

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

MBA

Mailed: October 3, 2007

Cancellation No. 92046037

Bryan Corporation

v.

Novatech SA

Michael B. Adlin, Interlocutory Attorney:

This case now comes up for consideration of respondent's motion to compel responses to its first and second set of requests for production, filed March 5, 2007, and petitioner's motion to compel discovery responses, filed March 7, 2007. Each party opposes the other's motion to compel.¹

Background

The parties' motions to compel each require us to consider certain regulations and actions of the U.S. Food

¹ Respondent's request for a telephone conference was only made at the very end of its motion. The request is denied as the parties' motions to compel in this case are not appropriate for a telephone conference, and in any event have been fully briefed. The parties are directed to the Board's notice regarding telephone conferences, available on its Web site: <http://www.uspto.gov/web/offices/com/sol/og/2000/week25/pattele.htm>.

and Drug Administration ("FDA"), and the impact, if any, of those regulations and actions on discovery in this proceeding. Therefore, it is necessary to briefly consider the FDA-related allegations at issue in this proceeding.

In its petition for cancellation, petitioner alleges that respondent's registration of the mark STERITALC for certain pharmaceutical products should be cancelled because it was procured by fraud. According to petitioner, respondent declared in its intent to use application for registration of STERITALC that it "believed it was entitled to use the mark in commerce," but, according to petitioner, respondent "did not then and still has not obtained [the allegedly required] approval from [the FDA] to distribute its product in commerce or to use the name STERITALC." Petitioner further alleges that respondent's mark STERITALC is likely to be confused with petitioner's mark STERILE TALC POWDER, that petitioner has priority of use and that petitioner would be damaged by the continued registration of respondent's mark. While respondent denies the salient allegations in the petition for cancellation, its motion to compel also alleges that FDA regulations and actions are relevant to this proceeding.

Respondent's Motion to Compel

In its motion to compel, respondent makes several relatively specific claims about the alleged deficiencies in

petitioner's discovery responses. First, respondent claims that "[p]etitioner argues throughout its Petition for Cancellation that it is the sole holder of common law trademark rights to the term STERILE TALC POWDER based on the [FDA] approval of a drug with such a name," but "[p]etitioner has failed to produce, among other things, all documents and things dealing with the FDA approval of its two New Drug Applications ("NDA") for sterile talc powder products." Next, respondent asserts that petitioner should produce "documents evidencing the business relationship and the joint venture pursued by Petitioner and Registrant," as well as "information regarding the use of the term STERILE TALC POWDER within [petitioner's] SCLEROSOL" NDA. Finally, respondent claims that petitioner should produce documents relating to the FDA's "label detail requirements," and documents "showing the generic name of Petitioner's SCLEROSOL product."

Respondent also makes an unexplained, general claim that "Petitioner has not produced all documents responsive to [Document Request Nos.] 3, 25, 30, 33, 35 and 37" in respondent's First Set of Requests for Production. These requests for production seek documents relating to petitioner's adoption and use of STERILE TALC POWDER, the "language or word origin" of the mark, actual confusion between the parties' marks and "any inquiry investigation,

or survey" conducted by petitioner relating to this proceeding.

In its opposition to the motion to compel, petitioner claims that the requests for documents relating to the NDAs for STERILE TALC POWDER and SCLEROSOL are "overly broad," unduly burdensome, irrelevant and not likely to lead to the discovery of relevant admissible information. Specifically, petitioner disputes respondent's assertion that the petition for cancellation is based on the FDA's approval of petitioner's products. Rather, petitioner argues, the petition for cancellation is based on fraud and likelihood of confusion between STERILE TALC POWDER and STERITALC. Petitioner's claim of common law rights in STERILE TALC POWDER is based on use of the mark in commerce, not FDA approval, and "FDA approval is only a necessary prerequisite to use in commerce, not use in commerce *per se*." Petitioner also claims that the mark SCLEROSOL "is not relevant" to this proceeding. Finally, petitioner argues that it has produced all documents in its possession, or that it has no responsive, non-privileged documents, related to the adoption and use of STERILE TALC POWDER, "the FDA's approval of the STERILE TALC POWDER mark," actual confusion, the parties' prior business relationship or any "inquiry, investigation or survey" concerning this proceeding.

In its reply, respondent argues that whether or not the petition for cancellation is "based on" FDA approval of STERILE TALC POWDER, "it is undeniable that Petitioner has claimed 'superior common law right to use of the STERILE TALC POWDER,' and that such a right was allegedly received only after FDA approval of the STERILE TALC POWDER NDA." Respondent also claims that SCLEROSOL is relevant to this proceeding because, as illustrated by the FDA's Web site, "the generic name for [SCLEROSOL] is 'sterile talc powder,'" and "evidence showing 'sterile talc powder' is the generic name of Petitioner's SCLEROSOL drug is quite relevant in determining whether Petitioner holds an alleged common law interest."

