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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	91176065
Party	Defendant H. Co. Computer Products
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**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
TRADEMARK TRIAL AND APPEAL BOARD**

Lenovo (Singapore) PTE Ltd.

Opposer,

v.

H. Co. Computer Products

Applicant.

Opposition No. 91176065

AND RELATED COUNTERCLAIM

**APPLICANT'S REPLY IN SUPPORT OF ITS MOTION FOR SANCTIONS FOR
FAILURE TO PRODUCE DOCUMENTS OR RESPOND TO INTERROGATORIES IN
VIOLATION OF THE BOARD'S SEPTEMBER 30, 2011 ORDER**

I. INTRODUCTION

Opposer Lenovo raises three arguments in opposition to HCCP's motion for sanctions, none of which are availing.

First, Lenovo argues that the motion should be summarily denied because HCCP did not meet and confer prior to filing the motion as required by the Federal Rules of Civil Procedure. This argument is specious. The Board has specifically held that no such pre-filing conference of is required. And even if such a conference were required, Lenovo tacitly admits that it would not have prevented the filing of the instant motion given that Lenovo maintains that sanctions are not warranted.

Second, Lenovo argues that it should be excused from responding to HCCP's interrogatories and from producing documents related to those interrogatories because the interrogatories were time barred. Again, Lenovo is mistaken. Lenovo raised this argument in its opposition to HCCP's motion to compel that led to the discovery order that Lenovo has now violated. The Board specifically considered this argument and rejected it, holding that the interrogatories were timely served and that Lenovo must respond to them. If Lenovo believed that the Board were mistaken, its remedy laid in filing a motion for reconsideration to argue its case, not in waiting to raise the issue until after the deadline to comply with the order lapsed and after HCCP filed a motion for sanctions. Such a move shows a lack of respect for the Board's authority in issuing its discovery orders. Moreover, even if the Board were inclined to reconsider Lenovo's arguments, a careful analysis of the underlying events surrounding the service of the interrogatories shows that they were timely served.

Third, Lenovo argues that it has complied with the discovery order because it had purportedly served responsive documents prior to the filing of HCCP's motion to compel and because it invoked Rule 33(d) in response to the interrogatories. The Board has set forth three explicit requirements that must be met to properly invoke Rule 33(d), none of which are met here and none of which are discussed in Lenovo's opposing papers. As for the documents, it is puzzling why Lenovo opposed the motion to compel the production of documents rather than

assert that it had already produced all responsive documents prior to the filing of the motion, choosing instead to do so only after a motion for sanctions had been filed. Lenovo is in plain violation of the Board's order.

Finally, Lenovo does not argue that the sanctions requested in HCCP's moving papers are improper, and instead limits its arguments to the assertion that sanctions are not warranted for the three unavailing reasons above. In light of both Lenovo's continuing acts of bad faith and its lack of argument concerning the severity of the sanctions requested, HCCP requests that the Board issue an order sanctioning Lenovo as requested in its motion.

II. RULE 37(D)(1)(B) DOES NOT BAR HCCP FROM RELIEF

Rule 37(d)(1)(B) of the Federal Rules of Civil Procedure does not bar HCCP from relief for two reasons: First, the rule is inapplicable in a T.T.A.B. proceeding, and second, the requirements are mooted by Lenovo's conduct.

As Lenovo explains in its opposing papers, the Federal Rules of Civil Procedure govern Board proceedings unless they are superseded by a corresponding Trademark Rule of Practice. The Trademark Rules of Practice set forth specific discovery procedures, the meet and confer requirements for a discovery motion – which the Board held HCCP previously met (D.I.¹ 57 at 2) – and the procedures and requirements for filing a motion for sanctions. *See generally* 37 C.F.R. § 1.120. The Trademark Rules of Practice do not discuss any required conference of counsel before the filing of a motion for sanctions for violating a discovery order. *See id.* at § 1.120(g). And the Trademark Board Manual of Procedure clearly states that "**[u]nlike a motion to compel discovery, there is no requirement to make a good faith effort to resolve the parties' dispute prior to filing a motion for discovery sanctions.**" TBMP § 527.01(a) (emphasis added) (citing *HighBeam Marketing LLC v. HighBeam Research LLC*, 85 U.S.P.Q. 2d 1902 (T.T.A.B. 2008)). Even if the Board required such a conference, Rule 37(d)(1)(B) is directed to a failure by a party

