)

A phrase is considered “unitary” in the trademark sense only if the whole is something more than the sum of its parts; stated another way, where the mark as a whole has a single distinctive meaning of its own independent of the meaning of its constituent elements. Moreover, in some cases, in addition to the mark itself, the specific arrangement and placement of all the elements of the phrase and the manner of use and presentation on the specimen, on applicant’s web site, in promotional materials, and in connection with other goods or services may all demonstrate how the phrase is presented to and perceived by consumers, which would all factor in on whether the mark in question would be perceived as being unitary.

Accordingly, if a mark is deemed unitary because the elements comprising it are so merged together that they are inseparable, no disclaimer of descriptive or generic elements comprising same is required.

#### 1. Slogans

A slogan is a type of phrase and is defined as “a brief attention-getting phrase used in advertising or promotion” and “a catch phrase used to advertise a product.” Accordingly, slogans, by their attention-getting nature, are treated as unitary matter and should not be broken up for purposes of requiring a disclaimer.

For instance, in *In re AmQuip Crane Rental, LLC*, 2010 TTAB LEXIS 434 (T.T.A.B. 2010)<sup>4</sup>, applicant appealed the examiner’s final refusal to register AMQUIP THE CRANE PEOPLE *with Design* (as depicted below) for use in connection with various services related to crane rental and leasing in cls. 37 and 39. The mark is described as “consisting of a stylized drawing of a crane next to the words ‘AMQUIP THE CRANE PEOPLE’”. At issue is whether CRANE should be disclaimed.

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<sup>4</sup> Not citable as precedent of the TTAB.



Both the examining attorney and applicant submitted numerous third party registrations for marks including the wording “THE (descriptive of generic) wording PEOPLE” in which the term between THE and PEOPLE was disclaimed and not disclaimed.

The Board noted that the “competing registrations” do not indicate a clear practice one way or another regarding disclaimers in marks including the format “THE (descriptive or generic wording) PEOPLE. In fact, “the most that can be said of this evidence is that it is inconclusive” and further “highlight why prior decisions in other applications are not binding on the Board and underscore the need to evaluate each case on its own record”. *In re Nett Designs Inc.*, 236 F.3d 1339, 57 U.S.P.Q.2d 1564 (Fed. Cir. 2001).

In the present case, the Board found that the proposed mark THE CRANE PEOPLE is embodied directly below the term AMQUIP and the logo, promoting the services, “in the manner of a slogan”. The Board further observed that its “presentation as a slogan is further supported by the fact that it appears in the same lettering style as AMQUIP”. Thus, the Board concluded that applicant’s use of the phrase THE CRANE PEOPLE to be “in a trademark sense” and as such, determined that THE CRANE PEOPLE, “as a unitary slogan”, cannot be divided to be regarded as separable elements. Accordingly, the requirement that applicant disclaim CRANE was deemed to be inappropriate.

## 2. Other Considerations

Even if none of the considerations discussed above apply, there may be something about the components of the mark that joins them together and transforms them into a unitary phrase or slogan. For instance, double entendre, incongruity or the context, rhetorical structure, or some other aspect of the mark may create a distinct meaning or commercial impression that is more than its constituent parts, and under those circumstances, the phrase may be deemed unitary for purposes of a disclaimer.

### (a) Double Entendre

A “double entendre” is a word or expression capable of more than one interpretation. For trademark purposes, a “double entendre” is an expression that has a double connotation or significance *as applied to the goods or services*. A mark that comprises the “double entendre” should not be refused registration as being merely descriptive (or broken up for purposes of requiring a disclaimer) if one of its meanings is not merely descriptive in relation to the goods or services. Note that the multiple interpretations that make an expression a “double entendre” must be associations that the public would make fairly readily, and *must be readily apparent from the mark itself*. However, if all meanings of a “double entendre” are merely descriptive in

relation to the goods or services, then the mark comprising the “double entendre” must be refused registration as merely descriptive.

(i) ***In re Kraft, Inc.*, 218 U.S.P.Q. 571 (T.T.A.B. 1983)**

The Board found it inappropriate to disclaim “LIGHT” apart from the mark “LIGHT N’ LIVELY” for reduced calorie mayonnaise in cl. 29 stating that the mark LIGHT N’ LIVELY as a whole has a suggestive significance which is distinctly different from the merely descriptive significance of the term “LIGHT” *per se*. That is, the merely descriptive significance of the term “LIGHT” is lost in the mark as a whole. Moreover, the expression as a whole has an alliterative lilted cadence which encourages persons encountering it to perceive it as a whole.

(ii) ***In re Tea and Sympathy, Inc.*, 88 U.S.P.Q.2d 1062 (T.T.A.B. 2008)**

Applicant sought to register THE FARMACY in standard character form for “retail store services featuring natural herbs and organic products; and online retail store services featuring natural herbs and organic products” in cl. 35; and “providing integrated health services at retail locations in the nature of dietary and nutritional guidance and providing information about dietary supplements and nutrition” in cl. 44. The examining attorney refused registration in both classes under Section 2(e)(1) of the Trademark Act, 15 U.S.C. § 1052(e)(1), on the ground that the mark is merely descriptive as applied to applicant’s services. When the refusal was made final, applicant appealed to the Board.

On appeal, the examining attorney maintained that applicant’s mark merely describes the place where the services are rendered and the exact purpose of the services in that “applicant sells organic herbs and products in a health and medical environment that is essentially a pharmacy with just a different phonetic spelling”. The examiner further reasoned that the novel spelling of the mark does not mitigate the mere descriptiveness of the term because consumers would perceive the modified spelling as the equivalent of the descriptive term. The examiner also alleged that applicant’s proposed designation conveys both that applicant is providing pharmacy-related products and services, and that the products originate from a farm and in that respect, concluded that all meanings are descriptive in relation to the services.

Conversely, applicant contended that its mark is a double entendre due to the “unique and different spelling” which gives the mark a double connotation thereby rendering the mark suggestive. Further to that point, applicant argued that its mark is a whimsical term, as a play on the words PHARMACY and FARM which was intended to connote the idea that applicant “is selling farm fresh, natural, pure and completely unprocessed products”. Accordingly, applicant maintained that a purchaser would need to make a mental leap in drawing a connection between THE FARMACY and its services featuring natural herbs and organic products.

The Board agreed with applicant finding that the designation THE FARMACY is more than simply a misspelling of “the pharmacy” as used in connection with its services, and reasoned that consumers are not likely to perceive THE FARMACY as just a misspelling, but rather “as a play on the natural or farm-fresh characteristics of applicant’s herbs and organic

products used for medicinal purposes featured in applicant's services". As such, the mark conveys a dual meaning, namely, that of the natural aspect of the goods sold by applicant and of a pharmacy. The Board ultimately found that applicant's mark is "inventive and just clever enough, being an obvious play on 'the pharmacy' and 'farm', such that the meaning or commercial impression of applicant's mark is be more than simply 'the pharmacy'". Accordingly, the Board reversed the merely descriptive refusal deeming it registrable on the Principal Register.

(iii) **In re Colonial Stores Inc., 394 F.2d 549 (C.C.P.A. 1968)**

Applicant sought to register SUGAR & SPICE, admittedly descriptive words, as applied to bakery products in cl. 30 and was refused registration on merely descriptive grounds. On appeal, such refusal was affirmed by the Board.

In reversing the Board's decision, the CCPA determined that the "unusual association or arrangement in applicant's mark" resulted in a "unique and catchy expression which does not, without some analysis and rearrangement of its components suggest the contents of applicant's goods". Moreover, while acknowledging that the individual words "sugar" and "spice" are generic terms which have ordinary meanings that describe the commodities "sugar" and "spice" when used alone, the CCPA also recognized that the combination of two descriptive terms into an arbitrary or fanciful word or phrase may convert those words into a distinctive mark.

The CCPA further observed that "[t]he immediate impression evoked by the mark may well be to stimulate an association of 'sugar and spice' with 'everything nice'. As such, on the record . . . , the mark, along with the favorable suggestion which it may evoke, seems to us clearly to function in the trademark sense and not as a term merely descriptive of goods. To the extent that the nursery rhyme is familiar to one seeing or hearing the mark, his recall is undoubtedly stimulated to make the association with 'everything nice' but this in no way defeats the distinctive nature of the composite word mark as applied to the listed products".

For these reasons, the CCPA reversed the Board's decision that affirmed the examiner's refusal of registration.

(iv) **In re National Tea Co., 144 U.S.P.Q. 286 (T.T.A.B. 1965)**

Applicant applied to register NO BONES ABOUT IT for "fresh pre-cooked ham" in cl. 29 but was refused registration on the ground that the mark is a descriptive slogan used to merely describe the boneless nature or characteristic of applicant's meat product. Applicant appealed.

In reversing the refusal, the Board noted the following:

*"Considering that, insofar as the record shows, applicant adopted the notation "NO BONES ABOUT IT" with the intention that it identify its specially processed ham; that the notation "NO BONES ABOUT IT" has a double connotation or significance as applied to hams which might well attract the attention of a prospective customer; that applicant has for more than three years prominently featured this phrase on the labels*

*affixed to packages of such hams; and that ham so packaged and labeled has been widely and extensively sold by applicant throughout its numerous outlets in a large number of states, it is concluded that the record herein is prima facie sufficient to establish that the phrase "NO BONES ABOUT IT" creates a commercial impression, separate and apart from the mark "NATIONAL" or "NATIONAL'S," and serves as an indication of origin for applicant's ham".*

(v) ***In re North Beaches Art Walk Association, Inc., 2012 TTAB LEXIS 300 (T.T.A.B. 2012)***<sup>5</sup>

Applicant applied to register THE BEST LITTLE ART WALK IN TOWN in standard character form for “art exhibitions; organizing cultural and art events” in cl. 41 and the examining attorney refused registration on the basis that the mark is purportedly merely descriptive as being “laudatory” for applicant’s services and submitted dictionary definitions and other evidence to show the meaning of each of the components. On that basis, the examiner concluded that “the individual components and the composite culmination of applicant’s mark are descriptive”.

The Board disagreed and criticized the examiner for “improperly dissect[ing] applicant’s mark [in] determining that each element is either descriptive or laudatory” and for “ignor[ing] the significance of third party evidence”. More specifically, the Board recognized that “[w]here the combination of descriptive terms creates a unitary mark with a unique, incongruous or otherwise nondescriptive meaning in relation to the goods, the combined mark is registrable. In other words, if the combination of words in applicant’s mark results in a separate and distinct meaning or commercial impression apart from or in addition to their descriptive meaning, then applicant’s mark is unitary and registrable”.

In this case, the Board focused on “how the average purchaser would encounter the mark and their reaction to the mark” and accordingly, examined applicant’s specimen of use, and the evidence submitted by applicant. Applicant’s specimen shows use of the mark as a slogan promoting applicant’s services on its web site. Specifically, the mark is shown in special font and is set apart from the rest of the text. The Board contended that the manner in which the mark is used on the specimen confirms that the mark is presented as a unitary mark as shown below:

*The Best Little Art Walk in Town!*<sup>TM</sup>

As applicant noted, the mark paralleled the title of the well-known Broadway musical, book and motion picture film “The Best Little Whorehouse in Texas”. Given the extraordinarily long run, high acclaim and number of prominent award nominations and awards received by the musical and the film as established by the evidence submitted by applicant, the Board found that the title has been exposed to a large percentage of the purchasing public. Thus, the Board determined that the parallel between applicant’s mark and the musical title would be obvious to

<sup>5</sup> Not citable as precedent of the TTAB.

the average purchaser of applicant's services. Accordingly, the Board noted that "[v]iewers of the mark would clearly pick up on the parody with the Broadway musical and motion picture 'The Best Little Whorehouse in Texas'. They would understand that the mark with the 'oxymoronic combination' of BEST and LITTLE is not merely a laudatory mark, but refers to the art walk services provided by applicant".

In fact, the Board deemed applicant's mark as being "more akin to the 'POLY PITCHER' mark in *Blisscraft of Hollywood v. United Plastics Co.*, 294 F.2d 694, 131 U.S.P.Q. 55, 60 (2d. Cir. 1961), which was recognized to be more suggestive of "Molly Pitcher of Revolutionary time" than descriptive of polyethylene. Similar to the 'POLY PITCHER' case, the incongruous expression BEST LITTLE in applicant's mark is suggestive of the well-known musical and motion picture 'The Best Little Whorehouse in Texas' which entitled applicant's mark with the necessary characteristics for registration.

Accordingly, the Board concluded by stating "[b]ecause we find that applicant's mark is unitary and not merely descriptive, the mark must not be broken up for purposes of a disclaimer and the requested disclaimer of ART WALK is not appropriate".

(vi) ***In re Delta Light N.V.*, 2013 TTAB LEXIS 358 (T.T.A.B. 2013)**<sup>6</sup>

Applicant sought to register "LEDS GO . . ." for "interior lighting, namely, ceiling pendant lights, spotlights, wall mounted lamps and recessed floor, wall, and ceiling lamps, floor stand alone lamps, bases for lighting fixtures; lighting for illuminating objects, namely, LED landscape lights; ambience lighting for providing diffuse lighting, namely, light diffusers; positional lighting, namely, mobile light towers; directional lighting for illuminating a specified area, namely, light-mounting tracks having modular or continuous lights; outdoor lighting, namely, recessed wall and floor lamps, surface mounted and pendant lamps" in cl. 11. The examining attorney issued a final refusal based upon *inter alia* applicant's failure to comply with the requirement to disclaim the word LEDS on the ground that it is merely descriptive of applicant's goods.

There is no dispute that the word LED is descriptive of a type of light. Indeed, the Board pointed to applicant's identification of goods in which "LED landscape lights" is identified as an item. However, the Board determined that no disclaimer is required because LEDS as used in the mark "LEDS GO . . ." forms a unitary double entendre, playing on the phrase "let's go". Moreover, the Board noted that the ellipses only serve to reinforce this perception, asking consumers to "let's go" somewhere, or do something. Accordingly, the Board overruled the disclaimer requirement.

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<sup>6</sup> Not citable as precedent of the TTAB.



