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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 MOTION FOR TERMINATING SANCTIONS FOR FAILURE TO  
PRODUCE DOCUMENTS OR RESPOND TO INTERROGATORIES IN VIOLATION  
OF THE BOARD'S SEPTEMBER 30, 2011 AND APRIL 30, 2013 ORDERS**

## MEMORANDUM OF POINTS AND AUTHORITIES

### **I. INTRODUCTION**

Lenovo has defied the Board's April 30, 2013 and September 30, 2011 orders compelling discovery by inexplicably failing to produce the ordered discovery. The Board previously warned Lenovo that failure to comply with its orders would result in sanctions, potentially including the entry of judgment in HCCP's favor. Because Lenovo has not even attempted to comply with the Board's order, the Board should award terminating sanctions and enter judgment in HCCP's favor.

### **II. PROCEDURAL POSTURE AND STATEMENT OF FACTS**

On September 23, 2011, HCCP filed a motion to compel discovery seeking responses to its interrogatories and the production of all documents relied upon in responding to those interrogatories. [*See generally* D.I. 55<sup>1,2</sup>.] The Board, in its discretion, held a telephonic hearing on September 30, 2011 to resolve the issues presented in the motion, and the Board issued an order memorializing its rulings that same day. [D.I. 57 at pp. 1-2.] The Board made the following rulings:

1. HCCP's interrogatories were timely served. [D.I. 57 at p. 4.]
2. HCCP was required to respond to Interrogatory Nos. 1-2, 4-47, 50-54, and 56-57. [D.I. 57 at p. 6.]
3. Lenovo was required to produce responsive, non-privileged documents "requested to be identified in, or actually identified by Lenovo, in responding to" HCCP's Interrogatory Nos. 1-2, 4-47, 50-54, and 56-57. [D.I. 57 at p. 6.]
4. Lenovo was not required to respond to Interrogatory Nos. 3, 48, 49, and 55. [D.I.

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1. All references to "D.I." refer to the Docket Index number for this proceeding.
  2. Unless otherwise specified, references to exhibits in connection with D.I. 55 and 63 refer to the exhibits attached to the Declarations of Steven E. Lauridsen filed in connection with those papers and which appear under those Docket Indices.

57 at pp. 4-6.]

5. Proceedings were suspended to allow for settlement negotiations based on Lenovo's representation that the parties were engaged in serious settlement talks. [See D.I. 57 at p. 7.]

6. Lenovo must provide a privilege log for all documents for which it claims privilege. [D.I. 57 at p. 8.]

7. Lenovo would have thirty days from resumption to comply with the Board's order compelling discovery. [D.I. 57 at p. 7.]

The Board also explained that, "in the event Lenovo fails to provide H. Co. Computer with full and complete responses to the outstanding discovery, as required by the instant order, Lenovo will be barred from relying upon or later producing documents or facts at trial withheld from such discovery. See Fed. R. Civ. P. 37(c)(1)." [D.I. 57 at p. 8.] Proceedings were subsequently suspended to allow for settlement discussions.

After proceedings resumed, Lenovo refused to comply with the Board's order compelling discovery. Instead, Lenovo served papers on HCCP wherein it repeated its already overruled argument that HCCP's interrogatories were untimely and provided a single sentence response to the 53 interrogatories to which the Board ordered it to respond: "Opposer directs Applicant to the corresponding Requests for Production and Documents produced therewith." [D.I. 63 at Ex. A.] In response to Request for Production No. 1 as to Interrogatory Nos. 3, 48-49, and 55, Lenovo simply states, "Please see the above Answers to Interrogatories." [D.I. 63 at Ex. A.] Lenovo did not even address documents with respect to the remaining interrogatories.