1. "D.I." refers to the Docket Index number for a filing in this proceeding.

to serve any responses at all, which is not what happened here.² Fed. R. Civ. P. 37(d). And, Lenovo contends that it has complied with its discovery obligations under the Board's order and has maintained that position even after HCCP's filed its motion for sanctions. A conference of counsel would have done nothing to resolve the dispute, and Board intervention is required.

III. HCCP'S INTERROGATORIES WERE TIMELY SERVED

Lenovo spends much of its opposition arguing that HCCP's interrogatories were untimely served and that it should therefore be excused from responding to them. Lenovo bases this argument on the assertion that HCCP served the interrogatories after the parties purportedly agreed not to engage in any further discovery. This argument is unpersuasive for three reasons.

First, HCCP addressed this argument in its motion to compel, and Lenovo raised this argument in its opposition to HCCP's motion to compel. In its order, the Board explained that it had carefully considered all the arguments raised, and it rejected the argument that the interrogatories were not timely served. [D.I. 57 at 2-4 ("The Board carefully considered the arguments raised by the parties, as well as the supporting correspondence and the record of this case, in coming to a determination regarding the above matters . . . [and] *we find that H. Co. Computer's interrogatory requests were timely served*") (emphasis added).] The matter is settled.

Still, even if the timeliness of HCCP's interrogatories were still up for debate, Lenovo's remedy was to file a motion for reconsideration of the Board's order and to seek a new order excusing its compliance with the order compelling discovery. Instead of filing such a motion, Lenovo violated the Board's order, waited until after the order's deadline for compliance had passed *almost a year after the order was issued*, and waited until HCCP filed a motion for sanctions before it raised the argument that the Board erred in its prior decision. This move is not only procedurally defective, but it smacks of bad faith and disrespect for the Board.

Nevertheless, the merits favor HCCP if the Board were to reconsider its decision.

2. Although Lenovo's "responses" are tantamount to not serving any responses at all, Lenovo did technically serve written responses, even though they are inadequate.

Lenovo's argument is based on the assertion that the parties entered into an agreement whereby no further discovery would be served after February 13, 2011. Even accepting this proposition as true, the interrogatories would still be timely. On December 14, 2010, HCCP served its first set of interrogatories. [D.I. 55 at Ex. B.] This was done months before the alleged discovery cutoff of February 13, 2011. And while Lenovo claims that it did not receive the interrogatories in December, it is well settled that a "statement signed by the attorney or other authorized representative, attached to or appearing on the original paper when filed, clearly stating the date and manner in which service was made will be accepted as prima facie proof of service." 37 C.F.R. § 2.119. The proof of service shows a December 2010 service date. And as HCCP explained in its motion to compel, it served these interrogatories in December in the same envelope in which it served requests for admission that Lenovo admits it received. [D.I. 55 at 4.]

That service was made is further supported by HCCP's January 10, 2011 letter to Lenovo's counsel that specifically discussed these interrogatories. [D.I. 55 at Ex. D.] This letter was sent a month before the alleged discovery cutoff, and there is no reason for HCCP to discuss interrogatories that had not actually been served. And Lenovo cannot argue that HCCP was trying to circumvent a purported agreement that is not even alleged to have been made for another month. There is no reasonable explanation for this other than the interrogatories had been served prior to January 2011. In a move smacking of gamesmanship and bad faith, however, Lenovo waited until February 14, 2011, the *day after* the alleged discovery cutoff, to claim *for the first time* that HCCP had not served its December 2010 interrogatories that were discussed in the January letter. [D.I. 55 at Ex. E.] Lenovo then asserted it would not respond to any requests because they were now untimely. [D.I. 55 at Ex. G.] The timing of Lenovo's assertions are suspicious to say the least.