(vii) **In re Michael W. Arlen, 2012 TTAB LEXIS 184 (T.T.A.B. 2012)**<sup>7</sup>

Applicant applied to register NEWTRITIOUS and INSTANT NEWTRITION, both as standard character marks, for “powdered mixes in the nature of powdered nutritional supplement drink mix” in cl. 5. The examining attorney refused registration of both on the ground that when used in connection with applicant’s nutritional supplement mixes, the marks were merely descriptive because the terms NEWTRITIOUS and INSTANT NEWTRITION are the phonetic equivalents of the descriptive words “nutritious” and “instant nutrition”.

Applicant contended that proposed marks are registrable double entendres “incorporating the term ‘new’ . . . which projects a dual meaning or suggestiveness -- that of a nutritious product and of a product that is different from the foods, beverages or dietary supplements that came before it”. The Board agreed. More specifically, the evidence of record demonstrated third party use of the term “newtritious” in a way that could be considered “trademark usage”. For instance, St. Anthony’s Medical Center uses the phrase “A Newtritious You” as the name of a weight management program. The term “newtritious” is used to modify the term “you” and not the food consumed by the attendees. Similarly, “Something NEWtritious” is used as the name of a nutrition consulting service and suggests clients might get “something new” out of the consulting service”.

In this case, the Board determined that the terms NEWTRITIOUS and NEWTRITION as applied to applicant’s goods “are more than simply a misspelling of ‘nutritious’ or ‘nutrition’. Consumers are not likely to perceive ‘newtritious’ as just a misspelling, but rather as a play on the novelty of applicant’s nutritional supplements”. As such, applicant’s marks suggest a “dual meaning; that of the nutritious content of the goods sold by applicant and something new or novel in the world of food supplements”. Accordingly, the Board concluded that applicant’s marks are “inventive enough, being a play on ‘new’ and ‘nutritious’, so that the meaning or commercial impression of applicant’s mark[s] will be more than simply ‘nutritious’ or ‘nutrition’”. The Board therefore reversed the merely descriptive refusals.

(viii) **Other examples of marks that employ registrable “double entendre”**

- BLACK MAGIC for “accessories for skateboards and snowboards, namely grip tape”

The wording “Black Magic” has a distinct meaning of its own as a whole. The word BLACK is not intended to have color significance in relation to the goods, and should not be disclaimed even if the mark is applied to goods that are black in color.

- FOR EYES® for retail optical store services.
- THE DEVIL’S ADVOCATE® for legal consulting services.
- IT’S ALL IN THE BAG® for handbags and tote bags.

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<sup>7</sup> Not citable as precedent of the TTAB.

- COUCH POTATO® for gift boxes containing assorted theme gifts comprised of snack foods, namely, pretzels, caramel popcorn, corn and grain based chips, potato chips, and candy, sold as a unit.
- PIG OUT® for vegetarian substitute for meat and bacon.
- SPILL-DA-BEANS® for dried beans.
- THE BASKET CASE® for “preparation of customized gift baskets with select items regarding a particular occasion or theme.
- MEET MARKET® for entertainment services in the nature of bachelor auctions.
- A PIECE OF CAKE for bakery goods
- BLESSING IN DISGUISE for costumes.

(b) **Incongruity**

If two or more terms are combined in a mark to create an incongruity (e. g., URBAN SAFARI, MR. MICROWAVE, and DR. GRAMMAR), the mark is unitary and no disclaimer of nondistinctive individual elements is necessary. Incongruity is a strong indication that a mark is suggestive rather than merely descriptive.

(i) ***In re Tennis in the Round Inc., 199 U.S.P.Q. 496 (T.T.A.B. 1978)***

Applicant applied to register TENNIS IN THE ROUND in typed form and TENNIS IN THE ROUND combined with a design of a tennis ball, both for “providing tennis facilities in the form of courts and tennis ball machines and offering instructions in tennis” in cl. 41 but was refused registration on merely descriptive grounds. The examining attorney contended that “applicant’s facility is offered, and its instruction is given, ‘in the round’ in much the same way that a theater is ‘in the round’”. Specifically, the examiner reasoned that “applicant’s entire facility is in a circular conformation comprised of eleven tennis courts; that such facility is thus ‘in the round’, and the tennis game, i.e., the hitting of a ball with a racket, is played thereon ‘in the round’; and that applicant’s marks immediately tell the potential purchaser a characteristic of applicant’s services, namely, that tennis is played at a round facility”.

Conversely, applicant argued that the phrase “theater-in-the-round” suggests a round theater with a round stage, and to use the examiner’s analogy would imply a round tennis court with players performing on the round court surrounded by spectators which is not in fact the case. Applicant further contended that nothing about applicant’s services could be gleaned from the marks themselves and as such, the expression “tennis in the round” requires an effort of the imagination on the part of the consumer to resolve the apparent incongruity between the services actually rendered by applicant and the phrase “tennis in the round”. The Board agreed.



The Board immediately recognized applicant’s proposed marks as evoking an “immediate association with the well known expression ‘theater-in-the-round’”, and found that the association of applicant’s marks with the phrase THEATER-IN-THE ROUND created an incongruity because applicant’s tennis facilities are not at all analogous to those used in a “theater-in-the-round”. Accordingly, the Board ultimately found that the marks are “imaginative and fanciful” when used in connection with applicant’s services and accordingly, reversed the refusal to register.

(ii) ***In re Vienna Sausage Manufacturing Company, 156 U.S.P.Q. 155 (T.T.A.B. 1967)***

Applicant sought to register FRANKWURST for “wieners” in cl. 29 but was refused registration pursuant to a finding of mere descriptiveness. In support of the refusal, the examiner contended that “the combination of words . . . does not result in a mark which is arbitrary”. The examining attorney further noted that “[n]otwithstanding the fact that applicant might be the only one using the combination of words in question, the term FRANKWURST as used on the specimens of record is considered to constitute an apt descriptive name for applicant’s wieners inasmuch as wieners are commonly known as franks and inasmuch as ‘wurst’ (the German word for sausage) is also defined in Webster’s Third New International Dictionary as ‘sausage’”.

The Board disagreed and determined that although the word “frank” may be synonymous with the word “sausage”, the Board deemed the combination of these terms to be incongruous. The Board also observed that as used on its labels, FRANKWURST is clearly being used as a trademark as opposed to the descriptive name of its food product. Accordingly, the Board reversed the refusal to register.

(iii) ***In re Sears Brands, LLC, 2010 TTAB LEXIS 445 (T.T.A.B. 2010)***<sup>8</sup>

Applicant filed an intent-to-use application to register the mark SEARS BLUE SERVICE CREW in standard character form ultimately for “retail department store services; retail store services featuring appliances, electronics, lawn and garden equipment” in cl. 35. The examining attorney issued a final refusal requiring that applicant disclaim the term SERVICE CREW on the ground that the wording is merely descriptive because it refers to a group of people working together to provide assistance. The Board disagreed and found the mark to be unitary.

Specifically, the Board noted that the words SERVICE CREW as used in the mark SEARS BLUE SERVICE CREW to identify retail department store services is “incongruous” because the verbiage SERVICE CREW does not immediately call to mind retail department store services or its employees. For example, retail employees are commonly referred to as a sales staff, sales team, salesman or saleswoman, sales force, sales or account representatives, sales corps or sales help. SERVICE CREW however is not the usual or typical way that consumers refer to a retail department store or its employees. In fact, the Board observed that “[w]ith all the millions of websites, the examining attorney could only find references in

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<sup>8</sup> Not citable as precedent of the TTAB.

connection with installing services or repair and maintenance services; and not one website that referred to people selling things as a service crew. This leads to the conclusion that the term ‘service crew’ is not a natural or obvious way to describe retail department store services”. The Board therefore concluded the terms SERVICE CREW are “ highly suggestive, not merely descriptive, of retail department store services”.

(iv) *In re Delta T Corp.*, 2012 TTAB LEXIS 391 (T.T.A.B. 2012)<sup>9</sup>

Applicant filed for SMASHINGLY DURABLE in standard character for “electric fans; ventilating fans for commercial and industrial use” in cl. 12 but the examining attorney refused registration due to applicant’s refusal to submit a disclaimer of DURABLE as descriptive matter. The Board reversed.

First off, the Board deemed the mark to be “incongruous” which would negate the need for a disclaimer. For instance, something “that smashes” or is susceptible to being crushed is generally not regarded as being “durable” or able to withstand crushing. Accordingly, as applied to fans, the mark SMASHINGLY DURABLE readily connotes objects that are durable notwithstanding that they may readily be smashed or crushed. Such a connotation clearly presents an incongruity.

The Board also found that the mark possesses a double entendre which would render a disclaimer of DURABLE inappropriate. For instance, "smashing" is defined alternately as something “that smashes or crushes” as well as something that is “extraordinarily impressive or effective, *a smashing performance*”. Based upon this definition, SMASHINGLY DURABLE connotes, on the one hand, goods that are extraordinarily durable and, on the other, goods possessing durability that “crushes” in a literal or colloquial sense. The latter in particular presents a double entendre as fans are commonly understood to move air for ventilation and other purposes and certainly are not used to crush anything or intended to be crushed. As a result, the Board determined that consumers will view the SMASHINGLY DURABLE mark as having several connotations rendering it registrable without a disclaimer of DURABLE.

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<sup>9</sup> Not citable as precedent of the TTAB.



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Seth D. DuCharme currently serves as Deputy Chief of the National Security & Cybercrime Section for the U.S. Attorney's Office in the Eastern District of New York as well as the Office's Counterespionage and Export Enforcement Coordinator. As an Assistant U.S. Attorney, Seth has supervised and prosecuted national security, counterproliferation and cybercrime cases as well as RICO and corporate offenses.

Prior to joining the Office, Seth was an associate at Simpson Thacher & Bartlett, LLP where he worked on securities fraud and insurance and reinsurance coverage litigation.

Seth also served as a law clerk to the Honorable Richard Owen in the Southern District of New York.

He is a graduate of Hamilton College and Fordham Law School. Prior to earning his law degree, Seth served as a Deputy U.S. Marshal, where he performed fugitive apprehension, security, judicial protection and threat analysis functions.



## Cybersecurity, Intellectual Property and the Role of the U.S. Attorney's Office

*Going to the Feds: What Does it Mean for You and Your  
Client?*

**Seth D. DuCharme**  
Deputy Chief, NSC  
U.S. Attorney's Office  
EDNY

“The American economy is driven  
by innovation. But American  
innovation is only valuable when it  
can be protected.”

- Assistant Attorney General Leslie R. Caldwell

## In the news...

- SONY – Hackers stole sensitive internal communications and destroyed portions of Sony’s servers
- OPM– Personal information of 21.5 million people stolen.



## In the News

- HOLLYWOOD and PIRACY –
  - Pirates use content and software to “bait” users into revealing sensitive information
- THE ONION –
  - Syrian Electronic Army hacked The Onion’s Twitter account



## Costs

- UK:
  - 90% of large companies reported breaches (up from 81% last year)
  - Average cost of the most severe online breaches for large companies starts at \$2.24 million (up from \$921,000 last year)
- Average cost of data breach is \$154 per record lost of stolen (and \$363 in healthcare)

Sources: Rachael King, "The Cost of Cybersecurity Breaches Doubles in the U.K." Wall Street Journal. June 2, 2015; Cost of Data Breaches Increasing to Average of \$3.8 Million, Study Says." Reuters. May 27, 2015.

"There are two types of big corporations in America: those who have been hacked . . . and those who don't yet know that they've been hacked . . ."

James Comey, FBI Director

## Some of the Legal Bases for Prosecution

- Economic Espionage Act (EEA) & Theft of Trade Secrets
  - Economic Espionage - 18 U.S.C. § 1831
  - Theft of Trade Secrets - 18 U.S.C. § 1832
- Fraud
- Unauthorized Computer Access - 18 U.S.C. § 1030

## Prosecutorial Considerations

- How we learn of Economic Espionage Act Violations:
  - Competitor reports
  - Victim company suspects insider
  - Insider reports outside contact
  - Victim complains of competing product
- Wide variety of circumstances forming basis of EEA charge:
  - Seller shops trade secret to potential competitors
  - Employee leaves and takes trade secret to new employer
  - Buyer solicits seller of trade secret
  - Direct theft

## Elements of §1831 Violation

1. Defendant stole or without authorization of owner, **obtained, destroyed, received or conveyed information.**
2. Defendant knew or believed this information was a **trade secret.**
3. Information was in fact a trade secret.
4. Defendant knew or intended that the offense would benefit a foreign government, foreign instrumentality or foreign agent.

## Why do we have this statute?

- 1. Concern that there was a dramatic increase in state-sponsored theft of technology and intellectual property in the U.S.
- 2. Concern that with thaw in Cold War, States would turn from collecting U.S. government secrets to corporate secrets.



## What is a trade secret?

- § 1839(3): “The term ‘trade secret’ means all forms and types of financial, business, scientific, technical, economic, or engineering information, including patterns, plans, compilations, program devices, formulas, designs, prototypes, methods, techniques, processes, procedures, programs, or codes, whether tangible or intangible, and whether or how stored, compiled, or memorialized physically, electronically, graphically, photographically, or in writing if ...”

## What is a Trade Secret?

### Inherent in the Information:

- Was the information of a discrete nature that can be readily distinguished from less protected information?
- Was the information readily ascertainable by those within the field of specialty? *See U.S. v. Lange*, 312 F.2d 263, 268 (7<sup>th</sup> Cir. 2002).

## What is a trade secret?

### Important Concepts from § 1839(3):

(1) Owner took “**reasonable measures**” to keep the information secret, and

(2) information “derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable through proper means by, the public.”