On August 27, 2012, HCCP filed a motion seeking sanctions under Trademark Rule 2.120(g)(1) for Lenovo's failure to comply with the Board's order. [D.I. 63.] In its opposing papers, Lenovo raised the same arguments it did in its opposition to the motion to compel – namely, that the underlying interrogatories at issue were untimely served. [D.I. 68 at 3-4.] The Board overruled the untimeliness objections and warned Lenovo that it would entertain no

further argument on the matter. [*Id.* at 7.]

Ruling that Lenovo's discovery responses "indicate[] a clear disregard for the requirements of the September 30, 2011 order[,]" the Board stated that it was "convinced that Lenovo has deliberately sought to evade and frustrate H.Co's attempts to secure discovery" and that such conduct "tries [the Board's] patience and has delayed this proceeding unnecessarily." [D.I. 68 at 9.]

Notwithstanding the egregious nature of Lenovo's conduct, the Board granted Lenovo leniency because the September 30, 2011 order contained an analytical error, even though its ultimate conclusion was correct. [*Id.* at 9.] The Board thus ordered Lenovo to do the following by May 30, 2013:

- (1) serve upon H. Co. full and complete responses to H. Co.'s Interrogatory Request Nos. 1-2, 4-47, 50-54, 56-57;
- (2) respond to document request no. 1 by (a) serving upon H. Co. all responsive, non-privileged documents that were requested to be identified in, or were actually identified in Lenovo's responses to H. Co.'s interrogatory nos. 1-2; 4-47; 50-54; and 56-57 that have not yet been produced, indicating the interrogatory to which each newly produced document is responsive; and (b) producing an index which specifies, by Bates number, the documents already produced that are responsive to each interrogatory at issue; and
- (3) serve upon H. Co. a privilege log to the extent that Lenovo claims privilege to any of H. Co.'s discovery requests, if it has not yet done so.

[*Id.* at 10.]

The Board further ruled that the burden of complying with its second order would be on Lenovo and that Lenovo would not be permitted any extensions of time for compliance without first obtaining and filing with the Board HCCP's written consent. Finally, the Board warned Lenovo that if it failed to comply fully with the April 30, 2013 order, judgment may be entered

against it upon motion by HCCP. [*Id.*]

The May 30, 2013 deadline to serve the Board-ordered discovery has long since passed, and HCCP has received nothing from Lenovo. [Declaration of Gary J. Nelson ¶ 2.] HCCP therefore requests that the Board enter judgment against Lenovo as a sanction.

### **III. TERMINATING SANCTIONS ARE WARRANTED**

"If a party fails to comply with an order of the Trademark Trial and Appeal Board relating to discovery . . . the Board may make any appropriate order, including any of the orders provided in Rule 37(b)(2) of the Federal Rules of Civil Procedure . . ." 37 C.F.R. § 1.120(g)(1). The Federal Rules of Civil Procedure provide for the following sanctions after a party fails to comply with a discovery order:

- (i) directing that the matters embraced in the order or other designated facts be taken as established for purposes of the action, as the prevailing party claims;
- (ii) prohibiting the disobedient party from supporting or opposing designated claims or defenses, or from introducing designated matters in evidence;
- (iii) striking pleadings in whole or in part;
- (iv) staying further proceedings until the order is obeyed;
- (v) dismissing the action or proceeding in whole or in part;
- (vi) rendering a default judgment against the disobedient party; or
- (vii) treating as contempt of court the failure to obey any order except an order to submit to a physical or mental examination.

Fed. R. Civ. P. 37(b)(2).

It is undisputed that Lenovo did not comply with the Board's first order to respond to discovery and produce documents. [D.I. 68 at 9.] And, even after the Board graciously allowed Lenovo a second chance and again ordered it to respond to this discovery and to produce documents, Lenovo did nothing. It therefore cannot be disputed that Lenovo violated the Board's

second discovery order.

