UNITED STATES PATENT AND TRADEMARK OFFICE
Trademark Trial and Appeal Board
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Alexandria, VA 22313-1451
General Contact Number: 571-272-8500

Mailed: August 13, 2015

Opposition No. 91222215

Lumite, Inc.

v.

Nicolon Corporation

George C. Pologeorgis,
Interlocutory Attorney:

Pursuant to Fed. R. Civ. P. 26(f) and Trademark Rules 2.120(g)(1) and (2), the parties to this case conducted a discovery conference with Board participation.[1]

The parties agreed to hold the telephonic discovery conference with Board participation at 2:00 p.m. EDT on Thursday, August 13, 2015. The conference was held as scheduled among Lauren W. Brenner and Brad Groff, as counsel for Opposer, Stacy Stewart and Jeffrey Arnold, as counsel for Applicant, and George C. Pologeorgis, as a Board attorney responsible for resolving interlocutory disputes in this case.

This order memorializes what transpired during the conference.

[1] Applicant requested Board participation in the parties' discovery conference via ESTTA on July 30, 2015.

Opposer's Pending Motion

Initially, the Board addressed Opposer's motion for judgment on the pleadings filed on August 12, 2015 and prior to the discovery conference. With regard to Opposer's motion, the Board noted that Opposer relied upon matters outside the pleadings in support of its motion. As such, the Board construed Opposer's motion as one for summary judgment. *See* TBMP § 504.03.

Except for assertions of claim or issue preclusion or lack of jurisdiction by the Board, a motion for summary judgment may not be filed until the moving party has made its initial disclosures. Trademark Rule 2.127(e)(1). As noted above, Opposer filed its construed motion for summary judgment on August 12, 2015, a date prior to the deadline for initial disclosures as set forth in the Board's June 3, 2015, institution order. The motion fails to allege that Opposer made its required initial disclosures prior to the filing of the motion. *See Compagnie Gervais Danone v. Precision Formulations, LLC*, 89 USPQ2d 1251, 155 fn. 7 (TTAB 2009). In fact, during the telephone conference, Opposer's counsel confirmed that Opposer has yet to serve its initial disclosures on Applicant's counsel. In view thereof, the Board deemed Opposer's construed motion for summary judgment procedurally premature and noted that it would be given no further consideration.

Settlement and Related Cases

During the discovery conference, the parties advised that there have been no substantive discussions regarding settlement prior to the telephone conference, but the parties are willing to explore settlement. The parties further advised that there

are no related Board proceedings, except for Opposition Nos. 91222214 and 91222223, or federal district court actions concerning issues related to this case.

Board's Jurisdiction

The Board is an administrative tribunal that is empowered solely to determine the right to register and which has no authority to determine the right to use a mark or any infringement or unfair competition issues and no injunctive authority. *See* TBMP § 102.01. A Board *inter partes* proceeding, such as this case, is similar to a civil action in a Federal district court. There are pleadings, a wide range of possible motions, discovery (a party's use of discovery depositions, interrogatories, document requests, and requests for admission to ascertain the facts underlying its adversary's case), a trial, and briefs, followed by a decision on the case. As the plaintiff, Opposer has the burden of establishing its claims at trial by a preponderance of the evidence. *See ProQuest Information and Learning Co. v. Island*, 83 USPQ2d 1351 (TTAB 2007); *Genesco Inc. v. Martz,* 66 USPQ2d 1260 (TTAB 2003).

Pleadings

The Board then reviewed the pleadings in this matter. The Board found that Opposer has adequately pleaded its standing. *See, e.g., Lipton Industries, Inc. v. Ralston Purina Co.*, 670 F.2d 1024, 213 USPQ 185 (CCPA 1982); TBMP § 309.03(b). The Board also noted that Opposer has asserted the following three grounds for opposition: (1) Applicant's mark is functional under Section 2(e)(5) of the Trademark Act; (2) Applicant's mark has not acquired distinctiveness under Section

2(e) of the Trademark Act; and (3) fraud.[2] The Board also found that Opposer has sufficiently pleaded its grounds for opposition.

The Board then reviewed Applicant's answer to Opposer's notice of opposition and found that Applicant has denied the salient allegations regarding Opposer's asserted claims. Additionally, the Board noted that Applicant has asserted six affirmative defenses.