## What are “Reasonable Measures?”

28 U.S.C. 1839(3)(A)

### Non-Disclosure Agreements

#### Training/Policy

#### Limit Disclosure

- “Need to Know”
- Mark “Confidential”

#### Physical Measures

- “Clean Room”
- Restrict access
  - Access or security logs
  - ID cards
- Use in restricted areas
- Store in secure areas
- Limit/escort visitors
- No notes policy

### Computer Access

- Passwords
- Firewalls
- Secure laptops
- Limit distribution
- Data encryption
- No remote access

### Policies and Training

#### Exit Interviews

- Underscore confidentiality
- Obtain company storage devices
- Confirm return of confidential materials

## Reasonable Measures

- Taking reasonable measures helps the government prove that the defendant knew or had a firm belief that the misappropriated information was a trade secret
- One court found that a defendant who was unaware of security measures can be convicted if he was aware that the misappropriated information was proprietary. U.S. v. Krumrei, 258 F.3d 535, 538-39 (6th Cir. 2001); but see U.S. v. Genovese, 2005 WL 1439860, at \*4 (S.D.N.Y. June 21, 2005) (noting that the defendant could argue that he was unaware of the victim's security measures at trial).

## Examples of Trade Secrets

- Source Code
- Engineering Notes
- Formula
- Recipe
- Manufacturing Process
- Invention
- Prototype
- Process
- Customer Lists
  - Possible
  - Not Best
- Marketing Information
  - Competitive analysis
  - Survey results

## Information was Trade Secret

- Government has to prove that information was in fact a trade secret
- Exceptions:
  - Charge is attempt or conspiracy (United States v. Hsu, 155 F.3d 189 (3<sup>rd</sup> Cir. 1998)).

## §1831: Benefit to Foreign Government

Defendant knew/intended that the offense would benefit a foreign government, foreign instrumentality or foreign agent

Suspects know or firmly believe that misappropriation will benefit foreign government

Not necessary that foreign entity/agent was knowledgeable or complicit in the theft

Benefit: not limited to economic benefit, includes “reputational, strategic, or tactical benefit”

## “Foreign Instrumentality”

- Any agency bureau, ministry, component, institution, association, or any legal commercial, or business organization, corporation, firm or entity that is substantially owned, controlled, sponsored, commanded, managed, or dominated by a foreign government. 18 USC § 1839(1)

## Foreign Agent and Foreign Entity

- Foreign Agent: “any officer, employee, proxy, servant, delegate or representative of a foreign government.” 18 U.S.C. § 1839(2).
- Foreign Entity: need not be government entity but need evidence of foreign government sponsorship or coordinated intelligence activity
  - Private foreign corporations can be charged under **§1832**

## Theft of Trade Secrets: 18 USC §1832

1. Defendant stole, or without authorization of owner, obtained, destroyed, received or conveyed information
2. Defendant knew or believed information was a trade secret
3. Information was in fact a trade secret.
4. Defendant intended to convert the trade secret to the economic benefit of someone other than owner
5. Defendant knew or intended that the owner of the trade secret would be injured
6. Trade secret was related to a “product” that was produced for or placed in interstate or foreign commerce

## Comparing §§ 1831 and 1832

### § 1831 violation:

- 4. Defendant intended or knew that a foreign government, foreign instrumentality, or foreign agent would benefit because of the defendant's misappropriation or possession of the trade secret.

### § 1832 violation:

- 4. Defendant intended to convert the trade secret to the economic benefit of anyone other than owner
- 5. Defendant knew or intended that owner would be injured
- 6. Trade secret was related to or included in a product that was produced for or placed in interstate or foreign commerce

## § 1832: Intent to Benefit Economically

- Government must prove defendant intended to convert the trade secret to the economic benefit of someone other than owner.
- Must be economic benefit; but can flow to any third party (not just the defendant)
- Acting solely out of malice or spite is not enough

## §1832: Intent to Injure Owner

- Gov' t must prove defendant knew or intended that actions would cause some disadvantage to the rightful owner

Often this element satisfied circumstantially with evidence of intent that someone other than owner benefits economically

Sometimes intent to benefit does not support inference of intent to injure (e.g., defendant wishes to compete in foreign market that will have no effect on owner's business)

## § 1832 - Related To A Product In Commerce

- Government must prove trade secret was related to a “product” that was produced for or placed in interstate or foreign commerce
- Distinction between a pure service and a product not always clear
  - Doctor’s unique method of treating patients, if not related to the development of a medical product, likely not protected by the EEA
  - Many “services” are in fact sold much like products and would likely be considered a product under the EEA (e.g., cellular telephone services, credit card services)

## Defenses

- “Section 1832(a) was not designed to punish competition, even when such competition relies on the know-how of former employees of a direct competitor. It was, however, designed to prevent those employees ... from taking advantage of confidential information gained, discovered, copied, or taken while employed elsewhere.” United States v. Martin, 228 F.3d 1, 11 (1st Cir. 2000).
- Reverse engineering
  - Not a defense if particular secret *could* have been reverse engineered.
  - “It is perfectly legal to ‘steal’ a firm’s trade secret by reverse engineering.” Confold Pac., Inc., v. Polaris Indus., 433 F.3d 952, 959 (7<sup>th</sup> Cir. 2006) (Posner, J.)
  - Proving misappropriation should refute any claim of reverse engineering.



## Defenses (cont'd)

- Advice of Counsel
  - Could be a successful defense if counsel advises that information in question is not a trade secret or it was a trade secret to which defendant could claim ownership
- Must show:
  1. Def disclosed all material facts to attorney
  2. Def relied in good faith on atty' s advice

*See Covey v. U.S.*, 377 F.3d 903, 908 (8<sup>th</sup> Cir. 2004)

## Defenses (cont'd)

- Public Domain Defense:
  - Patent and Copyright Processes
  - Industry Publication or Conferences
  - Disclosure to Licensees, Vendors or Third Parties
  - Disclosure on Internet
  - Disclosure during Law Enforcement Investigations
  - Disclosure by Original Misappropriator or Co-conspirator

## Case Examples

- ***United States v. Doxer*** (D.Mass 2011)(§1831) Former Akamai Technologies, Inc. employee sentenced to six months in prison, followed by six months of home confinement for misappropriating valuable trade secrets to benefit the government of Israel, including customers, contracts between the company and various customers revealing, contact, pricing, and services information, as well as the company's physical and computer security systems
- ***United States v. Huang*** (SDIN, DMN 2011)(§1831) Former Dow AgroSciences LLC and Cargill employee sentenced to 87 months for providing trade secret information to Chinese state-sponsored University, including valuable info related to unique, proprietary organic insecticides marketed worldwide.

## Case Examples

- ***United States v. Liu*** (MDLA 2011)(1832) Former Dow Chemical Co. research scientist sentenced to 60 months in prison for conspiring with current and former Dow employees to steal trade secrets from Dow and sell them to companies in China.
- ***United States v. Yu*** (EDMI 2011)(1832) Former Ford employee sentenced to 70 months for electronically copying and giving to his new employer thousands of Ford documents, including sensitive design documents after accepting a position with a Chinese competitor and before telling Ford of new job.
- ***United States v. Lee*** (NDIL 2010) (1832) Former chemist for Valspar Corp. sentenced to 15 mos for electronically copying 160 trade secret formulas valued between \$7 to \$20 million while preparing to go to work for an Chinese competitor.

## Case Examples

- *United States v. Sinoval et al* (WDWI 2013)(1832)  
China-based manufacturer & exporter of wind turbines indicted for stealing source code from AMSC which resulted in estimated \$800 million loss to the victim company.
- *United States v. Du & Qin* (EDMI 2012)(1832)  
Husband & wife GM engineers stole TS information estimated worth \$40 million relating to hybrid vehicles and later offered to Chery Automobile, a China-based automotive manufacturer and competitor of GM.

As Samuel L. Jackson would put it . . .



## Unauthorized Computer Access

### 18 U.S.C. § 1030

- (1) Computer espionage: Defendant gained unlawful access to computers and obtained information that U.S. gov't has deemed protected
- (2) Computer trespass: (A) Defendant unlawfully access computer and obtains financial records of a financial institution, a card issuer, or a file of a consumer reporting agency on a consumer; (B) Def. obtained information from any department/agency of the U.S.; (C) Def. obtained information from any protected computer

## § 1030 (cont'd)

- (1) Computer espionage: Defendant gained unlawful access to computers and obtained information that U.S. gov't has deemed protected
- (2) Computer trespass: (A) Defendant unlawfully access computer and obtains financial records of a financial institution, a card issuer, or a file of a consumer reporting agency on a consumer; (B) Def. obtained information from any department/agency of the U.S.; (C) Def. obtained information from any protected computer

## §1030 (cont'd)

- (3) **Trespassing in a gov't computer:** Defendant accessed computer used exclusively by U.S. gov't without authorization
- (4) **Committing fraud with computer:** Defendant gained unauthorized access to protected computer with intent to defraud and actually obtains something of value
- (5) **Damaging a protected computer:** includes knowing transmission of program, information, code or command that def. causes damages to a protected computer

## § 1030 (cont'd)

- (6) **Trafficking in passwords:** def. traffics with intent to defraud in any password
- (7) **Threatening to damage a protected computer:** defendant with intent to extort, transmits any communication containing threat to cause damage to protected computer or threat to obtain information from protected computer

## When will a federal prosecution be brought?

### Factors Influencing Government Decision to Prosecute

- How valuable is the proprietary information?
  - USAO's monetary guidelines for fraud/theft cases
  - Victim-generated estimates closely scrutinized
- How good is the evidence of theft and knowledge of criminality?
  - Is there a solid and comprehensive plan to gather electronic evidence?
  - Usually need experts to prove theft and valuation

There are two ways to meet a federal prosecutor:

- (1) You call us.
- (2) We call you.

## Factors Influencing Government Decision to Prosecute

- Is the victim cooperative?
  - Has the victim been prosecuting civilly?
  - Did the victim report the theft promptly?
- Any reasonably applicable defenses?
- National interest involved?

# Some Recent Prosecutions



- Unprecedented indictment of five members of the Chinese military for hacking, economic espionage, and other offenses
- Takedown of Blackshades malicious software: Major, international law enforcement operation spanning 90 countries.
- Takedown of the extensive botnet Gameover Zeus and the ransomware CryptoLocker.





Discussions regarding  
disclosure obligations and  
notification requirements

## Using All-Tools to Disrupt Actors

- Information sharing.
- Disruption
- Treasury and Commerce sanctions and export controls.
- Diplomatic and/or trade pressure.

## Cyber Incident Response

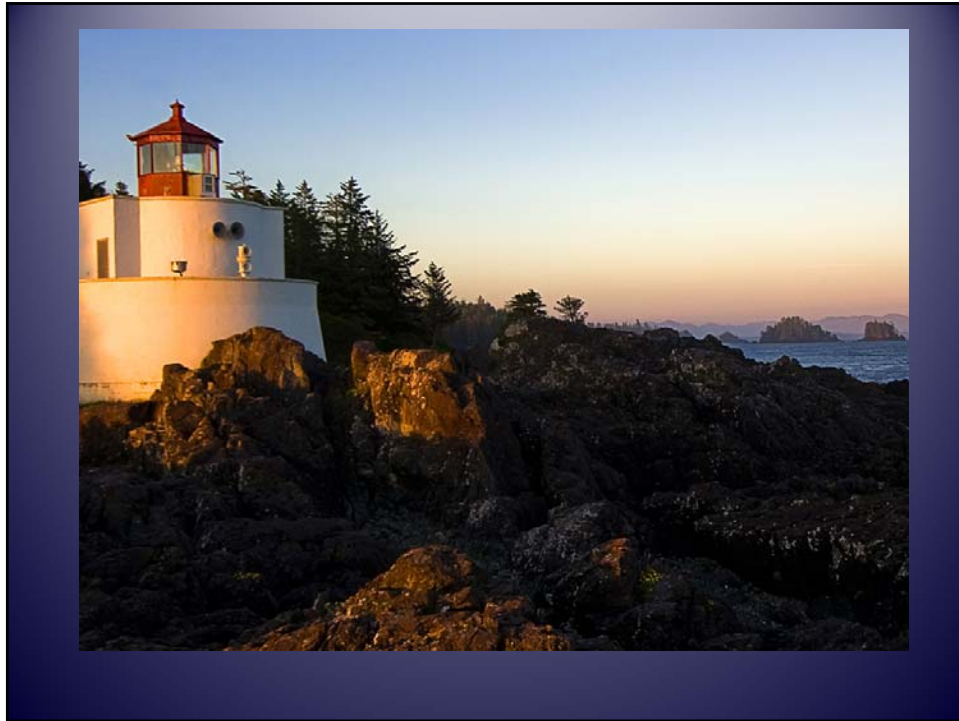
- Point of contact for legal, technical (IT), and project management
- Copies of banners/computer use agreements
- Employee handbook, other corporate policies
- Network topography maps
- Internal and external IP address and host lists
- List of network devices (switches, routers, other devices)
- Incident logs (e.g., security, host, IDS/IPS, web, database, network)
- Archived network traffic
- Forensic images of compromised hosts (live memory captures)
- Physical access logs (video cameras, key cards, TFA devices)

## What you Can Do Today



- Protect interfaces between your product and other devices or services
- Know your subcontractors:
  - Conduct due diligence on subcontractors' data security practices
  - Negotiate data security requirements into subcontractor agreements

- Establish effective approach for updating your security procedures
- Organize a crisis-response team within the company
- Participate in information sharing organizations, like InfraGard or the Electronic Crimes Task Forces




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Curtis, Mallet-Prevost, Colt & Mosle LLP

**Social Media and Legal Ethics**  
**“Hot Topics in Intellectual Property Law”**  
**Michael R. Graif**

July 15, 2015

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- VIII. Attorneys’ use of social media during trial**

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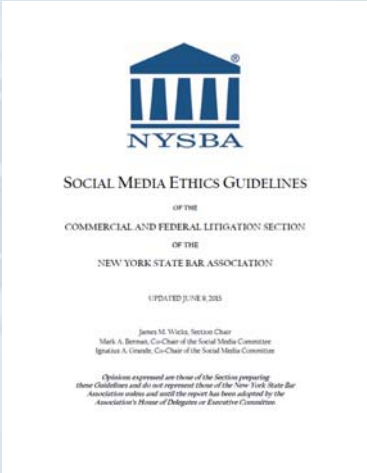
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**Introduction**

