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

Proceeding	91205331
Party	Defendant Kerry Earnhardt, Inc.
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Date	01/08/2014
Attachments	Applicant's Reply Brief in support of motion for discovery sanctions and to compel discovery dated 1-8-14.pdf(380733 bytes)

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

TERESA H. EARNHARDT,

Opposer,

v.

KERRY EARNHARDT, INC.,

Applicant.

Opposition No.: 91205331 (parent)

Application Serial No. 85/383,910

Trademark: EARNHARDT COLLECTION
(Intl. Class 20)

TERESA H. EARNHARDT,

Opposer,

v.

KERRY EARNHARDT, INC.,

Applicant.

Opposition No.: 91205338

Application Serial No. 85/391,456

Service Mark: EARNHARDT COLLECTION
(Intl. Class 37)

**APPLICANT'S REPLY IN SUPPORT OF ITS MOTION TO DISMISS AS A
SANCTION FOR OPPOSER'S FAILURE TO APPEAR AT HER DEPOSITION
AND ALTERNATIVE SECOND MOTION TO COMPEL**

Applicant, Kerry Earnhardt, Inc., ("KEI") submits this reply in support of its Motion to Dismiss as a Discovery Sanction for Opposer's Failure to Attend Her Deposition and Alternative Section Motion to Compel (the "Motion for Sanctions").

ARGUMENT

Opposer, Teresa H. Earnhardt, ("Ms. Earnhardt") does not offer any explanation for her refusal to attend her properly-noticed deposition, nor does she argue that dismissal is an inappropriate sanction given her repeated refusals to comply with her discovery obligations. Instead, she asserts only that imposing sanctions would be "procedurally premature" because, as her counsel reads the rules, the Board must first issue an order compelling her to attend her

deposition and can only then issue sanctions if she once again refuses to comply. That assertion, however, is wrong. KEI's Motion for Sanctions is procedurally proper and therefore should be granted as substantively unopposed.

Rule 2.120(g) of the Trademark Rules of Procedure (the "Trademark Rules") is divided into two subsections, each of which establishes **independent** grounds for the imposition of discovery sanctions. First, subsection (g)(1) authorizes the Board to impose sanctions if a party fails to comply with an order of the Board regarding discovery—such as an order compelling discovery under Rule 2.120(e)—or fails to participate in a discovery conference. In full, that subsection reads:

(1) If a party fails to participate in the required discovery conference, or if a party fails to comply with an order of the Trademark Trial and Appeal Board relating to disclosure or discovery, including a protective order, the Board may make any appropriate order, including those provided in Rule 37(b)(2) of the Federal Rules of Civil Procedure, except that the Board will not hold any person in contempt or award expenses to any party. The Board may impose against a party any of the sanctions provided in Rule 37(b)(2) in the event that said party or any attorney, agent, or designated witness of that party fails to comply with a protective order made pursuant to Rule 26(c) of the Federal Rules of Civil Procedure. A motion for sanctions against a party for its failure to participate in the required discovery conference must be filed prior to the deadline for any party to make initial disclosures.

37 C.F.R. § 2.120(g)(1)(emphasis added).

Trademark Rule 2.120 also authorizes the Board to impose sanctions immediately, without first having to issue an order to compel, if a party affirmatively states that she will not respond to discovery or attend her deposition. Subsection (g)(2) thus provides in full:

(2) If a party fails to make required initial disclosures or expert testimony disclosure, and such party or the party's attorney or other authorized representative informs the party or parties entitled to receive disclosures that required disclosures will not be made, the Board may make any appropriate order, as specified in paragraph

(g)(1) of this section. If a party, or an officer, director, or managing agent of a party, or a person designated under Rule 30(b)(6) or 31(a) of the Federal Rules of Civil Procedure to testify on behalf of a party, fails to attend the party's or person's discovery deposition, after being served with proper notice, or fails to provide any response to a set of interrogatories or to a set of requests for production of documents and things, and such party or the party's attorney or other authorized representative informs the party seeking discovery that no response will be made thereto, the Board may make any appropriate order, as specified in paragraph (g)(1) of this section.