Although Lenovo's responses were due on January 18, 2011, rather than claim that Lenovo had waived its objections by failing to respond, HCCP instead provided Lenovo the courtesy of sending on March 2, 2011 a courtesy copy of the interrogatories HCCP had originally served in December and requesting that Lenovo respond within thirty days. [D.I. 55 at

Ex. F.] This courtesy copy was simply a photocopy of the interrogatories signed and served in December 2010, which again was before the alleged discovery cutoff. The interrogatories were served in December 2010, months before the alleged discovery cutoff and not in March 2011. The interrogatories were not untimely, and HCCP would have never entered into any agreement that would have barred their service.

IV. LENOVO HAS FAILED TO COMPLY WITH THE BOARD'S ORDER

A. Lenovo's Interrogatory Responses Violate The Order

Contrary to the position taken in its opposing papers, Lenovo has not complied with the Board's order. At the very least, its responses to the interrogatories violates the order. Lenovo claims in its opposition that it satisfied Rule 33(d) when responding to HCCP's interrogatories. As HCCP explained in its moving papers, Rule 33(d) requires that Lenovo specify the responsive documents. Lenovo did not do so in plain violation of the Rule. And simply asserting that the answer to each interrogatory may be found somewhere in Lenovo's document production puts HCCP in no better position than if Lenovo had not responded to the interrogatories at all.

The Board has identified a number of prerequisites that must be in place before a party can invoke Rule 33(d):

First, the availability of Rule 33(d)'s "business records" option is limited to situations in which requiring a party served with interrogatories to provide a traditional written answer to those interrogatories *would impose a significant burden on the responding party, a burden which is above and beyond the normal burden involved in providing written responses to interrogatories.* That is, the rule is not made applicable merely by the fact that the responding party would be required to review or refer to its records in order to provide a written answer to the interrogatory. Rather, *Rule 33(d) contemplates situations in which the responding party shows that it would have to undertake "burdensome and expensive research" into its own business records in order to provide a written answer to the interrogatory.*

Jain v. Ramparts, Inc., 49 U.S.P.Q. 2d 1429, 1435 (T.T.A.B. 1998) (emphasis added). Lenovo has not satisfied this burden or provided any evidence to support it. Rule 33(d) therefore cannot be properly invoked.

"The second general principle applicable to Rule 33(d) is that a party who responds to interrogatories by invoking Rule 33(d)'s option to produce business records **has the duty to specify, by category and location, the records** from which answers to the interrogatories can be derived." *Id.* (emphasis added) (quotations omitted). "A party which responds to an interrogatory 'by directing the interrogating party **to a mass of business records or by offering to make all of their records available**, justifying the response by the option provided by this subdivision,' **is abusing the option provided by Rule 33(d).**" *Id.* (quoting Advisory Committee Notes (1980)) (emphasis added). Lenovo has not specified the location of these documents with respect to each interrogatory and instead asserts that the answers to all of the interrogatories exist in documents somewhere in its production, which it admits consists of over 10,000 documents and 9 gigabytes of data.

"The third prerequisite to the applicability of Rule 33(d) is that the burden of compiling the information from the responding party's business records must be substantially the same for the interrogating party and the responding party. Several factors may be considered and balanced in making this determination, including the nature of the responding party's business records and the parties' respective costs of conducting the necessary research into those business records. **The responding party's greater familiarity with its own business records may, in appropriate cases, be the determinative factor in this analysis.**" *Id.* (emphasis added). Although Lenovo's knowledge of its own records causes this factor to favor HCCP, the Board need not even consider this factor because "the determination and weighing of the parties' respective burdens is only necessary and appropriate if the responding party already has established that it would be unduly burdensome for it to provide written answers to the interrogatories, and if its responses to the interrogatories have specified **in sufficient detail** the business records from which the answers to the interrogatories can be ascertained." *Id.*

(emphasis added). As discussed above, Lenovo has not met its burden on the first two factors.

