

Long-anticipated TTAB rule changes

Bobby Ghajar and **Marcus Peterson** provide an overview of the amendments that came into effect in January



For those who handle oppositions and cancellations at the US Trademark Trial and Appeal Board (TTAB), there are several significant rule changes that will affect your practice. In this article, we highlight those changes, which went into effect on 14 January 2017 and apply to all pending matters, as well as all proceedings initiated after that day. The most notable changes deal with filing and serving documents, discovery procedures, and offering trial testimony.

No more paper: mandated e-filing for all

Electronic filing is now mandated under several new rules:

- All oppositions and petitions to cancel must be filed through the Electronic System for Trademark Trial and Appeals (ESTTA) pursuant to new rules §2.101(b)(1) and §2.111(c)(1), respectively. The rules allow paper filing only in the event of “technical problems” with the ESTTA system, as long as the paper filing is accompanied by a petition to the director explaining the difficulties, the papers are timely filed, and the statutory fee is included. Note that oppositions against application filed under §66(a) must always be filed via ESTTA, never in paper.
- Under new rule 2.102(a)(1), an extension of time to file an opposition must also be filed via ESTTA, with the same caveat regarding paper filings in the event of technical problems for applications filed under §1 or §44.
- New rule §2.126 will also require all other submissions that are filed during proceedings to be filed via ESTTA, though does not require a party to petition to file via paper unless the filing is a pleading.

These changes likely impact only a small fraction of filings, as nearly all filings are already done through ESTTA. That said, voluminous filings (for example, a petition to cancel with several exhibits) have caused ESTTA to misbehave in the past, sometimes necessitating filing hard copies of documents. It is unclear whether such a circumstance would constitute “technical problems” with the system, though the US Patent and Trademark Office (USPTO) notes that it offers “Tips for Attaching Large PDF Files.” It appears that the change ensures that the burden of filing large documents electronically is on the filer, rather than forcing the office to “receive and route the papers, to scan and upload them into the electronic official record, and to store and later destroy the papers in accordance with the office’s document retention policy.”¹

Service made easier

The new rules provide two major changes to the service of documents in board proceedings:

- First, oppositions and petitions to cancel will now be served by the board, rather than the filing party, under new rules §2.105(a) and (b) and §2.113(b) and (c). To facilitate service of a petition to cancel, the board requires the filing party to identify, “to the best of petitioner’s

knowledge”, the name, address, and email address of the owner of the registration(s). See §2.112(a). The originally-proposed rule would have required the petitioner to include known attorney information for the registrant. This was removed from the final rule after public comments expressing concern that a petitioner has no obligation to attempt to ascertain a registrant’s contact information and attorney, and that such information is already in the USPTO records for the registration. Nonetheless, providing contact information for the registrant “to the best of petitioner’s knowledge”, remained in the final rule changes, which the Board stated, “has been in the rule for some time, and has not created problems for petitioners”. Fed Reg Vol 81, No 195, Page 69958 (7 October 2016).

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This takes the burden of serving the initial documents off the petitioner or opposer.

- Secondly, under the new rules, all documents filed in a proceeding (eg, motions) and served during a proceeding (eg, discovery requests and responses, required disclosures) must be served via email unless otherwise stipulated by the parties, see §2.119(b). The new rule also deletes the provision in §2.119(c) allowing for an additional five days to respond to a motion when service is made via mail, which caused some concern among commenters. However, the additional five days has now been built into the rule regarding motions itself

(§2.127(a)), giving parties 20 days to oppose a motion, even if served by email (which continues to be extendable by the board) and 20 days to file a reply brief (which continues to be non-extendable, even by stipulation). Parties similarly have 30 days to oppose a motion for summary judgment and 20 days to file a reply brief under §2.127(e) (1).

The USPTO encourages the parties to work together on alternative methods of discovery service, “such as a file hosting service, if email is not practical”, and notes that “under the 2015 amendments to the Federal Rules of Civil Procedure there is a focus on party cooperation in the discovery process which includes service of discovery responses.”² Under the previous rules, email service was only available upon agreement of the parties. But email service came with a cost, because the rules did not provide an additional five days to respond to a motion if it was served via email (unless the parties agreed to additional time and the board approved of the stipulation, which required additional filings). Parties that preferred email service were often in the position of informally agreeing to serve documents via mail, to trigger the five-day extension, with courtesy copies via email. The new rules eliminate the need for such practices.

As a practical consideration, counsel should take steps to ensure that their email servers can accommodate large attachments, and consider establishing a trademark-specific generic email address to ensure proper distribution of emails within a company or firm.

New discovery procedures: fewer requests and earlier response deadline

There are three other major changes in discovery procedures (and one near miss).

- First, rule §2.120(a)(1) was amended to add “proportionality” into the discovery rules “in conformance with the 2015 amendments to the Federal Rules of Civil Procedure.” This merely codifies what had already become board practice.³
- Secondly, the new rules reduce the number of discovery requests that may be served. §2.120(e) and (i) limit a party to serve only 75 requests for production of documents and requests for admission, matching the limitation currently imposed on interrogatories.