37 C.F.R. § 2.120(g)(2) (emphasis added). That is, subsection (g)(2) provides an independent basis for sanctions where a party (i) fails to attend her deposition and (ii) informs the party seeking discovery that she will not do so. The rule thus recognizes that if a party expressly states that she will not comply with the discovery rules, as opposed to merely submitting a deficient response, there is no need to issue an order to compel before imposing sanctions. That is the case here, and thus it is under this provision—subsection (g)(2)—that KEI brings its Motion for Sanctions.

Both the Trademark Trial and Board Manual of Procedure (“TBMP”) and the decisions Ms. Earnhardt cites in her response recognize the distinction between subsections (g)(1) and (g)(2) and hold that each serves as an independent basis for the issuance of sanctions. The TBMP explains the relationship between the two subsections as follows:

The motion for sanctions under 37 C.F.R. § 2.120(g)(2) is available for discovery depositions, interrogatories, and requests for production of documents and things, and lies where the responding party (1) has failed to respond, and (2) has informed the party seeking discovery that no response will be made . . . Parties should not file a motion for sanctions under 37 C.F.R. § 2.120(g)(2) where the Board has previously entered an order compelling discovery or disclosures. The appropriate remedy is rather a motion for sanctions pursuant to 37 C.F.R. § 2.120(g)(1).

TBMP § 527.01(b) (entitled, “If Party Says It Will Not Respond to Discovery Request or Make Required Disclosures”).

The cases Ms. Earnhardt cites in her response recognize this same distinction. In *Kairos Institute to Sound Healing LLC v. Doolittle Gardens LLC*, 88 U.S.P.Q.2d 1541 (TTAB 2008), the Board explained the difference between subsections (g)(1) and (g)(2) in the context of a party’s failure to make initial disclosures as follows:

[S]anctions under Trademark Rule 2.120(g)(1), with respect to initial disclosures, may be ordered only where party’s failure to make disclosures follows an order of the Board affirming or reiterating the party’s obligation to make such disclosures. **In contrast, the sanctions provided for under Trademark Rule 2.120(g)(2) may be ordered even in the absence of a prior Board order affirming or reiterating the party’s obligations to make disclosures, but require that the party bearing the obligation affirmatively state that disclosures will not be forthcoming.**

Id. at 1543 (emphasis added). Thus, *Kairos* contradicts rather than supports Ms. Earnhardt’s position. The remaining cases she cites—*Nobelle.com LLC v. Quest Communications International Inc.*, 66 U.S.P.Q.2d 1300 (TTAB 2003) and *Amazon Technologies, Inc. v. Jeffrey S. Wax*, 93 U.S.P.Q.2d 1702 (TTAB 2009)—concern motions brought under subsection (g)(1), not subsection (g)(2), and are thus inapposite.

In sum, the Trademark Rules do not require the Board to first issue an order compelling Ms. Earnhardt to attend her previously-noticed deposition before imposing sanctions under Trademark Rule 2.120(g)(2) for her refusal to do so.

In this case, Opposer has expressly refused to attend her deposition in a manner that mirrors the grounds for sanctions under Trademark Rule 2.120(g)(2). As set forth in KEI’s Motion for Sanctions, KEI properly served Opposer with a Notice of Deposition, scheduling her deposition December 5, 2013. Despite that notice, and her obligation under the Trademark Rules

to attend her deposition, Opposer's counsel sent an e-mail on November 26, 2013, informing KEI that, **"We are unable to obtain an agreement from our client to appear for her deposition on December 5, and, at this time, we have no information as to alternative dates on which Ms. Earnhardt can be available for her deposition."** (See E-mail from Larry C. Jones to D. Blaine Sanders, dated November 26, 2013, attached as **Exhibit B** to KEI's Motion for Sanctions (emphasis added)). Ms. Earnhardt's refusal followed numerous, unsuccessful attempts by KEI to schedule her deposition through agreement of the parties. (See Motion for Sanctions, ¶¶ 3(a)-(d)).¹

Ms. Earnhardt, having brought this action, has an obligation to comply with her discovery obligations under the Trademark Rules. Her refusal to do so thwarts KEI's legitimate efforts to obtain the discovery necessary to defend against her claims and constitutes an abuse of the TTAB's process. Accordingly, KEI submits that its Motion for Sanctions should be granted, and Ms. Earnhardt's oppositions should be dismissed with prejudice.