➤ Social Media Ethics Guidelines: June 9, 2015 Update (NYSBA)

- Updated in response to attorneys' increasing use of social media
- Emphasizes necessity of attorney competence in social media
- **Interprets existing rules of professional conduct in evolving social media contexts**



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**Attorney Competence**

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## I. Attorney Competence

- *“A lawyer should provide competent representation to a client. Competent representation requires the legal knowledge, skill, thoroughness and preparation reasonably necessary for the representation.”*
- *“A lawyer shall not handle a legal matter that the lawyer knows or should know that the lawyer is not competent to handle.”*

New York Rules of Professional Conduct (N.Y. R.P.C.) 1.1



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## Attorney Competence and Social Media

- Social Media Ethics Guideline No. 1: A response to new challenges
  - Attorneys and their clients use social media more than ever
  - **To competently represent clients and comply with professional rules, attorneys need to understand the social media that they use**

- Guideline No. 1 was incorporated to ensure that attorneys know the benefits, risks, and ethical implications of social media:
  - *As a mode of communication*
  - *As an advertising tool*
  - *As a means to research and investigate matters*

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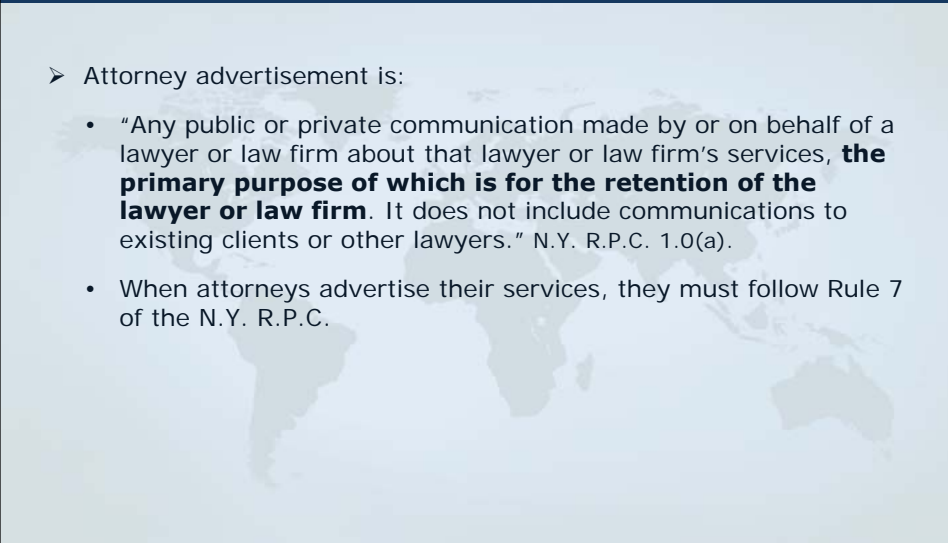




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## Attorney Advertising

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## II. Attorney Advertisement

- Attorney advertisement is:
  - “Any public or private communication made by or on behalf of a lawyer or law firm about that lawyer or law firm’s services, **the primary purpose of which is for the retention of the lawyer or law firm**. It does not include communications to existing clients or other lawyers.” N.Y. R.P.C. 1.0(a).
  - When attorneys advertise their services, they must follow Rule 7 of the N.Y. R.P.C.

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## II. Attorney Advertising

### What is an attorney advertisement?

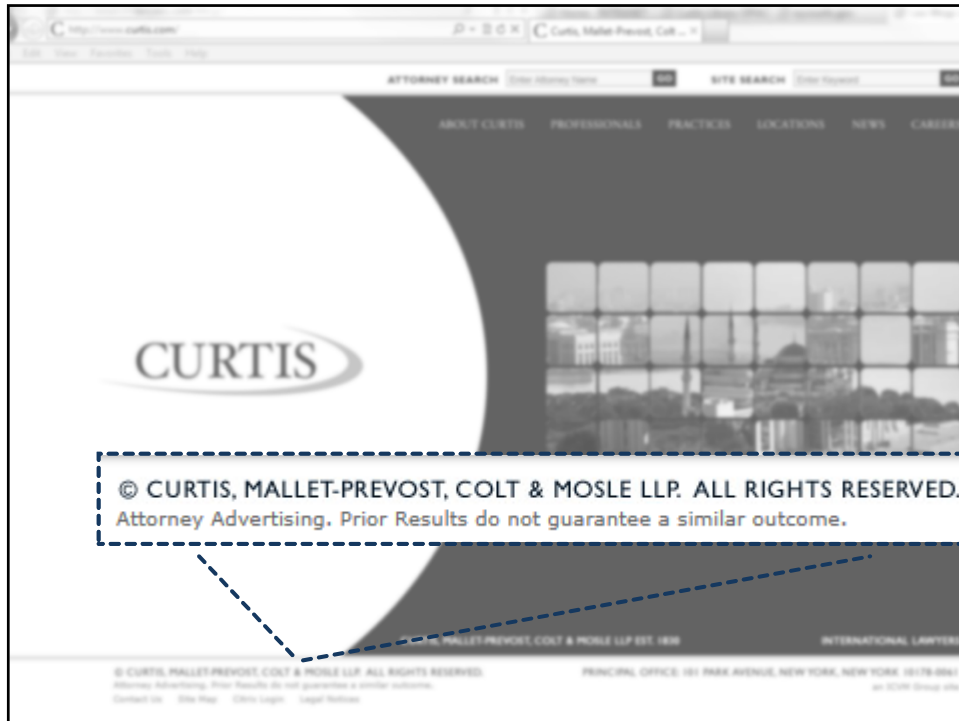
- Attorney Advertisements can include:
  - *An attorney's education, bar admissions, legal specializations, publications, public offices held, publications, memberships, and foreign language fluency*
  - *Names of clients represented (with consent)*
  - *Legal fees*
  - *Statements that compare a lawyer's service with the service of others*
  - *Testimonials or endorsements of clients*

N.Y. R.P.C. 7.1

## II. Attorney Advertising

To comply with Rule 7.1 . . .

- Attorney Advertisements must:
  - Be factually true
  - Include the name, office address, and phone number of the lawyer or firm
  - Be labeled "Attorney advertising" (in the case of e-mail, the subject line should contain "ATTORNEY ADVERTISING")
- Additionally, Attorney Advertisements that create an expectation about the results a lawyer can achieve (for example, information on past successes) must:
  - Include the disclaimer "Prior results do not guarantee a similar outcome"

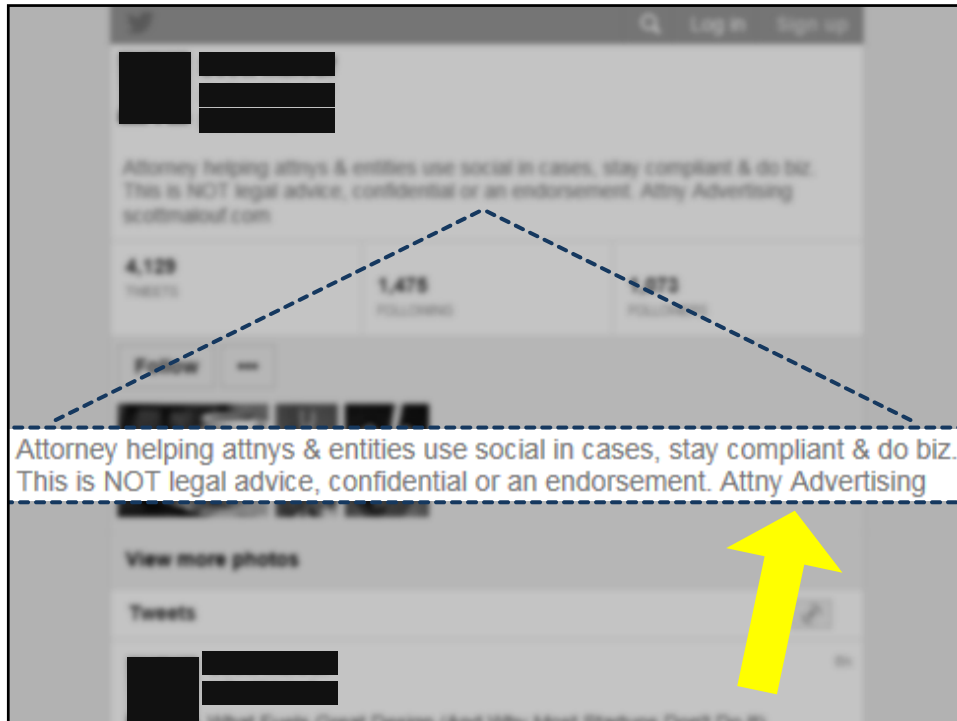



**Social Media Ethics Guidelines :**

Guideline No. 2.A now clarifies where advertising rules apply, now that attorneys have Facebook, Twitter, LinkedIn, etc. and may use their profiles to communicate with clients

<p><b>Advertising Rules Don't Apply to:</b></p> <ul style="list-style-type: none"><li>➤ Social media used primarily for personal purposes</li><li>➤ Profiles containing basic biographical information (name, education, employment)</li></ul>	<p><b>Advertising Rules Apply to:</b></p> <ul style="list-style-type: none"><li>➤ Social media used primarily for business purposes (to retain clients)</li><li>➤ Profiles containing "subjective statements regarding . . . skills, areas of practice, endorsements, or testimonials." NYCLA, Formal Op. 748.</li></ul>
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## Attorney Advertising and Social Media

### Specializations

- "A lawyer or law firm may publicly identify one or more areas of law in which the lawyer or the law firm practices . . . provided that **the lawyer or law firm shall not state that the lawyer or law firm is a specialist or specializes in a particular field of law . . .**" N.Y. R.P.C. 7.4
- Social Media Application:
  - If headings such as "specialist" aren't modifiable (e.g., LinkedIn's "Skills" section used to be called "Specialties"), attorneys can't list areas of expertise unless certified by appropriate accrediting body. Guideline No. 2.B.

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## Attorney Advertising and Social Media

### Scope of Obligation

- Ethical obligations apply to attorney advertising in all forms of communication.
  - Facebook, LinkedIn, Email, Twitter, etc.
  - If a tweet is deemed attorney advertising, the rule requires a disclaimer, even if it is impractical given Twitter's 140 character limit. NYCLA, Formal Op. 748.
- A lawyer is responsible for all social media content within his or her control. Guideline No. 2.C.
  - This includes ensuring the accuracy of third-party endorsements posted to his or her profile.

## Attorney Advertising: Case

*Hunter v. Va. State Bar ex rel. Third Dist. Comm.*, 744 S.E.2d 611 (Va. 2013)

- **Facts:** Hunter's law firm hosted a website with a blog about the firm's successful trial cases. The Virginia State Bar deemed the blog to be an advertisement and requested the inclusion of a disclaimer as required by ethics rules. Hunter did not comply and argued that the blog was not an advertisement, but rather, political speech protected by the First Amendment because it contained commentary on the criminal justice system.
- **Outcome:** The Supreme Court of Virginia held that Hunter's blog was political speech, not advertising, and that he could not be forced to include an advertising disclaimer because his speech was protected by the First Amendment.
- **Takeaway:** The definition of advertisement as applied to an attorney's online communication remains blurry. Posts containing commentary on legal issues may be interpreted by courts to be political speech, not advertising.

## Attorney Advertising: Case

- Other courts have protected attorney advertisement under the First Amendment.

*Rubenstein v. Fla. Bar* (S.D. Fla. Nov. 20, 2014)

- **Facts:** The Florida Bar banned the use of past results entirely in attorney advertising. Rubenstein ran an advertisement for his personal injury firm emphasizing his past successes and was disciplined.
- **Outcome:** The court found that the Florida Bar's complete ban on elements of attorney advertising was unconstitutional and a violation of the First Amendment, and enjoined the Bar from enforcing the rule.
- **Takeaway:** Limits on attorney advertising must be considered in light of free speech protections, and states cannot impose complete bans on entire aspects of attorney advertising.

## Solicitation of Clients

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### III. Solicitation of Clients

➤ Solicitation is:

- *“Any advertisement initiated by or on behalf of a lawyer or law firm that is directed to, or targeted at, a specific recipient or group of recipients . . . The primary purpose of which is the retention of the lawyer or law firm, and . . . pecuniary gain.” N.Y. R.P.C. 7.3*
- Responses prepared and delivered to a prospective client do not qualify as solicitation.

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### III. Solicitation of Clients

➤ A lawyer shall not engage in solicitation . . .

- *“By in-person or telephone contact, or by real-time or interactive computer-accessed communication unless the recipient is a close friend, relative, former client or existing client . . .”*
  - **“Real-time” = chat rooms, instant messaging, etc.**
  - **“Real-time” ≠ web sites, e-mail, pop-up ads**
- *“By any form of communication if . . . The recipient has made known to the lawyer a desire not to be solicited.”*

N.Y. R.P.C. 7.3

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### III. Solicitation of Clients

- Guideline No. 3 clarifies solicitation in response to attorneys' communications with potential clients on social media. Generally, solicitation via social media is prohibited unless the client initiates the contact and a non-public, confidential medium is used.

#### What attorneys *can* do on social media:

- Provide general answers to legal questions

#### What attorneys *can't* do :

- Provide specific legal advice to individuals (may trigger an attorney-client relationship and impermissibly disclose privileged information)  
Guideline No. 3.A.

### Solicitation of Clients: Case

*Barton v. United States*, 410 F.3d 1104, 1105 (9th Cir. 2005).

- **Facts:** A law firm representing the plaintiffs in a class action suit posted a questionnaire on its website to contact prospective clients. The lower court held that the right to attorney-client privilege was waived when each plaintiff checked a "yes" box on a disclaimer form, acknowledging that the questionnaire did not constitute a request for legal advice.
- **Outcome:** The Ninth Circuit reversed the lower court's opinion and held that the information received was confidential information pertaining to a perspective client and that the checking of the "yes" box did not equate to waiver of confidentiality nor the attorney-client privilege; through the submission of the questionnaire, an attorney-client relationship was formed.
- **Takeaway:** When an attorney requests specific, personal information from a client, a confidential attorney-client relationship is formed.