"The law is clear that if a party fails to comply with an order of the Board relating to discovery, including an order compelling discovery, the Board may order appropriate sanctions as defined in Trademark Rule 2.120(g)(1) and Fed. R. Civ. P. 37(b)(2), including entry of judgment." See *MHW Ltd. V. Simex Aussenhandelsgesellschaft Savelsberg KG*, 59 U.S.P.Q. 2d 1477 (T.T.A.B. 2000); *Baron Philippe de Rothschild S.A. v Stylrite Optical Mfg. Co.*, 55 U.S.P.Q. 2d 1848, 1854 (T.T.A.B. 2000) ("Default judgment is a harsh remedy, but it is justified where no less drastic remedy would be effective, and there is a strong showing of willful evasion."). Lenovo violated the Board's first order compelling discovery, choosing instead to re-assert objections that the Board has already overruled. Now, Lenovo has defied a second Board order compelling the same discovery. This conduct is sufficiently egregious so as to warrant terminating sanctions.

**A. Lesser Sanctions Will Not Relieve HCCP's Prejudice**

Lesser sanctions will not relieve HCCP of the prejudice caused by Lenovo's willful failure to comply with its discovery obligations. After several years and two Board orders, Lenovo has failed to provide the ordered discovery. Even if Lenovo were to now comply with the Board's orders, HCCP has no reason to believe that the purported compliance would be complete given Lenovo's two willful violations of the Board's prior orders.

Moreover, an order of sanctions simply preventing Lenovo from introducing documents that it has not produced will not sufficiently punish Lenovo. Lenovo produced some documents earlier in this proceeding, before the Board ordered it to comply further with its discovery obligations. Presumably, Lenovo considers these documents favorable to its case. HCCP's interrogatories and the corresponding request for production were targeted to putting Lenovo to its proof and to rooting out evidence that is not favorable to Lenovo's case. Excusing Lenovo from producing this evidence and preventing Lenovo from relying on it only hurts HCCP. Harsher sanctions are therefore necessary to relieve HCCP of the prejudice Lenovo has caused.

**B. Lenovo's Conduct Has Been Willful And Dilatory**

"Default judgment is a harsh remedy, but it is justified where no less drastic remedy would be effective, and there is a strong showing of willful evasion." *Baron Philippe de Rothschild S.A. v. Styl-Rite Optical Mfg. Co.*, 55 U.S.P.Q. 2d 1848, 1854 (T.T.A.B. 2000) (citing *Unicut Corp. v. Unicut, Inc.*, 222 U.S.P.Q. 341, 344 (T.T.A.B. 1984)) (entering judgment against one whose pattern of dilatory conduct indicated willful disregard of Board order). "While dismissal or default as a sanction is harsh, it is proper where there is a strong showing of willful evasion of discovery." J. McCarthy, *McCarthy on Trademarks and Unfair Competition*, § 20.113 (4th ed. 2012).

Lenovo's willfulness in evading its discovery obligations and in defying the Board is clearly demonstrated. First, in response to the Board's September 30, 2011 order, Lenovo served "Answers and Objections" merely repeat arguments that the Board already considered and rejected. HCCP moved for sanctions, and the Board in its April 30, 2013 order generously allowed Lenovo another chance to comply with the 2011 order. Lenovo did not even try to comply with the second order and instead simply blew it off, despite the fact that the Board explicitly warned Lenovo that failure to comply could result in judgment against it.

The Board should not countenance such behavior and should award terminating sanctions against Lenovo.

**IV. SUSPENSION OF FURTHER PROCEEDINGS NOT GERMANE TO THIS MOTION; CONTINUANCE OF ALL DATES**

Lenovo's failure to comply with the Board's orders compelling discovery has prejudiced HCCP's ability to prepare for trial. HCCP therefore requests that the Board suspend proceedings pending disposition of this motion. If the Board awards sanctions other than terminating sanctions, HCCP also requests that the Board continue all deadlines by at least thirty days after ruling on this motion so as to allow HCCP adequate time to prepare for trial in light of the

Board's ruling.<sup>3</sup>

V. CONCLUSION

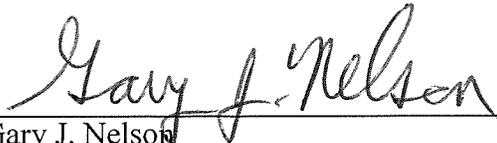
Twice now Lenovo has openly defied the Board's order compelling the same discovery. This conduct is unacceptable, and terminating sanctions are therefore warranted.