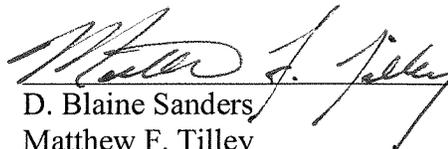
CONCLUSION

For the reasons stated above, as well as those in KEI's Motion for Sanctions, KEI requests that the Board grant its Motion for Sanctions and dismiss Ms. Earnhardt's oppositions with prejudice.

[Signatures Appear on Following Page]

¹ On January 2, 2014, Ms. Earnhardt's counsel sent an email stating that Ms. Earnhardt could appear for her deposition on January 7, *i.e.*, giving KEI two business days' notice on the first day back after the holidays. KEI's counsel responded the next day, expressing that while January 7 would not work, January 8, 15, 16, 17 and many other days would. Ms. Earnhardt has not been heard from since. Ms. Earnhardt's illusory offer to appear is tantamount to a further refusal to participate in the proceeding that she initiated. Counsels' email exchange is attached as **Exhibit H**.

This 8th day of January, 2014.



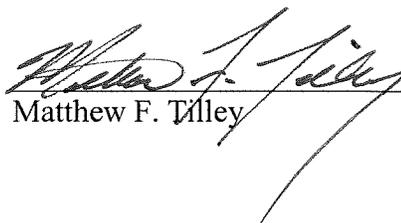
D. Blaine Sanders
Matthew F. Tilley
ROBINSON, BRADSHAW & HINSON, P.A.
101 North Tryon Street, Suite 1900
Charlotte, North Carolina 28246-1900
Telephone: (704) 377-2536
Facsimile: (704) 373-4000
E-mail: bsanders@rbh.com; mtalley@rbh.com
Attorneys for Kerry Earnhardt, Inc.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing has been served upon the party listed below by depositing same in the United States mail, postage prepaid, in an envelope(s) addressed as follows:

Larry C. Jones
Carla Clements
Alston & Bird LLP
101 S. Tryon Street, Suite 4000
Charlotte, North Carolina 28280-4000

This 8th day of January, 2014.


Matthew F. Tilley



Sanders, Blaine

From: Sanders, Blaine
Sent: Friday, January 03, 2014 9:05 AM
To: 'Jones, Larry'
Cc: Tilley, Matthew; Clements, Carla
Subject: RE: Deposition of Teresa Earnhardt; Earnhardt v. KEI

Larry,

Thank you for your continued efforts and Happy New Year. I can't do January 7. I could do January 8, 15, 16 or 17. The next week I could do it any day but MLK Day. Frankly, if Ms. Earnhardt would give me more than two business days' notice, I could do it almost anytime convenient to her.

Please let me know if any of the above dates work or if Ms. Earnhardt is willing to provide other dates. Thanks again.

Blaine

From: Jones, Larry [<mailto:Larry.Jones@alston.com>]
Sent: Thursday, January 02, 2014 7:54 AM
To: Sanders, Blaine
Cc: Tilley, Matthew; Clements, Carla
Subject: Deposition of Teresa Earnhardt; Earnhardt v. KEI

Blaine:

In response to my inquiries, I am informed that Ms. Earnhardt is available to appear for her deposition next Tuesday, January 7.

Does that date work for you?

If not, I will continue my efforts to obtain from Ms. Earnhardt a list of several dates for your consideration.

Larry C. Jones

Alston & Bird LLP
101 S. Tryon Street, Suite 4000
Charlotte, NC 28280-4000
Direct Phone: (704) 444-1019
Direct Fax: (704) 444-1759
Email: Larry.Jones@Alston.com

From: Jones, Larry
Sent: Tuesday, November 26, 2013 1:36 PM
To: 'Sanders, Blaine'
Cc: Clements, Carla (Carla.Clements@alston.com); Tilley, Matthew
Subject: Deposition Notice; Earnhardt v. KEI

Blaine:

In response to your attached letter of November 12 and your notice of the December 5 deposition, we are unable to obtain an agreement from our client to appear for her deposition on December 5, and, at this time, we have no information as to alternative dates on which Ms. Earnhardt can be available for her deposition.

If I am provided such information, I will forward it to you promptly.

Larry C. Jones

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Direct Phone: (704) 444-1019
Direct Fax: (704) 444-1759
Email: Larry.Jones@Alston.com

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