The screenshot shows the website for Curtis, Mallet-Prevost, Colt & Mosle LLP. At the top, there are search bars for 'ATTORNEY SEARCH' and 'SITE SEARCH'. The main navigation menu includes 'ABOUT CURTIS', 'PROFESSIONALS', 'PRACTICES', 'LOCATIONS', 'NEWS', and 'CAREERS'. The 'ABOUT CURTIS' page is displayed, featuring a large 'ABOUT CURTIS' heading and a central 'Email Disclaimer' pop-up window. The disclaimer text reads: 'We value your interest in Curtis, Mallet-Prevost, Colt & Mosle LLP and any communications prompted by your viewing of our website. It is important to us that you understand that transmitting information to us by e-mail does not establish any attorney-client or confidential relationship with us. An attorney-client relationship, and an obligation for the Firm to maintain your communications in confidence, can be created only after proper checks for potential conflicts with current clients are conducted and an agreement of representation is reached. Any information provided to us without such a prior agreement may waive legal privileges that you might otherwise have. In addition, in the absence of such an agreement, the Firm will be entitled to utilize such information on behalf of existing or future clients who may be adverse to your interests. For that reason, please refrain from sending the Firm confidential information through e-mail. Thank you for your interest in Curtis, Mallet-Prevost, Colt & Mosle LLP.' Below the disclaimer is an 'ACCEPT' button. The website footer includes 'CURTIS, MALLET-PREVOST, COLT & MOSLE LLP' and 'INTERNATIONAL LAWYERS'. Small text at the bottom right contains contact information and a disclaimer: 'Contact Us Site Map Client Login Legal Notices © Curtis, Mallet-Prevost, Colt & Mosle LLP. All rights reserved. Attorney Advertising. Prior results do not guarantee a similar outcome.'

The slide features a light blue world map background. In the top right corner, the 'CURTIS' logo is displayed. The central text reads: 'Advising clients about their social media use'. At the bottom of the slide, the text 'CURTIS, MALLET-PREVOST, COLT & MOSLE LLP' is on the left and the number '23' is on the right.

#### IV. Advising clients about social media use

- Protecting client privacy or spoiling evidence?
  - A lawyer shall not . . .
    - *Suppress any evidence that the lawyer or the client has a legal obligation to reveal or produce*
    - *Conceal or knowingly fail to disclose that the lawyer is required by law to reveal*
    - *Knowingly use perjured testimony or false evidence*
    - *Knowingly engage in other conduct contrary to these rules*
- N.Y. R.P.C. 3.4
- *The duty to preserve*: Common-law duty to preserve documents, electronically-stored information, or tangible evidence based on the existence of pending, threatened, or reasonably foreseeable litigation.

#### IV. Advising clients about social media use

Guideline No.5 reflects the mistakes that attorneys and clients have made regarding social media use, the preservation of evidence, and privileged communication.

- According to Guideline No.5, attorneys should:
  - Advise clients on appropriate privacy settings for their social media pages
  - Advise clients not to destroy evidence subject to a duty to preserve stored in social and digital media
  - Ensure that clients are aware that posts to social media may waive attorney-client privilege

## II. Advising clients about social media use (cont.)

*Lester v. Allied Concrete Co.*, 2011 WL 8956003  
(Sept. 1, 2011).

- **Facts:** Defendant's counsel in an action for wrongful death obtained a photo of the plaintiff from his Facebook account, in which he appears with a group of young people, after his wife's death, clutching a beer and wearing a shirt with "I [heart] hot moms" emblazoned on it.
- When confronted with the picture and an order to produce his client's social media accounts, plaintiff's counsel asked his paralegal to advise the client to "clean up" his social media accounts, and eventually asked him to deactivate his accounts. The plaintiff complied. The plaintiff's counsel answered the request for discovery by stating that his client did not have any active social media accounts as of the date of the response.
- **Outcome:** In an order sanctioning plaintiff and his counsel, the court found that both were liable for spoliation of evidence, because counsel's response misrepresented the truth about the plaintiff's social media accounts in violation of court rules.
- **Takeaway:** Don't advise clients to destroy evidence subject to the duty to preserve.

## II. Advising clients about social media use (cont.)

*Painter v. Atwood*, 2014 U.S. Dist. LEXIS 35060 (D. Nev. Mar. 18, 2014)

- **Facts:** In this sexual harassment case, that defendants asserted that plaintiff and one of her key witnesses each destroyed relevant Facebook posts and text messages. The plaintiff's attorney had not mentioned to her that she needed to keep the posts.
- **Outcome:** The court imposed sanctions in the form of an adverse inference jury instruction, after finding that the plaintiff's counsel may have failed to advise the plaintiff that she needed to save her Facebook posts and of the possible consequences for failing to do so. "Once Plaintiff retained counsel, her counsel should have informed her of her duty to preserve evidence and, further, explained to Plaintiff the full extent of that obligation."
- **Takeaway:** Lawyers have an obligation to ensure that their clients are aware that they need to preserve evidence subject to the duty to preserve.

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## II. Advising clients about social media use (cont.)

### ➤ Preserving attorney-client privilege

*Lenz v. Universal Music Corp.*, 2010 WL 4286329 (N.D. Cal. Oct. 22, 2010), *aff'd Lenz v. Universal Music Corp.*, 2010 WL 4789099, (N.D. Cal. Nov. 17, 2010).

- **Facts:** Plaintiff in a copyright case disclosed via email and instant messaging and on her blog various matters about the case that she had discussed with her attorney. The defendant moved to compel production of documents and testimony withheld on the basis of waiver of attorney-client privilege.
- **Holding:** The court ruled that the plaintiff waived attorney-client privilege with respect to her motivations for pursuing the action and specific legal strategies discussed with her attorneys based upon numerous disclosures via email and instant messaging and on her blog about the subject matter of the privileged communications.
- **Takeaway:** Ensure that clients are aware that online posting may waive attorney-client privilege.

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## II. Advising clients about social media use (cont.)

### ➤ Preserving attorney-client privilege

• *Kaiser v. Gallup, Inc.*, 30 Am. Disabilities Cas. (BNA) 442 (D. Neb. July 8, 2014)

- **Facts:** Plaintiff in an employment discrimination case had communicated with her attorney regarding events leading up to and occurring around the time of Plaintiff's termination. The plaintiff then posted about these communications with her attorney on Facebook.
- **Outcome:** The court ruled that the plaintiff waived attorney-client privilege when she posted about privileged conversations to third parties through Facebook.
- **Outcome:** Ensure that clients are aware that online posting may waive attorney-client privilege.

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## II. Advising clients about social media use (cont.)

- **Hypothetical:** Karen Koehler, an attorney in Seattle, wrote advice on her blog to prospective clients about their use of social media in anticipation of litigation. Is the attorney protecting her client or spoiling evidence?
  - “[W]e strongly recommend that you close [your social media account] until your case is completely over.”
  - “If you choose not to close your accounts, we warn you to use great caution.”
  - Provides a list of “Don’ts” such as, accepting friend requests from strangers, posting photos or videos or enabling others to “tag” you, writing status updates that are personal, sending texts or chatting online.

## Contacting parties and witnesses using social media

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**V. Contacting parties and witnesses using social media**

- Friending under false pretenses (jurors, witnesses, represented parties)
  - NY R.P.C. 8.4(a): “A lawyer or law firm shall not ... engage in conduct involving dishonesty, fraud, deceit or misrepresentation . . . .”

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**V. Contacting parties and witnesses using social media**

<p><b>Attorneys may:</b></p> <ul style="list-style-type: none"><li>➤ View public posts of represented party (but should be cautious about unintentional automatic messages). Guideline No. 4.A.</li><li>➤ Request permission to view restricted posts of an unrepresented party (but must provide full name and accurate profile). Guideline No. 4.B.</li></ul>	<p><b>Attorneys may not:</b></p> <ul style="list-style-type: none"><li>➤ Contact a represented person for permission to view restricted posts without express authorization. Guideline No. 4.C.</li><li>➤ Use an agent to engage in conduct that would violate any ethics rules. Guideline No. 4.D.</li></ul>
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## V. Contacting parties and witnesses using social media (cont.)

- Obtaining evidence through third parties outside the use of discovery

*United States v. Meregildo*, 883 F. Supp. 2d 523 (S.D.N.Y. 2012)

- **Facts:** A criminal defendant claimed a violation of his Fourth Amendment rights after the government accessed content in his Facebook account that was restricted to “friends” only. The government did so by asking a “friend” of the defendant, who was also a cooperating witness, to let it access the information through his account.
- **Holding:** The court held that “[w]here Facebook privacy settings allow viewership of postings by ‘friends’ the Government may access them through a cooperating witness who is a ‘friend’ without violating the Fourth Amendment . . . because those ‘friends’ were free to use the information however they wanted—including sharing it with the Government.”

## Researching and monitoring prospective and sitting jurors’ social media activity

## VI. Researching and monitoring prospective/sitting jurors

- Communicating with jurors and prospective jurors:
  - *“A lawyer shall not . . . communicate or cause another to communicate with a member of the jury . . . unless authorized to do so by law or court order.”* N.Y. R.P.C. 3.5(a)(4).
  - *“A lawyer shall reveal promptly to the court improper conduct by a member of the venire or a juror . . . of which the lawyer has knowledge.”* N.Y. R.P.C. 3.5(d)
    - Attorneys must alert the court of any juror misconduct discovered via social media or otherwise. Guideline No. 6.E.

## VI. Researching and monitoring prospective/sitting jurors

Any actions that send a message, even if automated, to a juror, could be deemed an impermissible communication (e.g. sending a friend request or LinkedIn invite, signing up for an RSS feed of a juror’s blog or “following” a juror’s Twitter account). Guideline No. 6 was updated as a response to clarify this issue.

### **Attorneys may:**

- Research prospective or sitting jurors’ public social media content, and monitor it during trial. Guideline Nos. 6.A, 6.D.

### **Attorneys may not:**

- Communicate with a prospective or sitting juror (whether intentional or automatically generated). Guideline Nos. 6.B, 6.D.
- Engage in deceit to view a juror’s social media content, or direct others to do so. Guideline No. 6.C.



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## VI. Researching and monitoring prospective/sitting jurors (cont.)

- Using social media and online research tools in the courtroom

*Carino v. Muenzen*, 2010 WL 3448071 (N.J. Super. A.D. Aug. 30, 2010)

- **Facts:** Plaintiff's attorney was using his computer in the courtroom to "google" jurors during voir dire. There was no explicit rule prohibiting the practice and the courtroom WiFi was available to both sides. The lower court judge prohibited the conduct in the court on the grounds that notice was required and that it would be unfair to the other party.
- **Holding:** The appellate court reversed the judge's decision, stating that notice was not required by any rules nor was it unfair simply because only one party thought of using the WiFi and the other did not. However, in this case, the court did not find harm to the plaintiff as a result of the prohibition, because he could not show that a specific juror would have been disqualified had he been able to continue conducting online research in the courtroom.

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## IV. Researching and monitoring prospective/sitting jurors (cont.)

- Attorneys may be obligated to investigate jurors:

*Johnson v. McCullough*, 306 S.W.3d 551 (Mo. 2010), discussed approvingly in NYCBA Formal Opinion 2012-2.

- **Facts:** After the court rendered an unfavorable verdict for the plaintiff, plaintiff's attorney discovered a juror failed to disclose a prior civil litigation and brought a motion for a new trial.
- **Holding:** The court granted the request for a new trial, but cautioned that "In light of advances in technology allowing greater access to information that can inform a trial court about past litigation history of venire members, it is appropriate to place a greater burden on the parties to bring such matters to the court's attention at an earlier stage . . . [L]itigants should endeavor to prevent retrials by completing an early investigation."
- There is a trend of limiting *Johnson* to its facts: duty to investigate past litigation history only. *Rupard v. Prica*, 412 S.W.3d 343, 347 (Mo. Ct. App. 2013).

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#### IV. Researching and monitoring prospective/sitting jurors (cont.)

*United States v. Parse*, 2015 BL 179640, No. 13-1388 (2d Cir. June 8, 2015)

- **Facts:** In a massive tax fraud prosecution, four out of five defendants were convicted. After the trial, Juror Catherin Conrad wrote a letter to AUSA, discussing the merits of the case and arguments presented. The letter exposed a series of lies told by Conrad during voir dire. During the juror misconduct hearing, Conrad admitted to lying to the court in order to appear more “marketable” as a juror. In the hearing on the motion for a new trial, three of four defendant’s counsel said they had no knowledge of Conrad’s lies until after she sent the letter. Counsel for defendant Parse also denied having any knowledge and volunteered to submit a letter. The letter revealed that counsel for Parse had “googled” Conrad and had some knowledge of the lies. The court ordered full discovery on counsel’s investigation of Conrad. Discovery revealed an email where counsel expressed belief that Conrad matched a juror profile they had compiled based on the Google search.
- **Holding:** The court granted a new trial, because Parse’s counsel should have at least taken additional steps to obtain information in order to decide whether to raise their concerns with the court. Refusing to grant a new trial under the circumstances of the case “would seriously affect the fairness, integrity, and public reputation of judicial proceedings.”

#### IV. Researching and monitoring prospective/sitting jurors (cont.)

*Sluss v. Commonwealth*, 381 S.W.3d 215, 227 (Ky. 2012)

- **Facts:** Convicted of murder, Ross Sluss was sentenced to life in prison. His trial was highly publicized in the local media, and broadly discussed on social media. On appeal, Sluss alleged that two jurors had lied during voir dire about their exposure to social media and may have been biased, namely by being “friends” with the victim’s mother on Facebook. Does defendant’s reasonable reliance on the jurors’ false statements, combined with the subsequent discovery of the falsity, open the door for post-trial review? To what extent may counsel investigate jurors, especially on social media?
- **Holding:** Defendant was entitled to an additional hearing to investigate potential juror misconduct. The failure to discover this evidence was “excusable” because there was little reason to believe that he needed to investigate jurors’ Facebook account based on jurors’ unequivocal responses, or that he could have even done so ethically given the rules prohibiting inappropriate “communications” with jurors (e.g., “friending” a juror or determining whether information is “truly public”). The court found, “While much of this information is likely public, a reasonable attorney without guidance may not think this investigatory tactic appropriate, and it is still such a new line of inquiry that many attorneys who themselves are not yet savvy about social media may never even have thought of such inquiry.” The court adopted the guidance from NYCLA’s [Formal Opinion No. 743](#) as a model for the type of investigation an attorney may conduct on a prospective or sitting juror’s social networks before and during trial.