Petitioner's Motion to Compel

In its motion to compel, petitioner argues that respondent has failed to produce information and documents, which, petitioner alleges, are relevant to petitioner's fraud claim. Specifically, petitioner alleges that respondent failed to adequately respond to discovery requests concerning the FDA approval process for respondent's drug sold under the mark STERITALC.

According to petitioner, "only *lawful* use in commerce is recognized by the PTO as a basis for granting trademark rights," and "for the use of a drug such as STERITALC to be lawful it must comply with the Federal Food, Drug and

Cosmetic Act ("FDCA")." Therefore, petitioner alleges, respondent "improperly failed to produce" documents and information relating to the FDA's denial of respondent's request to market and sell STERITALC (First Set of Interrogatories, No. 4 and First Set of Document Requests, No. 1). Petitioner also alleges that given respondent's assertion that it distributed STERITALC under an Investigational New Drug Application ("IND") procedure in 1996, respondent failed to adequately respond to discovery requests "regarding the details of any STERITALC clinical investigation, treatment IND, or treatment protocol" (Third Set of Document Requests Nos. 1, 5-7, and Third Set of Interrogatories Nos. 1, 3). Petitioner claims that respondent failed to produce information or documents "regarding sale of STERITALC" in the U.S. or regarding respondent's "use of the STERITALC mark and label in U.S. commerce" (Second Set of Interrogatories Nos. 2, 4, Third Set of Document Requests Nos. 2-4, 8, 10 and 11, Third Set of Interrogatories Nos. 2, 4, 5, 9, 11). Finally, petitioner argues that respondent improperly objected to its interrogatory concerning respondent's stated belief in its trademark application that it is entitled to use STERITALC (Second Set of Interrogatories No. 5).

In response to petitioner's motion, respondent argues that "[t]he FDA denial of Registrant's NDA [in 1997] is not

at issue in this case since the STERITALC mark was filed under 66(A) on a bona fide intent-to-use basis" in 2004. Respondent also argues that petitioner's requests for information and documents concerning the 1996 IND procedure constitute a "fishing expedition" for material which "could only be relevant for use in a forum other than this" Board proceeding. Finally, respondent alleges that its answer to the petition for cancellation and responses to petitioner's interrogatories adequately answer petitioner's Second Set of Interrogatories No. 5, which concerns respondent's stated belief in its trademark application that it is entitled to use STERITALC.

In reply, petitioner argues that information related to respondent's NDA and the IND procedure for STERITALC is reasonably calculated to lead to the discovery of admissible evidence, because even though respondent's application for registration was based on an intent to use the mark, respondent represented to the Office that "it had the 'right to use' STERITALC in commerce." According to petitioner, respondent's "understanding of FDA rules is indisputably relevant to whether [respondent] knew, at the time it declared otherwise, that it did not have the right to use STERITALC in commerce." Petitioner also alleges that respondent has not adequately responded to petitioner's Second Set of Interrogatories No. 5.

Decision

Because each party argues that the FDA's approval, or lack of approval, of the parties' marks and pharmaceutical products is relevant, we must first consider the impact of FDA decisions on Board proceedings. The issue has been addressed before. See, General Mills Inc. v. Health Valley Foods, 24 USPQ2d 1270 (TTAB 1992); Kellogg Co. v. New Generation Foods, Inc., 6 USPQ2d 2045 (TTAB 1988); Clorox Co. v. Armour-Dial, Inc., 214 USPQ 850 (TTAB 1982); Santinine Societa v. P.A.B. Produits, 209 USPQ 958 (TTAB 1981).

As a preliminary matter, as petitioner points out in its motion to compel, "for the use of a drug such as STERITALC to be lawful it must comply with the Federal Food, Drug, and Cosmetic Act ("FDCA")."

It has been the consistent position of this Board and the policy of the Patent and Trademark Office that a "use in commerce" means a "lawful use in commerce," and the shipment of goods in violation of federal statute, including the [FDCA], may not be recognized as the basis for establishing trademark rights.

Clorox Co., 214 USPQ at 851. Therefore, evidence that either party offered its product in violation of the FDCA could be relevant to the allegations and defenses in this proceeding.

However, "[t]he PTO and FDA reviews [of pharmaceutical trademarks] serve two fundamentally different purposes." J.

Thomas McCarthy, Trademarks and Unfair Competition § 19:150 (4th ed. 2007). Furthermore, because the Board has "little or no familiarity" with the FDCA or other federal regulatory acts over which it does not have jurisdiction, "there is a serious question as to the advisability of our attempting to adjudicate whether a party's use in commerce is in compliance with the particular regulatory act or acts which may be applicable thereto." Santinine, 209 USPQ at 964.