To the contrary, Lenovo asserts that it "has produced over 10,000 documents from which the answers to the Interrogatories may easily be determined." [D.I. 65 at 2.] There is nothing "easy" about combing through 10,000 documents comprising what Lenovo asserts is *9 gigabytes* of data to search for the answers to each of HCCP's interrogatories. Lenovo has violated the order by not responding to HCCP's interrogatories. This cannot be disputed.

B. Lenovo's Arguments Regarding Its Document Production Are Unavailing

Lenovo asserts that it has already served all responsive documents. Lenovo has not, however, served any additional documents since HCCP filed its motion to compel. Thus if Lenovo's assertion were true, it should have raised this argument in response to the motion to compel rather than opposing the motion. To oppose the motion to compel, have an order to produce documents issued, and then to assert after the compliance deadline set forth in the order has passed that Lenovo never had any additional documents to begin with is suspicious at the least and constitutes bad faith at the worst.

Lenovo has not complied with the Board's order, and sanctions are therefore warranted.

V. LENOVO CONTINUES TO DELAY AND MAKE PROMISES IT DOES NOT INTEND TO KEEP

The parties are engaged in two parallel proceedings (Opposition Nos. 91200138 and 9120014), and their counsel recently engaged in the required discovery conferences for those proceedings. During the conference, Lenovo's counsel promised that a global settlement offer for those proceedings and for this one was forthcoming. Almost two weeks have since passed, and consistent with Lenovo's behavior over the last year, no proposal has been received. It appears that Lenovo is engaging in the same tactics in the other proceedings as it engaged in during this proceeding – namely, using the promise of settlement negotiations to delay prosecution of the case.

Moreover, HCCP's counsel filed a change of correspondence address on December 2, 2011. [D.I. 58.] Notwithstanding this fact, Lenovo served its opposition to HCCP's motion for

sanctions on HCCP at the old correspondence address, significantly delaying delivery at the new address and decreasing the time that HCCP had to prepare its reply.³

Although neither of these facts is directly germane to Lenovo's violation of the discovery order, they both demonstrate a continuing pattern of bad faith, which the Board should consider when issuing sanctions.

VI. LENOVO HAS NOT ARGUED AGAINST THE SEVERITY OF THE SANCTIONS REQUESTED BY HCCP

Lenovo dedicates its entire opposition to the argument that sanctions are not warranted. Lenovo does not, however, argue that the requested sanctions, if imposed, are too severe. Because Lenovo has essentially conceded the point, if the Board grants HCCP's motion, it should order the sanctions requested therein.

VII. CONCLUSION

Lenovo's arguments that sanctions should not be imposed are unavailing, and HCCP therefore requests that the Board grant its motion and impose sanctions.

Respectfully submitted,

CHRISTIE, PARKER & HALE, LLP

Date September 21, 2012

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3. There was a delay in the Board processing the change of correspondence address in its official records, causing HCCP to recently file another copy of the document. This does not, however, change the fact that Lenovo received a copy of the document and should have updated its service information.

CERTIFICATE OF TRANSMISSION AND SERVICE

I certify that on September 21, 2012, the foregoing **APPLICANT'S REPLY IN SUPPORT OF ITS MOTION FOR SANCTIONS FOR FAILURE TO PRODUCE DOCUMENTS OR RESPOND TO INTERROGATORIES IN VIOLATION OF THE BOARD'S SEPTEMBER 30, 2011 ORDER** is being electronically filed with:

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

It is further certified that on September 21, 2012, the foregoing **APPLICANT'S REPLY IN SUPPORT OF ITS MOTION FOR SANCTIONS FOR FAILURE TO PRODUCE DOCUMENTS OR RESPOND TO INTERROGATORIES IN VIOLATION OF THE BOARD'S SEPTEMBER 30, 2011 ORDER** is being served by mailing a copy thereof by first-class mail addressed to:

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