#### IV. Researching and monitoring prospective/sitting jurors (cont.)

➤ Reporting juror misconduct

*Dimas-Martinez v. State*, 2011 Ark. 515, 385 S.W.3d 238, 241 (2011)

- **Facts:** Dimas-Martinez was sentenced to death and life imprisonment after being convicted of capital murder and aggravated robbery. During the trial, one juror fell asleep and the other was caught Tweeting in violation of the court's instructions, even after being questioned by the court. One tweet posted immediately after the close of the State's rebuttal case stated, "Choices to be made. Hearts to be broken. We each define the great line." On appeal, he alleged that the court erred in, among other things, refusing to dismiss jurors who disregarded the circuit court's instructions or to subsequently declare a mistrial.
- **Holding:** The state Supreme Court ruled that "one juror sleeping and a second juror tweeting constituted juror misconduct." The court reversed the sentence and remanded for retrial.
- **Takeaway:** A juror's sleeping or use of social media in court could warrant a mistrial.

#### IV. Researching and monitoring prospective/sitting jurors (cont.)

*Juror Number One v. Superior Court of Sacramento County*, 2012 WL 1959466 (Cal. App. May 31, 2012)

- **Facts:** Following a trial for assault that resulted in convictions of defendants, the court learned that one of the trial jurors, dubbed Juror Number One, had posted one or more items on his Facebook account about the trial while it was in progress, in violation of an admonition by the court. The court learned about the postings from another juror, who was invited by Juror Number One to become Facebook "friends," after the trial, at which point she saw the postings and notified the court. In a hearing for juror misconduct, the court entered an order requiring Juror Number One to execute a consent form pursuant to the SCA authorizing Facebook to release to the court for in camera review all items posted by the Juror Number One during the trial. Juror Number One challenged the order.
- **Holding:** The court denied Juror Number One's writ of prohibition, and held that neither the SCA nor other federal and state statutes precluded the trial court from compelling the juror to consent to Facebook's disclosure of his postings.

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## Judges' use of social media and restrictions on "friending"

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### VII. Judges' use of social media and restrictions on "friending"

➤ NY R.P.C. 3.5(a): *"A lawyer shall not . . . Seek to or cause another person to influence a judge."*

Guideline No. 7 now clarifies the fine line attorneys walk when "friending" judges. What matters in New York is intent.

- "A lawyer shall not communicate with a judicial officer over social media if the lawyer intends to influence the judicial officer in the performance of his or her official duties."



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## VII. Judges' use of social media and restrictions on "friending"

- Other state bar associations are split on the issue.
  - *Compare, e.g.*, Florida Advisory Opinion 2009-20 (A judge may post comments and other material on the judge's page on a social networking site but may not add lawyers who may appear before the judge as "friends" or permit such lawyers to add the judge as their "friend.") *and, e.g.*, Ohio Advisory Opinion 2010-7 (A judge may be a "friend" on a social networking site with a lawyer who appears as counsel in a case before him but must do so carefully to comply with the code of judicial conduct).
  - Other states prohibiting judges from friending lawyers that appear before them, include: Florida, Oklahoma and Massachusetts (unless judges would recuse themselves if lawyers appeared before them). States that permit friending with caveats, include Kentucky, Maryland, California, Ohio and South Carolina.

## Attorneys' use of social media during trial

## VIII. Attorneys' use of social media during trial

- *"A lawyer who is participating in or has participated in a criminal or civil matter shall not make an extrajudicial statement . . . will be disseminated by means of public communication and will have a substantial likelihood of materially prejudicing an adjudicative proceeding in the matter."* N.Y. R.P.C. 3.6(a).

## VIII. Attorneys' use of social media during trial

- Tweeting and blogging about the trial
  - *State v. Usee*, 800 N.W. 2d 192 (Min. App. 2011)
    - **Facts:** Appellant was convicted of attempted first-degree murder, and first and second degree assault. The jury went into deliberations on Feb. 2. The prosecutor posted several comments on her public Facebook page on Feb. 1 and 2, including comments about one of the jurors and a statement that she was "keep[ing] the streets of Minneapolis safe from the Somalias [sic]." Appellant alleged that the comments may have prejudiced the jury, and requested a *Schwartz* hearing (i.e., a hearing that deals with post-trial issues involving juries).
    - **Holding:** The court upheld the district court's decision denying the motion for a *Schwartz* hearing, because appellant did not allege that the jury had seen the prosecutor's Facebook posts and the motion was not timely.
  - Sal Perricone, former New Orleans Assistant U.S. Attorney, was fired and sued for defamation after he posted "anonymous" comments on articles bashing defendants in ongoing criminal trials.



## VI. Attorneys' use of social media during trial (cont.)

➤ The Zimmerman Trial: How not to use social media

- **Don't assume relatives and friends understand social media etiquette.**

- The daughter of one of Zimmerman's defense attorneys posted an insensitive comment and photo about the trial on her Instagram account. The prosecution filed a motion for protective order and judicial inquiry. Defense concurred with request for judicial inquiry, but asked that the court also inquire into the motives behind the state's motion.



## VIII. Attorneys' use of social media during trial (cont.)

➤ The Zimmerman Trial: How not to use social media

- **Understand how the technology works.**

- A witness testified via Skype in the Zimmerman case, and the witness's Skype username was visible to viewers. Pranksters "bombed" the witness with calls, effectively shutting down his testimony.
- One of the prosecutors questioned a witness about her Twitter posts, but tripped himself up because he didn't fully understand how Twitter worked.



## Conclusion

- The updated Social Media Legal Guidelines clarify how attorneys must act to comply with preexisting rules of professional conduct:
  - **Attorneys must be competent in social media and understand its application to ethical rules**
  - Blogs or social media profiles may be considered attorney advertisement and subject to applicable ethical rules. *Hunter*.
  - Requests for specific personal information from prospective clients may form a confidential attorney-client relationship. *Barton*.
  - Social media accounts are evidence – do not advise clients to “clean them up”. *Lester*. Instead, advise them of the duty to preserve. *Painter*.
  - Ensure that clients are aware that online posts could waive attorney-client privilege. *Lenz; Kaiser*.

## Conclusion – cont.

- Attorneys may obtain private social media accounts of a party through a cooperating witness that is a “friend” of the party. *Meregildo*.
  - But a lawyer cannot use deception to “friend” a party
- A lawyer can research jurors but cannot communicate with them, even unintentionally.
- If you know about juror misconduct, advise the court or you may waive your right to an impartial jury. *McCullough and Daugerdas*.
- Do not tweet or post about a trial during the trial (*Usee*), and make sure you understand how social media works before using it in a trial.





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**JOSEPH P. SALVO, *Sesame Workshop***

Joseph P. Salvo currently serves as Executive Vice President and General Counsel of Sesame Workshop, the home of Sesame Street, where he has responsibility for all Business & Legal Affairs of the organization as well as for Government Affairs. Prior to Sesame Workshop, from 2008 until April of 2015, Joe served as General Counsel of HiT Entertainment, an international children's entertainment company that owns such pre-eminent pre-school brands as Barney, Thomas the Tank, Bob the Builder and Angelina Ballerina, with responsibility for a combined Legal & Business Affairs team in NYC and London. Between 2012 and 2015, while serving as HiT's General Counsel, he also served as Vice President & Associate General Counsel at Mattel, Inc., (which acquired HiT in February, 2012) with shared responsibility for the Mattel Legal & Business Affairs group. Each of Sesame Workshop, HiT and Mattel are

and have been involved in all forms of audio and audiovisual production and licensing, including television, film, audio, digital services and home video, as well as licensing out brands for books, publishing and consumer products.

Prior to becoming General Counsel to HiT, Joe spent 13 years working for a combination of Sony Music, Arista Records and Sony BMG Music Entertainment, where he was involved in a wide variety of contract, licensing and intellectual property issues and personally handled contract negotiations and drafting for such diverse artists as Bruce Springsteen, Celine Dion, Whitney Houston, Yo Yo Ma and John Mayer. Joe started his career as a litigator at Weil Gotshal & Manges in NY for 5 ½ years, where he specialized in copyright and IP litigation.

Joe also served as Counsel at Weil Gotshal & Manges from 2006-2008, where he counseled many of the largest internet music service providers on international publishing and sound recording rights issues, including Apple, MySpace, Yahoo, AOL, Pandora, MediaNet and Sony, and coordinated the trial team for the UK Copyright Tribunal proceeding that set the first-of-its-kind UK publishing rates for internet distribution of music on behalf of a number of digital services.

Joe served as President of the Copyright Society of the USA from June 2012-14, and has been an adjunct professor of law, teaching Entertainment Law at St John's University School of Law, since 2001. He is a frequent lecturer at law schools, bar associations and colleges on copyright, entertainment law and entertainment law issues. Joe is a graduate of Rensselaer Polytechnic Institute and St. John's University School of Law, both in NY.



# RECENT DEVELOPMENTS IN COPYRIGHT LAW

**DATE: JULY 15, 2015**  
**PRESENTED TO: NYIPLA**

**JOSEPH P. SALVO**  
**EVP & GENERAL COUNSEL**  
**SESAME WORKSHOP**



**GARCIA V. GOOGLE, INC.,**  
**NO. 12-57302, 2015 U.S. APP. LEXIS 8105**  
**(9TH CIR. MAY 18, 2015)**

**FACTS:**

- Plaintiff actress Cindy Garcia agreed to act in film "Desert Warrior". Scene was used in anti-Islamic film titled "Innocence of Muslims". Garcia's performance was dubbed over so she appeared to be asking, "Is your Mohammed a child molester"?



2

**GARCIA V. GOOGLE, INC.,  
NO. 12-57302, 2015 U.S. APP. LEXIS 8105  
(9TH CIR. MAY 18, 2015)**



**FACTS:**

- Following a fatwa, plaintiff received death threats, and filed eight DMCA takedown notices. Google refused to take down video. Plaintiff applied for TRO and PI, claiming a copyright in her performance.
- District Court denied PI.

**ISSUE:**

- Was actress entitled to copyright protection (and a PI) for unauthorized use of her “performance”?

3

**GARCIA V. GOOGLE, INC.,  
NO. 12-57302, 2015 U.S. APP. LEXIS 8105  
(9TH CIR. MAY 18, 2015)**



**HOLDING:**

- Ninth Circuit panel reversed District Court, finding actress established likelihood of success on merits of claim of infringement, as she had protectable interest in her performance in film.
- However, 9th Cir., sitting *en banc*, reversed panel’s decisions, and affirmed District Court’s denial of PI finding that “weak copyright claim cannot justify censorship in the guise of authorship.”
- Court found plaintiff was not an “author” under Copyright Act, and was seeking protection of her “performance”.
- Court relied on “expert opinion” of Copyright Office, which said it could not register a “performance”.

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**CARTOON NETWORK, LP V. CSC HOLDINGS, INC.,  
536 F.3D 121 (2D CIR. 2008)**



**FACTS:**

- Cablevision introduced remote storage DVR software, allowing consumers to record audiovisual programs to, and to playback from, a designated, unique area of company.
  - Cablevision maintained server.
- Networks sued, alleging direct infringement by Cablevision for:
  - (i) temporary and permanent copies of programs saved to the server, and
  - (ii) playback from the server.

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**CARTOON NETWORK, LP V. CSC HOLDINGS, INC.,  
536 F.3D 121 (2D CIR. 2008)**



**ISSUE:**

- Was Cablevision liable for infringement as a result of the Cablevision software recording and subsequently making available for playback copyrighted audiovisual programs?

**HOLDING:**

- Cable providers remote storage DVR service did not directly infringe Cartoon Network's reproduction or public performance rights in its programming.
- Infringement required a "volitional act"; the volitional acts of recording (reproduction) and playback (public performance) were acts by consumer, not Cablevision.

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**AM. BROADCASTING COS., INC. V. AEREO, INC.,  
134 S. CT. 2498, 573 U.S. \_\_\_\_ (2014)**



**FACTS:**

- Based on Cablevision, Aereo created a subscription service where users received a designated antenna that allowed the capture of “over-the-air” broadcast signals and recording of the same on a designated portion of Aereo’s server.
- Service also allowed “real-time” retransmission.
- Networks challenged the broadcast signal capture and “real-time” retransmission to the user for viewing.

**ISSUE:**

- Was consumer-activated capture and “real-time” viewing of broadcast signal a violation of public performance right?

**HOLDING:**

- Yes, capture and “real-time” re-transmission without permission was a “public performance” under section 101 “transmission clause”. SCOTUS found system analogous to CATV and cable and satellite TV, which are public performances.

**CAVEAT:**

- SCOTUS carefully avoided opining on the viability of Cablevision or legality of “cloud services”, remote storage or other technologies.

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**FOX BROAD. CO. V. DISH NETWORK L.L.C.,  
NO. 12-4529  
(U.S. DIST. CT., C.D. CAL. JANUARY 12, 2015)**



**FACTS:**

- In July 2012, Fox sued DISH Networks over an automated DVR service similar to that use by Cablevision and Aereo, but with the added “AutoHop” feature that allowed users to skip commercials embedded in the programming recorded.
- DISH also made use of “Sling” technology, allowing users to remotely view, on an authenticated device, either “live” programming off the DISH satellite or played back from the DISH DVR.
- Fox, unlike Aereo, but like Cablevision, had distribution agreement with DISH for dissemination of Fox content.

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**FOX BROAD. CO. V. DISH NETWORK L.L.C.,  
NO. 12-4529  
(U.S. DIST. CT., C.D. CAL. JANUARY 12, 2015)**



**ISSUE:**

- Was DISH's service with automated DVR service, AutoHop feature and Sling features, an infringement of Fox's reproduction and public performance right?