Respectfully submitted,

CHRISTIE, PARKER & HALE, LLP

Date June 19, 2013

By



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Steven E. Lauridsen  
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SEL PAS1240783.1\*-06/19/13 2:04 PM

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3. Prior to the May 30, 2013 deadline to comply with the Board's April 30, 2013 order, HCCP filed a consent motion to align the testimony and briefing schedules in this proceeding with those in two other proceedings in which the parties are involved. [D.I. 69-70.] The Board has not yet ruled on this motion, and the need for such an extension may be mooted if the Board suspends these proceedings. If proceedings resume prior to the dates set forth in the consent motions, HCCP requests that the Board adopt those proposed dates if it is reasonable at that time to do so.

TRADEMARK  
Docket No. 110.2\*2/H644  
Opposition No. 91176065

**CERTIFICATE OF TRANSMISSION AND SERVICE**

I certify that on June 19, 2013, the foregoing **APPLICANT'S MOTION FOR TERMINATING SANCTIONS FOR FAILURE TO PRODUCE DOCUMENTS OR RESPOND TO INTERROGATORIES IN VIOLATION OF THE BOARD'S SEPTEMBER 30, 2011 AND APRIL 30, 2013 ORDERS** is being electronically filed with:

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

It is further certified that on June 19, 2013, the foregoing **APPLICANT'S MOTION FOR TERMINATING SANCTIONS FOR FAILURE TO PRODUCE DOCUMENTS OR RESPOND TO INTERROGATORIES IN VIOLATION OF THE BOARD'S SEPTEMBER 30, 2011 AND APRIL 30, 2013 ORDERS** is being served by mailing a copy thereof by first-class mail addressed to:

Stanley D. Ference III  
FERENCE & ASSOCIATES  
409 Broad Street  
Pittsburgh, PA 15143  
(412) 741-8400 (telephone)  
(412) 741-9292 (facsimile)  
uspto@ferencelaw.com

Attorneys for Opposer

By: \_\_\_\_\_



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Opposer,

v.

H. Co. Computer Products

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AND RELATED COUNTERCLAIM

**DECLARATION OF GARY J. NELSON IN SUPPORT OF APPLICANT'S MOTION  
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RESPOND TO INTERROGATORIES IN VIOLATION OF THE BOARD'S  
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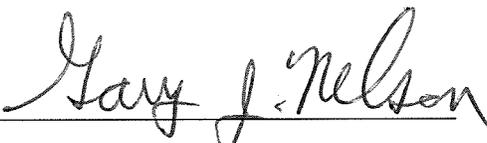
I, Gary J. Nelson, declare:

1. I am a partner at Christie, Parker & Hale, LLP, attorneys of record for Applicant and Counterclaimant H. Co. Computer Products. I make this declaration of my personal knowledge, and if called as a witness, could testify competently to each of the following facts.

2. My firm has received no discovery from Lenovo in response to the Board's April 30, 2013 order.

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

Executed this 19th day of June, 2013 in Glendale, California.

  
\_\_\_\_\_  
GARY J. NELSON

SEL PAS1241917.1-\*-06/19/13 2:01 PM

**CERTIFICATE OF TRANSMISSION AND SERVICE**

I certify that on June 19, 2013, the foregoing **DECLARATION OF GARY J. NELSON IN SUPPORT OF APPLICANT'S MOTION FOR TERMINATING SANCTIONS FOR FAILURE TO PRODUCE DOCUMENTS OR RESPOND TO INTERROGATORIES IN VIOLATION OF THE BOARD'S SEPTEMBER 30, 2011 AND APRIL 30, 2013 ORDERS** is being electronically filed with:

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