With regard to Applicant's Affirmative Defense Nos. 1 and 3, Applicant alleges that Opposer has failed to state a claim for which relief can be granted and that Opposer's pleading fails to state a short and plain statement of grounds for opposition and, therefore, does not provide Applicant with proper notice of the actual asserted grounds for opposition. As already noted herein, Opposer has adequately pleaded its standing and its asserted grounds for opposition. Accordingly, Applicant's Affirmative Defense Nos. 1 and 3 are hereby *sua sponte* **stricken**. *See* TBMP § 506.01.

Applicant's Affirmative Defense Nos. 2, 4, and 5 set forth allegations which appear to go to the merits of the case. The defendant in a Board proceeding should not argue the merits of the allegations in a complaint but rather should state, as to each of the allegations contained in the complaint, that the allegation is either admitted or denied. *See* Trademark Rule 2.106(b)(1); TBMP § 311.02.

[2] Although Opposer captioned its fraud claim as a claim of inequitable conduct, the claim is technically a fraud claim based on the ground that Applicant, at the time it filed the declaration supporting its involved application, knew that its subject mark was functional, but nevertheless filed the application knowing it did not have proprietary rights in the mark. Opposer's counsel confirmed this construction of Opposer's fraud claim during the telephone conference.

Notwithstanding the foregoing, inasmuch as Applicant's allegations give Opposer a more complete notice of its position, the Board treats Applicant's allegations as amplifications of its denials and sees now harm in allowing Applicant's Affirmative Defense Nos. 2, 4, and 5 to remain as part of Applicant's answer. *See Order of Sons of Italy in America v. Profumi Fratelli Nostra AG*, 36 USPQ2d 1221, 1223 (TTAB 1995); *Harsco Corp. v. Electrical Sciences, Inc.*, 9 USPQ2d 1570 (TTAB 1988).

Finally, Applicant's Affirmative Defense No. 6 reserves the right to raise additional defenses at a later date. The Board noted that this is not an affirmative defense inasmuch as it attempts to "reserve its right to amend its answer to the 'Notice of Opposition' and its affirmative defenses, assert such additional affirmative defenses as it deems appropriate and such counterclaims as may be permitted that may now exist or in the future…." This merely paraphrases Fed. R. Civ. P. 15, does not include any affirmative defense and thus, Applicant's Affirmative Defense No. 6 is hereby *sua sponte* **stricken** by the Board. *See* Fed. R. Civ. P. 12(f); TBMP § 506.01.

Board's Standard Protective Order

The Board then advised the parties of the automatic imposition of the Board's standard protective order in this case and further indicated that the parties would control which tier of confidentiality applies. Additionally, the Board stated that if the parties wished to modify the Board's standard protective order, they could do so by filing a motion for Board approval.

Further, under the Board's standard protective order, once a proceeding before the Board has been finally determined, the Board has no further jurisdiction over the parties thereto. According to the terms of the Board's protective order, within thirty days following termination of a proceeding, the parties and their attorneys must return to each disclosing party the protected information disclosed during the proceeding, including any briefs, memoranda, summaries, and the like, which discuss or in any way refer to such information. Alternatively, the disclosing party or its attorney may make a written request that such materials be destroyed rather than returned.

It is not necessary for the parties to sign copies of the Board's protective order for it to take effect, although it may be desirable to do so.

It is unclear, however, whether the Board can order parties to enter into a contract that will govern the protection of information after the Board proceeding is concluded. *See* Miscellaneous Changes to Trademark Trial and Appeal Board Rules, 72 Fed. Reg. 42242, 42251 (August 1, 2007). Thus, it may be advisable for both the parties and their attorneys to sign a stipulated protective order, so that it is clear that they are all bound thereby; that they have created a contract which will survive the proceeding; and that there may be a remedy at court for any breach of that contract which occurs after the conclusion of the Board proceeding. Nonetheless, any determination of whether the agreement establishes contractual rights or is enforceable outside of the Board proceeding is for a court to decide should such matter come before it. *Id.*

Discovery and Motion Practice

The Board then noted that the exchange of discovery requests could not occur until the parties made their initial disclosures as required by Fed. R. Civ. P. 26(f). The parties are limited to seventy-five interrogatories, including subparts. *See* Trademark Rule 2.120(d)(1); TBMP Section 405.03. There is no rule limiting the number of document requests or requests for admission that a party may serve, but the parties are reminded that each party "has a duty to make a good faith effort to seek only such discovery as is proper and relevant to the issues in the case." TBMP Section 408.01.