9

**FOX BROAD. CO. V. DISH NETWORK L.L.C.,  
NO. 12-4529  
(U.S. DIST. CT., C.D. CAL. JANUARY 12, 2015)**



**HOLDING:**

- Despite Aereo holding, court found no "volitional conduct" by DISH in re-transmitting Fox content to users using Sling technology, since the initial public performance was authorized, and was only to user's own viewing device, not via an intermediate unlicensed antennae farm.
- Sling re-transmission was activated by user, not DISH, so no direct infringement.

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**FOX BROAD. CO. V. DISH NETWORK L.L.C.,  
NO. 12-4529  
(U.S. DIST. CT., C.D. CAL. JANUARY 12, 2015)**



**HOLDING:**

- DISH also not “secondarily liable” because DISH subscribers are authorized to make a personal copy under Sony.
- SJ granted to DISH on Fox’s infringement claim.
- However, SJ granted to Fox as to certain “quality assurance” copies DISH made to ensure AutoHop was working correctly.

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**FLO & EDDIE, INC. V. SIRIUS XM RADIO, INC.,**



- (i) No. 13-5784, 2014 U.S. Dist. LEXIS 166492 (S.D.N.Y. Nov. 14, 2014)
- (ii) No. 13-5784, 2015 U.S. Dist. LEXIS 17374 (S.D.N.Y. Feb. 10, 2015)
- (iii) No. 13-5693, 2014 U.S. Dist. LEXIS 139053 (C.D. Cal. Sept. 22, 2014)

**FACTS:**

- Flo & Eddie, a/k/a “The Turtles” were a 1960’s group (“Happy Together”). They own their recordings which were created pre-1972 and are therefore subject to “common law”, not Federal, copyright protection.



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## FLO & EDDIE, INC. V. SIRIUS XM RADIO, INC.,



- (i) No. 13-5784, 2014 U.S. Dist. LEXIS 166492 (S.D.N.Y. Nov. 14, 2014)
- (ii) No. 13-5784, 2015 U.S. Dist. LEXIS 17374 (S.D.N.Y. Feb. 10, 2015)
- (iii) No. 13-5693, 2014 U.S. Dist. LEXIS 139053 (C.D. Cal. Sept. 22, 2014)

### FACTS:

- Flo & Eddie sued Sirius/XM in NY and CA for public performances of these “pre-72” recordings. Sirius/XM move for summary judgment, arguing no public performance right in “pre-72” recordings.
- Section 114 of the Copyright Act provides that for “post-72” recordings, there is no public performance right for over the air, non interactive broadcasts.
- Section 114 also provides for a compulsory license governing services like Sirius/XM.

### ISSUE:

- Did Flo & Eddie’s “common law” copyright in “pre-72” recordings include a public performance right (and allow suit against Sirius/XM)?

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## FLO & EDDIE, INC. V. SIRIUS XM RADIO, INC.,



- (i) No. 13-5784, 2014 U.S. Dist. LEXIS 166492 (S.D.N.Y. Nov. 14, 2014)
- (ii) No. 13-5784, 2015 U.S. Dist. LEXIS 17374 (S.D.N.Y. Feb. 10, 2015)
- (iii) No. 13-5693, 2014 U.S. Dist. LEXIS 139053 (C.D. Cal. Sept. 22, 2014)

### HOLDING:

- In NY, District Court denied summary judgment to Sirius/XM.
- Flo & Eddie held valid “common law” copyrights in “pre-72” recordings, which rights included same bundle of rights as Federal copyright protection.
- In subsequent decision, SDNY certified to 2d Cir. the question of whether there is a public performance right included as part of NY “common law” copyright.
- In CA, District Court found CA common law copyright included a public performance right. Granted summary judgment to Flo & Eddie on liability for public performance right.

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## MARVIN GAYE V. ROBIN THICKE



### FACTS:

- In 1977, Marvin Gaye penned a song called “Got to Give It Up”.



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## MARVIN GAYE V. ROBIN THICKE



### FACTS:

- In 2013, Pharrell Williams and Robin Thicke released the hit “Blurred Lines”.



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## MARVIN GAYE V. ROBIN THICKE



### FACTS:

- “Blurred Lines” was lead single on Thicke’s album of same name.
- Went on to peak at #1 in (20) countries, with sales of 14.8 million singles and 230 million impressions/week over two weeks in 2015, breaking all time record for radio audience.
- Nominated for two Grammys.
- Accounting in the case indicated \$16.75 million was the non-label “profit” from “Blurred Lines”.

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## MARVIN GAYE V. ROBIN THICKE



### FACTS:

- In August 2013, in response to letter received from Estate of Marvin Gaye, Thicke and Pharrell sought a DJ in C.D. Cal. that their song did not infringe.
- At time of filing, Pharrell was quoted as saying the two songs were “completely different”. In various promotions relating to the track, Thicke claimed the Marvin Gaye song was an “influence” on “Blurred Lines”.
- In a 2013 GQ article, Thicke was quoted as saying:  
“One of my favorite songs of all time was Marvin Gaye’s “Got to Give It Up”. I was like, ‘Damn, we should make something like that, something with that groove!’ Then Pharrell started playing a little something and we literally wrote the song in about a half an hour and recorded it.”

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## MARVIN GAYE V. ROBIN THICKE



### FACTS:

- However, in a deposition in April 2014, Thicke changed his tune. He claimed to be “high on Vicodin and alcohol”. Conceded that Pharrell wrote the song.
- Ultimately, two tracks never played at trial. The expert testimony relied solely on Marvin Gaye’s “deposit copy”, a lead sheet.
- Experts played sheet music for both.

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## MARVIN GAYE V. ROBIN THICKE



### RESULT:

- Jury verdict in favor of Gaye Estate.
- Damages awarded of \$7.3 million.

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**INHALE, INC. V. STARBUZZ TOBACCO, INC.,  
NO. 12-56331, 2014 U.S. APP. LEXIS 13244  
(9TH CIR. JULY 9, 2014)**



**FACTS:**

- Plaintiff brought suit for infringement base on shape of a hookah water container, alleging defendant's hookah infringed on plaintiff's distinctive design.
- Defendant argued no "conceptual" or "physical" separability.
- Lower court held no infringement, plaintiff appealed.

Inhale's Hookah  
Water Container



Starbuzz Hookah



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**INHALE, INC. V. STARBUZZ TOBACCO, INC.,  
NO. 12-56331, 2014 U.S. APP. LEXIS 13244  
(9TH CIR. JULY 9, 2014)**



**ISSUE:**

- Was plaintiffs hookah design, with water container shape, sufficiently separable from its utilitarian aspects, to qualify for copyright protection?

**HOLDING :**

- No. Shape of the water container was merely "containing", not decorative or separable. Ninth Circuit also awarded defendant its attorneys' fees as prevailing party.

22

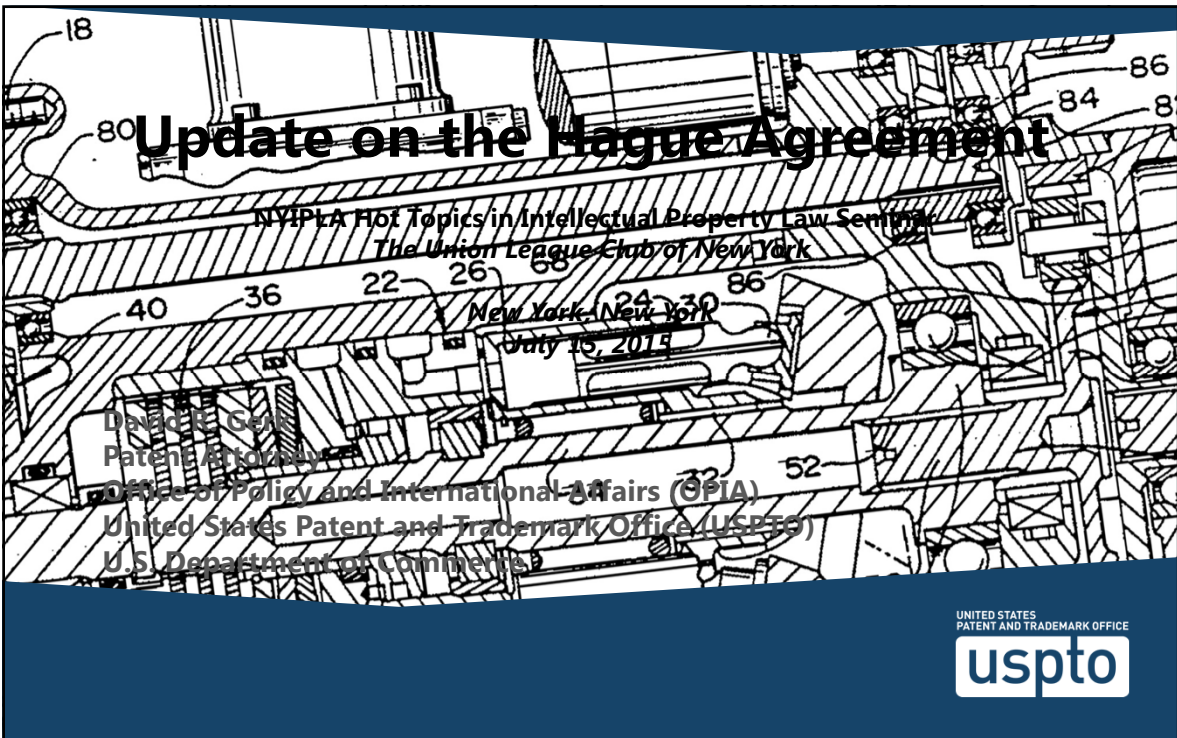


**DAVID R. GERK**, *Office of Policy and International Affairs (OPIA)*  
*United States Patent and Trademark Office*

David Gerk is a patent attorney in the Office of Policy and International Affairs (OPIA) at the U.S. Patent and Trademark Office (USPTO) where he advises the Under Secretary of Commerce for Intellectual Property and Director of the U.S. Patent and Trademark Office on domestic and international IP issues as well as on United States treaty obligations and helps to formulate U.S. domestic and international policy regarding protection and enforcement of intellectual property rights. In his role at the OPIA, he also helps promote development of intellectual property systems, nationally and internationally, consults with foreign governments and other U. S. Government agencies on substantive intellectual property rights laws, and legal and judicial regimes, and provides and participates in technical assistance and capacity-building programs and conferences with foreign governments seeking to develop or improve their intellectual property laws and regulations. Mr. Gerk serves as lead on industrial design matters in OPIA and led the USPTO's implementation of the *Hague Agreement Concerning the International Registration of Industrial Designs* culminating in U.S. membership in the Hague Union in February of 2015.

Prior to joining the USPTO, David was a shareholder in Banner & Witcoff's Washington, D.C., office where he practiced intellectual property law with a focus on counseling, prosecution and litigation of utility and design patent matters, principally in the mechanical, electrical and computer arts. David is a co-founder of the Patent Law Option at The George Washington University School of Engineering and Applied Science (SEAS) where he serves as a part-time professor. He regularly publishes and lectures on a wide array of intellectual property issues and is a co-author of *The New Practitioner's Guide to Intellectual Property* which was published in 2012 by the ABA.

David has also served in committee leadership for both the ABA and AIPLA, regularly meeting with attorneys, organizations, business leaders, and USPTO and international IP officials regarding intellectual property legislation, legal decisions, and US and foreign IP practice and procedures. He received an Honors B.S. in Mechanical Engineering from Marquette University and a J.D. from The George Washington University Law School.



## Outline

- Overview of the Hague System
- Road to United States Membership In the Geneva Act of the Hague Agreement
- Governing Provisions & Effective Dates
- Highlighted Practical Considerations



## Hague System in 20 Words or Less...

- Centralized acquisition and maintenance
- Industrial Design Rights
- Filing single international application
- Single international registration
- One or more designated contracting parties (member countries)



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## Analogous WIPO Treaties

- Comparison with **PCT** and **Madrid**:
  - Like **PCT and Madrid**: a procedural treaty
  - Like **Madrid**, **unlike PCT**: a registration treaty
    - Acquisition and maintenance of rights
  - **Unlike Madrid** – centralized through one shop
    - No basic application required – file with WIPO
    - Self -designation possible
    - No “office of origin role” – WIPO is central shop



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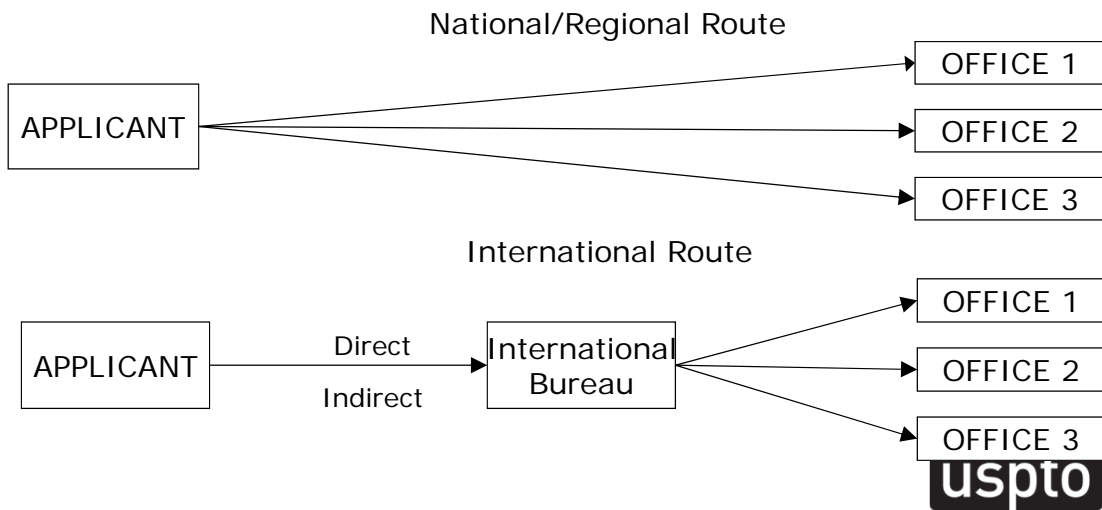
## History of the Hague Agreement

