

UNITED STATES PATENT AND TRADEMARK OFFICE
Trademark Trial and Appeal Board
P.O. Box 1451
Alexandria, VA 22313-1451

Faint

Mailed: September 6, 2012

Opposition No. 91188736

Anastasia Beverly Hills,
Inc., Anastasia Soare, and
Anastasia Skin Care Inc.

v.

Anastasia Marie Laboratories,
Inc.

**Before Mermelstein, Lykos and Wellington,
Administrative Trademark Judges.**

By the Board:

This case is before the Board on applicant/counterclaim petitioner's ("AML") combined motion for discovery sanctions in the form of dismissal of the opposition with prejudice under Trademark Rule 2.120(g)(1), or pursuant to the Board's inherent authority to enter sanctions filed March 30, 2012. As grounds for the motion, AML argues that applicant/counterclaim respondent ("ABH") has failed to comply with the Board's January 3, 2012, order granting in part AML's motion to compel. On April 19, 2012, ABH responded and cross-moved for sanctions against AML for "abuse of process." AML filed its reply brief May 1, 2012.

Board's January 3, 2012, Order

In its order of January 3, 2012, the Board granted in part AML's motion to compel responses to its Document Request Nos. 9

and 10, to the extent that ABH was ordered to produce the following within 30 days of the Board's order, if ABH has such documents:

1. electronic QuickBooks file of sales records for the years 2000-2004;
2. records to show annual sales by item, in round numbers, for the years 2005-2010; and
3. annual sales for the years 2000-2010 from rendering salon services.

The motion to compel was otherwise denied as to Document Request Nos. 9 and 10, as well as Document Request Nos. 3 and 23 and Interrogatory Nos. 10 and 11.¹

AML's motion for sanctions and ABH's Cross-Motion for Sanctions

As grounds for its motion, AML argues that the records produced by ABH in response to the Board's order were "of the same type of documents which were produced before" and described previously by ABH's counsel as "documents which show shipments from the warehouse."² AML argues that these documents do not appear to show annual sales by item of ABH-branded products for the years 2005-2010, which ABH's counsel alleged were available from the computerized sales records

¹ Counsel for ABH was also cautioned that if there exist responsive documents which have not been produced, and ABH submits them at trial, AML may seek to preclude ABH from relying on the information or documents which should have been produced, but were not. Bd.'s Order Granting Mot. to Compel in Part 4-5 (Jan. 3, 2012).

² AML's motion includes extensive arguments regarding its fraud claims. The Board has previously denied the parties' cross-motions for summary judgment on the fraud issue, noting that there remained genuine issues of material fact which precluded the grant of either motion for summary judgment. Bd.'s Order Denying Cross-Mot. Summ. J. 14 (Jun. 30, 2012). We have not considered AML's fraud arguments in the context of this motion, as they are not relevant to the discovery dispute.

using Fishbowl inventory software. When AML's counsel inquired regarding this sales information, ABH's counsel responded that he had conveyed the request to his client, "and expected to have an answer for you before the end of this week,"³ but no further response was provided. Thus AML argues, ABH has neither produced the documents ordered, nor responded to AML's request for an explanation.

In response, ABH argues that the Board's prior order recognized that ABH may not have documents showing annual sales by item sold under the ABH marks, and that AML's motion "disingenuously ignores the fact that ABH produced 629 pages of documents and electronic records on two discs all pursuant to the Board's Order," to the extent it had such documents in its possession. Specifically, ABH states it has fully complied with the Board's order and provided "QuickBooks details for Sales by Items from 2000-2004, the gross sales Fishbowl report for 2005-2010, a units sold spreadsheet for 2005-2010, and salon services documents for 2000-2010." ABH argues that AML objected in its email to the "nature of the documents produced"

³ Counsel for AML asked, "[I]n connection with the Board's order to produce 'records to show annual sales by item [for ABH-branded products], in round numbers, for the years 2005-2010,' we have received the same type of documents which were produced before and which were described by ABH's counsel as documents which show shipments from the warehouse of ABH-branded products. Doesn't ABH have documents which show the annual sales by item of ABH-branded products for the years 2005-2010? ABH's counsel stated that from 2005 to the present ABH has kept detailed computerized records of its sales using Fishbowl software." Email from Brewster Taylor, Esq., to Alan Litovsky, Esq. (Feb. 8, 2012) in Exhibit E.

and seeks instead "annual sales by item for the ABH-branded products." ABH argues that it had previously informed AML about the lack of detailed records it normally retained.⁴ Further, ABH contends the motion is "baseless," is "legally unsupported," and was filed solely to delay these proceedings by inducing suspension just prior to the opening of trial. ABH argues the Board should appropriately sanction AML for its "abuse of this process."

In reply, AML argues that the documents produced for 2005-2010 are "almost entirely duplicates" of what had been previously provided, that ABH has not stated it does not have the documents for 2005-2010 that AML requested, nor does ABH argue that the documents produced provide that information. AML argues the documents produced by ABH for 2000-2004 were "simply duplicates" of documents that had already been produced, but concedes these documents are not the subject of the motion for sanctions. AML argues ABH has produced only records of all products sold, and it is "impossible" for AML to discern which products are those ABH sold for others, and which are ABH-branded products.