Additionally, the Board advised the parties that if either party plans to file a motion to compel discovery, the moving party must first contact the Board by telephone (with the adverse party on the line) so that the Board can ascertain whether the moving party has demonstrated a good faith effort in resolving the discovery dispute before filing its motion.[3] The Board also noted that a motion for summary judgment may not be filed until initial disclosures were made by the parties, except for a motion asserting issue or claim preclusion or lack of jurisdiction by the Board.

The Board also provided the parties instruction as to what the required initial disclosures entail under Fed. R. Civ. P. 26(a). In such disclosures, the parties should provide to each other

[3] The Board expects parties and/or their attorneys to cooperate with one another in the discovery process and looks with disfavor on those who do not so cooperate. *See* TBMP Section 408.01.

> the name and, if known, the address and telephone number of each individual likely to have discoverable information — along with the subjects of that information — that the disclosing party may use to support its claims or defenses, unless the use would be solely for impeachment [and] a copy — or a description by category and location — of all documents, electronically stored information, and tangible things that the disclosing party has in its possession, custody, or control and may use to support its claims or defenses, unless the use would be solely for impeachment.

Fed. R. Civ. P. 26(a)(1)(A)(i) and (ii). The parties **should not** file their respective initial disclosures with the Board.

The Board also noted that, to the extent either party retains an expert witness, such party must make their expert witness disclosure by the set deadline, as well as provide the Board with notification that the party will be employing an expert. Depending upon when such notification is made with the Board, the Board, in its discretion, may suspend proceedings for the sole purpose of allowing the parties to take discovery of a designated expert witness.

Pretrial Disclosures

Pretrial disclosures are governed by Fed. R. Civ. P. 26(a)(3) with one exception: the Board does not require pretrial disclosure of each document or other exhibit that a party plans to introduce at trial as provided by Fed. R. Civ. P. 26(a)(3)(A)(iii). Disclosures allow parties to know prior to trial the identity of trial witnesses, thus avoiding surprise witnesses.

In making its pretrial disclosures, the party must disclose the name and, if not previously provided, the telephone number and address of each witness from whom

it intends to take testimony, or may take testimony if the need arises. The party must disclose general identifying information about the witness, such as relationship to any party, including job title if employed by a party, or, if neither a party nor related to a party, occupation and job title, a general summary or list of subjects on which the witness is expected to testify, and a general summary or list of the types of documents and things which may be introduced as exhibits during the testimony of the witness.

Pretrial disclosure of a witness under 37 CFR § 2.121(e), however, does not substitute for issuance of a proper notice of examination under 37 CFR § 2.123(c) or 37 CFR § 2.124(b). Further, if a party does not plan to take testimony from any witnesses, it must so state in its pretrial disclosure. For further information regarding pretrial disclosures, the parties should consult TBMP § 702.01.

Testimony

The Board does not preside at the taking of testimony. Rather, all testimony is taken out of the presence of the Board during the assigned testimony, or trial, periods, and the written transcripts thereof, together with any exhibits thereto, are then filed with the Board. No paper, document, or exhibit will be considered as evidence in the case unless it has been introduced in evidence in accordance with the applicable rules.[4]

[4] The parties are advised that, if a document obtained from the Internet identifies its date of publication or date that it was accessed and printed, and its source (e.g., the URL), it may be admitted into evidence by way of a notice of reliance in the same manner as a printed publication in general circulation in accordance with Trademark Rule 2.122(e). *See Safer Inc. v. OMS Investments Inc.*, 94 USPQ2d 1031 (TTAB 2010).

Service of Papers

The parties declined to stipulate to accept service of papers by e-mail. Accordingly, service of all papers in this matter should be made by first-class mail or overnight courier, however, the parties are required to serve courtesy email copies of their respective filings, including written discovery.

Filing of Papers

The Board recommended that the parties file papers via the Board's electronic filing system, i.e., ESTTA. The parties should not file consented motions to extend time prior to the deadline for initial disclosures by employing the "consented motion forms" in ESSTA. Instead, the parties should use the "general filing forms" option.

Accelerated Case Resolution

The Board advised the parties of the Board's accelerated case resolution ("ACR") process. While the parties did not stipulate to pursue ACR at this time, the parties may reserve the right to pursue ACR at a future date, by stipulation only, if appropriate.[5]

Trial Schedule

Discovery is now open. Trial dates remain as set forth in the Board's June 3, 2015, institution order.

[5] Information concerning the Board's Accelerated Case Resolution (ACR) procedure is available online at the Board's website. See http://www.uspto.gov/trademarks/process/appeal/index.jsp

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.l29.

The Board would like to thank the counsel for their professional decorum during the discovery conference.