- Hague Agreement
  - London Act (1934)
    - “frozen” as of Jan 1, 2010
  - Hague Act (1960)
    - Euro-centric membership
    - New members are not joining this act
  - Geneva Act (1999)
    - **U.S. signed on July 6, 1999**
    - **U.S. deposited instrument of ratification on February 13, 2015**
    - Took **effect** with respect to the **United States on May 13, 2015**

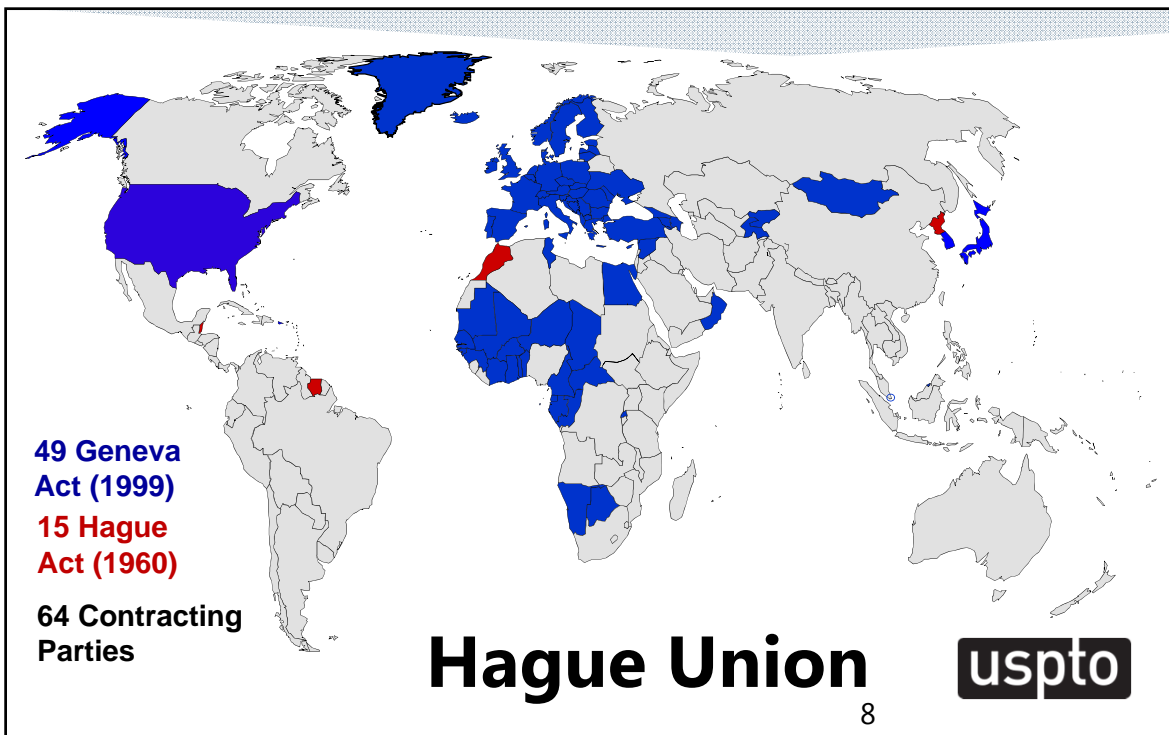


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# Filings: National vs Hague



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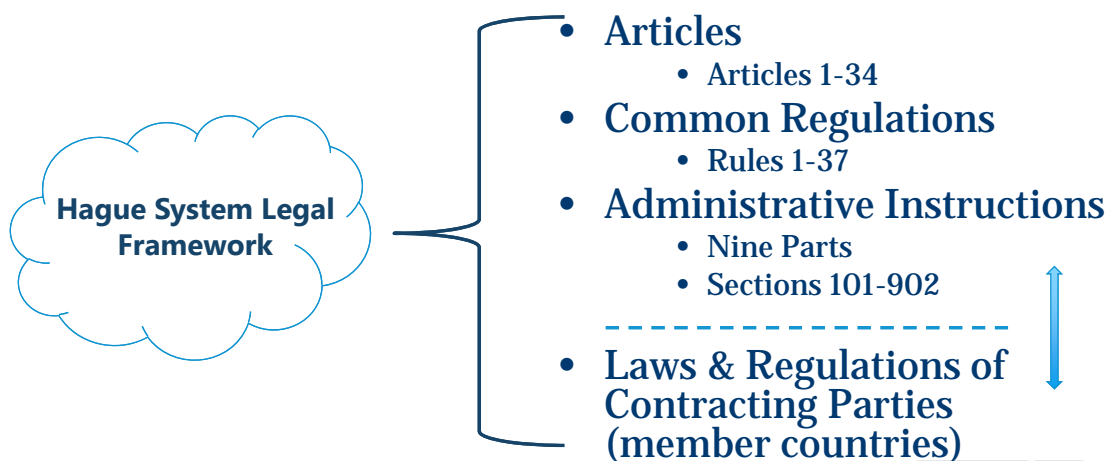
## What Hague does not cover

- Hague Agreement is *primarily* a procedural treaty, accordingly certain issues are not addressed:
  - Conditions for protection
  - Refusal procedure to be applied in deciding whether protection should be granted
  - Rights that result from protection
- These issues are left to the laws of each of the Contracting Parties (member country).

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## Geneva Act Legal Framework



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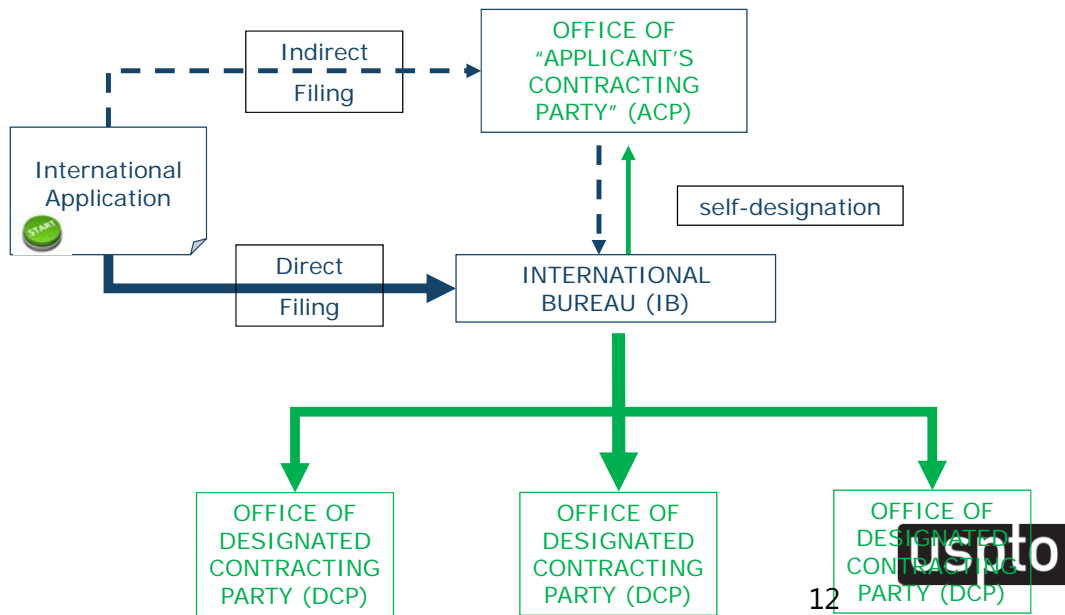
## Hague System is a Closed System

- Applicant Must be Entitled to File an International Application
  - “Entitlement” = Connection with a Contracting Party
    - Nationality
    - Domicile
    - Habitual Residence
    - Real and Effective Industrial or Commercial Establishment
- Entitlement also needed to file through a Contracting Party as an Office of Indirect Filing (e.g., through USPTO instead of with WIPO directly)
- Applicant can only designate Contracting Parties with a common treaty membership. (e.g., 1999→1999 and not 1999→1960)
  - An applicant who’s contracting party is the U.S. cannot designate a country that is only a member of the 1960 Act. (Some are members of both 1960 & 1999)

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## Hague System Procedure



12

## Road to U.S. Membership

- **July 2, 1999** – By consensus, WIPO Member States adopted the Geneva Act of the Hague Agreement
- **July 6, 1999** - United States signs on to Agreement
- **November 13, 2006** – President Bush transmitted Hague Agreement to Senate Foreign Relations Committee (SFRC) (Treaty Doc. 109-21)
- **July 17, 2007** – SFRC held hearings (S.Hrg. 110-305)
- **November 27, 2007** – SFRC reported resolution of advice and consent to ratification (Exec. Rept. 110-7)



## Road to U.S. Membership

- **December 7, 2007** – The Senate considered; Advice and consent to ratification agreed to in Senate
- **\*\*September 16, 2011** – President Obama signed Leahy-Smith America Invents Act (AIA) into law.\*\*
- **December 18, 2012** – President Obama signed into law the Patent Law Treaties Implementation Act of 2012, implementing legislation for the Hague Agreement (and the Patent Law Treaty (PLT))
- **February 13, 2015** - United States deposits instrument of ratification with WIPO (now member)
- **May 13, 2015** – Geneva Act of the Hague Agreement took effect in the United States



## Governing Provisions

- **Geneva Act of the Hague Agreement**
  - Took effect with respect to the United States on [May 13, 2015](#).
- **Update to United States Law (Title 35 USC) \***
  - Public Law 112-211 enacted Dec. 18, 2012 “*The Patent Law Treaties Implementation Act of 2012*” (Title I)
  - Took effect [May 13, 2015](#).

\* <http://www.gpo.gov/fdsys/pkg/PLAW-112publ211/pdf/PLAW-112publ211.pdf>



## Governing Provisions

- **Update to USPTO’s Final Rules \*\***
  - Published April 2, 2015 (Fed. Reg. Notice)
  - Took effect [May 13, 2015](#)

\*\*<http://www.uspto.gov/sites/default/files/documents/80-fr-17918.pdf>

- **[MAY 13, 2015 - Critical Date](#)**
  - (1) Geneva Act Took Effect,
  - (2) US Law Changes Took Effect, **AND**
  - (3) USPTO Rules Took Effect



## Practical Considerations

- **USPTO Roles as an Office of a Contracting Party:**
  - (1) Office of Indirect Filing
  - (2) Designated Office



### (1) USPTO as an Office of Indirect Filing



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## Filing: Who & Where?

- **Procedure for filing (Article 4 of GA)**

- Where can applicant file?
  - **Directly** (International Bureau (IB) of WIPO)
  - **Indirectly** (With Applicant's contracting party)
- May be filed through the USPTO only if:
  - (1) Applicant (all of the applicants):
    - Is a national of the United States **OR**
    - Has a domicile, habitual residence, or a real and effective industrial or commercial establishment in the United States
  - (2) Applicant's (all the applicant's) contracting party is the U.S.



## How Do You File?

- IDAs may be filed through the USPTO as office of indirect filing:
  - (1) USPTO's EFS-Web (electronic)
  - (2) Mail
  - (3) Hand Delivery
- If mailed or hand delivered – goes to USPTO:
  - U.S. Patent and Trademark Office
  - Customer Service Window
  - Randolph Building,
  - 401 Dulany Street
  - Alexandria, VA 22314



**EFS-Web**





# Filing through the USPTO

- Must pay transmittal fee to USPTO
  - Transmittal Fee = \$120 \*
    - Must be paid directly to USPTO
    - USPTO will not send application to WIPO until paid
    - Generally ... IR filing date will be date filed with USPTO
      - UNLESS you wait too long to pay the transmittal fee
      - WIPO must receive within 6 months of filing at USPTO to get date (Rule 13(4))
- Follow On Documents?
  - USPTO only send what received prior to transmission
  - Otherwise placed in file may be considered during examination if US designated (i.e., not part of pub IR)

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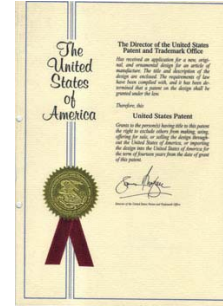
## (2) USPTO as a Designated Office



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## U.S. as a Designated Party

- IR given effect through U.S. design patent
- Term will be 15 years from grant
  - Filed on or after May 13, 2015
  - Applies to both Hague & domestic filed
- Provisional Rights (Hague only)
  - Available from date of publication of the International Registration (IR). (IR designating the U.S. is a 35 USC §122(b) publication.) 35 USC §390



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## U.S. as a Designated Party

- One independent and distinct design
  - Examiner may issue restriction requirement
  - Pursuing cancelled designs
    - File divisional/continuation (USPTO)
    - File IDA designating US and claiming priority to prior app
    - *Pacific Coast Marine Windshields v. Malibu Boats*
  - Divisionals / Continuations are domestic applications
    - Not governed by the Hague Agreement

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## U.S. as a Designated Party

- Color Drawings
  - Petition for color not required
- Rocket Docket (Expedited Examination)
  - Can be used for apps designating U.S. under Hague
  - Immediate pub (IB) + rocket docket (USPTO) = Fast
- Preliminary Amendment
  - Possible to amend IDA prior to exam (avoid refusal)
- Initial Filing If Designate U.S. Should Have...
  - (1) a claim & (2) an oath/declaration (or sub stmt)
  - (1) is filing date requirement; (2) if cured timely, no effect, BUT if not cured, designation of U.S. removed



## U.S. as a Designated Party

- No deferment of publication
- Changes of ownership (assignment) documents need to be recorded with the USPTO before given effect.
- Designation Fees:
  - Two part designation fee
  - Standard, small entity, or micro entity



## Closing Thoughts...

- The Hague System can be an effective tool for protecting industrial design rights across multiple jurisdictions.
- It can be used to provide cost savings and administrative efficiencies.
- But it should not be expected to be a panacea.



## More Hague Related Information

- USPTO Website:
  - <http://www.uspto.gov/patent/initiatives/hague-agreement-concerning-international-registration-industrial-designs>
- WIPO Website
  - <http://www.wipo.int/hague/en/>