Decision

Sanctions may be appropriate if a party fails to comply with an order of the Board relating to discovery. Trademark

⁴ Neither party has provided copies of the disputed documents or reports, so we are left to determine the adequacy of ABH's production solely from the parties' arguments.

Rule 2.120(g)(1). After considering the parties' arguments and papers with regard to the motion for discovery sanctions, and the record of this case, the Board does not find ABH has sought to evade its discovery obligations or willfully failed to comply with an order of the Board compelling discovery.

Document production requests before the Board are governed by Fed. R. Civ. P. 34(a), which provides in part that:

(i) A party must produce documents as they are kept in the usual course of business or must organize and label them to correspond to the categories in the request;

(ii) If a request does not specify a form for producing electronically stored information, a party must produce it in a form or forms in which it is ordinarily maintained or in a reasonably usable form or forms; and

(iii) A party need not produce the same electronically stored information in more than one form.

Fed. R. Civ. P. 34(b)(2)(E)(i)-(iii).

ABH claims, and AML has "accepted" that ABH cannot generate further records for 2000-2004, beyond what has been produced. (Reply Br. at 7). ABH states it has produced records to show annual sales by item, in round numbers, for the years 2005-2010; and annual sales for the years 2000-2010 from rendering salon services.

ABH maintains that it has produced the records it has kept in its normal course of business as to annual sales by

item for the years 2005-2010. While a party may not mislead its adversary, a responding party is also not under an obligation to create or prepare documents that do not already exist. 8B C. Wright, A. Miller, M. Kane & R. Marcus, *Federal Practice And Procedure Civil 3d* § 2210 (Westlaw update 2012) ("A document or thing is not in the possession, custody, or control of a party if it does not exist. Production cannot be required of a document no longer in existence nor of one yet to be prepared."). The declarations of ABH's employees Raluca Carp and Constantin Stan explain in detail how ABH maintained its sales records, and ABH represents that the documents and electronic information produced corresponds to how the information was kept in the normal course of its business.

AML does not claim that ABH has failed to respond to discovery requests, but rather AML appears to be requesting sanctions because it does not believe the data is "detailed" enough.

We construe ABH's responses as representations that it has fully complied with the document requests in question, to the extent such documents or electronic records are in ABH's possession. If ABH has additional responsive records, and has not disclosed them, ABH may, upon appropriate objection, be barred from using such records at trial. Fed.

R. Civ. P. 37(c)(1); *see also*, TBMP Section 527.01(e).

AML's motion for sanctions is accordingly DENIED.

AML also relies on *Carrini Inc. v. Carla Carini S.R.L.*, 57 USPQ2d 1067 (TTAB 2000) to argue that ABH has engaged in a "continuing pattern" of false declarations, evasion, resistance to discovery and fraud, and asks the Board to invoke its inherent authority to enter sanctions. ABH responds that it has complied with the Board's discovery order, and it has timely responded to all of AML's discovery requests.

In *Carrini*, counsel for both parties repeatedly violated Board orders, and the Board entered sanctions against both parties. We find that ABH's conduct does not in any way rise to the level of willful evasion of Board authority present in the *Carrini* case, and therefore decline to enter sanctions on this alternate basis.

As to ABH's cross-motion for sanctions, we cannot say on this record that AML's motion practice was conducted in bad faith or was so egregious as to warrant sanctions. If AML reasonably believed in good faith that ABH's discovery responses were deficient, it was entitled to test their sufficiency. *See Time Warner Entertainment Co. v. Jones*, 65 USPQ2d 1650, 1656 (TTAB 2002) (noting party dissatisfied with discovery responses, who never filed motion to compel

further responses will not be heard to complain at trial that discovery responses were inadequate).

Accordingly, the motion and cross-motion for sanctions are denied.

Reset Dates

Proceedings are resumed. Discovery is closed. Dates are reset as follows:

Plaintiff's Pretrial Disclosures Due:	September 20, 2012
30-day testimony period for plaintiff's testimony in the opposition to close:	November 4, 2012
Defendant/Counterclaim plaintiff's pretrial disclosures due:	November 19, 2012
30-day testimony period for defendant in the opposition and as plaintiff in the counterclaim to close:	January 3, 2013
Counterclaim defendant's disclosures and its rebuttal disclosures as plaintiff in the opposition due:	January 18, 2013
30-day testimony period for defendant in the counterclaim and its rebuttal testimony as plaintiff in the opposition to close:	March 4, 2013
Counterclaim plaintiff's rebuttal disclosures due:	March 19, 2013
15-day rebuttal period for plaintiff in the counterclaim to close:	April 18, 2013
Brief for plaintiff in the opposition due:	June 17, 2013
Brief for defendant in the opposition and as plaintiff in the counterclaim due:	July 17, 2013
Brief for defendant in the counterclaim and its reply brief, if any, as plaintiff in the opposition due:	August 16, 2013
Reply brief, if any, for plaintiff in the counterclaim due:	August 31, 2013

In each instance, a copy of the transcript of testimony, together with copies of documentary exhibits, must be served on the adverse party within thirty days after completion of the taking of testimony. Trademark Rule 2.125.

Briefs shall be filed in accordance with Trademark Rules 2.128(a) and (b). An oral hearing will be set only upon request filed as provided by Trademark Rule 2.129.