Counsel should consider that, like interrogatories, each “subpart” of a request for production or request for admission may count as a separate request. So, while parties previously may have included several subparts into one request for production because the total count was irrelevant, that practice will likely change. Likewise, some parties served numerous requests for admission, each stating a single fact, because there was no limit on them. Parties must now be more careful in drafting requests.

Although these revisions are intended to reduce the expense and increase the speed of the discovery process, the new rules also provide a mechanism for a party to object to requests that exceed the statutory limit, which may lead to more motion practice.

The new rules allow the board discretion to permit additional requests (beyond 75) upon a showing of good cause. The commentary to the new rules provides two examples of good cause, which “include cases involving foreign parties from whom oral discovery may be unavailable, or requests intended to narrow the issues in dispute in proceedings involving multiple marks and applications or registrations with lengthy identifications of goods and services.”⁴

- Thirdly, the new rules require that discovery requests must be served in time so that responses are due prior to the close of discovery (and extensions may not extend beyond the close of discovery). See §2.120(a)(3). Previously, requests could be served at any time prior to the close of discovery. The rationale for the rule is that it would reduce motion practice after the close of discovery, including motions

to reopen discovery based upon responses received after the close of discovery, and motions to extend trial dates while parties await discovery responses.

- One proposed discovery rule was completely eliminated after public comments. The USPTO proposed a rule requiring a foreign party to advise every adverse party when the foreign party will have an officer, director, managing agent, or other person who consents to testify present in the US (to allow for oral deposition, rather than deposition on written questions). Several commenters were concerned that a party would be dissuaded from having its officers travel to the US during the pendency of board proceedings to avoid having to sit for deposition during the trip. Others were concerned with the privacy implications of a party divulging the travel plans of its officers and employees. In light of the public comments, the rule was not adopted. Nonetheless, the USPTO notes that the “parties retain the ability to request such information through interrogatories.”⁵

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Eliminating testimonial depositions (sort of)

The last noteworthy change to board procedure allows a party unilaterally to introduce trial testimony via affidavit (sworn statement) or declaration (unsworn statement), rather than testimonial deposition (both under penalty of perjury). The witness must be made available for cross examination by the other party.⁶

The amendment was made “to promote efficient trial procedure”, although later cross-examination via deposition would result in a deposition regardless.

Some commenters were concerned that the allowance of affidavit testimony would make a proceeding “less like a district court proceeding”, meaning that it would be less likely to have a preclusive effect under the Supreme Court of the US’ *B&B Hardware, Inc v Hargis Industries, Inc* decision (allowing for TTAB proceedings to have a preclusive effect on later district court litigation between the same parties if the board considered the same factors and evidence a district court would). Ultimately, the USPTO did not find this to be persuasive given that summary judgment rulings in TTAB proceedings are based on affidavit or declaration testimony and may likewise have the same preclusive effect.

Dozens of miscellaneous other changes

The USPTO issued a number of other minor changes and edits to the rules. Some of them include:

- §2.101(e) – The filing date of an opposition is the date of electronic receipt of the opposition and filing fee;
- §2.102(c)(1) – A 60-day extension of time is not available as the first extension of time to oppose (instead a party can take a 30-day extension, followed by a 60-day extension, or can take a single 90-day extension). After extensions totalling 90 days, one final

extension is available with consent or upon showing of extraordinary circumstances;

- §2.114(a) – Default may occur even after the time to answer is reset, and the failure to file a timely answer tolls all deadlines, including the discovery conference, while the default issue is resolved;
- §2.116(g) – Clarifies that the standard protective order is automatically imposed in *inter partes* proceedings, and adds that the board may not treat as confidential any improperly designated material;
- 2.120(a)(2) – States that the board may *sua sponte* participate in the discovery conference between the parties;
- §2.120(f) – Clarifies that electronically stored information is included as responsive to requests for production of documents;
- §2.120(f) and (i) – Motions to compel, or motions to test sufficiency of responses to requests for admission, must be served prior to the deadline for pretrial disclosures for the first testimony period;
- §2.127(e) – Moving the deadline for filing a motion for summary judgment is moved up from prior to the commencement of the trial period (old rule) to prior to the deadline for pretrial disclosures (new rule).

Recommendation

Practitioners should be aware of these changes, some of which may lead to significant differences in the way one practises before the board. The service and discovery rules in particular vary from current practice in ways that parties, and their counsel, must take into account, especially since the new rules impact all matters that are currently pending, not just those instituted after the effective date. Litigants before the board should confer with their counsel to ensure compliance with the new rules.

Footnotes

1. Fed Reg Vol 81, No 195, Page 69966 (7 October 2016).
2. Fed Reg Vol 81, No 195, Page 69959-60 (7 October 2016).
3. See, eg, *Wisc Cheese Grp v Comercializadora de Lacteos y Derivados*, Opp No 91224131 (TTAB 30 March 2016) (“The board has applied the principle of proportionality to define the proper subjects of and expanse of inquiry in *inter partes* proceedings under various circumstances.”).
4. Fed Reg Vol 81, No 195, Page 69962 (7 October 2016).
5. Fed Reg Vol 81, No 195, Page 69961 (7 October 2016).
6. See §2.123(a)(1) and (e)(3).

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