Accordingly,

the better practice in trying to determine whether use of a mark is lawful under one or more of the myriad regulatory acts is to hold a use in commerce unlawful only when the issue of compliance has previously been determined (with a finding of noncompliance) by a court or government agency having competent jurisdiction under the statute involved, or where there has been a per se violation of a statute regulating the sale of a party's goods.

General Mills, 24 USPQ2d at 1273.

In this case, we note that neither party has submitted evidence of a previous determination of noncompliance by the FDA with respect to use of either party's mark. Nor has either party submitted evidence of a per se violation of the FDCA or other regulatory statute or rule. Therefore, we cannot on the record before us compel responses to discovery requests concerning FDA regulations or actions, given that this is a proceeding concerning only whether the STERITALC trademark registration should be cancelled.

Turning first to respondent's motion to compel, and pursuant to the discussion above, we **DENY** respondent's motion to compel petitioner to produce additional information or documents regarding FDA review, approval or communications concerning: (1) NDAs for sterile talc powder products; (2) STERILE TALC POWDER; (3) SCLEROSOL; and/or (4) "label detail requirements." Our denial encompasses respondent's request that petitioner be compelled to produce "documents showing the generic name of Petitioner's SCLEROSOL product."

Furthermore, with respect to respondent's First Request for Production Nos. 3, 25, 30 and 37, petitioner "submits that it possesses no additional documents responsive" to these requests, and accordingly respondent's motion to compel additional information or documents concerning the parties' prior agreements or relationship, petitioner's adoption and use of its mark, the word origin of petitioner's mark or actual confusion, is **DENIED**.²

Petitioner claims that it has no documents responsive to respondent's First Request for Production No. 33 which are not protected by the attorney work product doctrine.

² Of course, either party may seek to preclude the other from relying on information or documents which should have been produced in response to valid discovery requests, but were not, on this or any other topic. See, Presto Products v. Nice-Pak Products, 9 USPQ2d 1895, 1896 n. 5 (TTAB 1988).

Accordingly, respondent's motion to compel the production of documents responsive to this request is **DENIED**. However, the parties are required to serve on each other a proper privilege log pursuant to Fed. R. Civ. P. 26(b)(5) for any documents withheld based on the attorney-client privilege or attorney work product doctrine.

Finally, because the stipulated protective order filed with the Board on November 30, 2006 is now in effect, to the extent that petitioner withheld any documents based solely on its objection that the documents are proprietary or confidential, those documents must be produced in accordance with the protective order.

Turning next to petitioner's motion to compel, and pursuant to the discussion above, we **DENY** petitioner's request that respondent be compelled to produce documents or information related to: (1) any NDA; (2) any IND; (3) the FDA's approval or denial of respondent's request to market or sell STERITALC; and/or (4) any STERITALC clinical investigation or treatment protocol. This denial encompasses petitioner's request that respondent be compelled to reply more fully to petitioner's First Set of Document Requests No. 1, First Set of Interrogatories No. 4, Third Set of Document Requests Nos. 1, 2-4, 5-8, 10 and 11, and Third Set of Interrogatories Nos. 1-5, 9 and 11.

Petitioner's motion to compel a substantive response to its Second Set of Interrogatories Nos. 2 and 4 is **DENIED**, because sales made under, and specimens submitted in connection with, respondent's cancelled Registration No. 2116833 are not relevant to this proceeding, which involves only Registration No. 3093389.

Finally, petitioner's motion to compel a substantive response to its Second Set of Interrogatories No. 5 is **GRANTED**, and respondent's objection to the interrogatory as calling for a "legal conclusion" is **OVERRULED**. See, Johnston Pump/General Valve Inc. v. Chromalloy American Corp., 10 USPQ2d 1671, 1676 (TTAB 1989).

Conclusion

Respondent's motion to compel is **DENIED**. Petitioner's motion to compel is **GRANTED** with respect to its Second Set of Interrogatories No. 5, but otherwise **DENIED**. The parties are required to serve on each other proper privilege logs pursuant to Fed. R. Civ. P. 26(b)(5) for any documents withheld based on the attorney-client privilege or attorney work product doctrine. To the extent that either party withheld documents based solely on a confidentiality objection, those documents must be produced in accordance with the stipulated protective agreement in effect in this proceeding.

Proceedings herein are resumed, and trial dates are reset as follows³:

Discovery to Close:	CLOSED
30-day testimony period for party in position of plaintiff to close:	January 1, 2008
30-day testimony period for party in position of defendant to close:	March 1, 2008
15-day rebuttal testimony period to close:	April 15, 2008

³ Petitioner's motion to extend the testimony period, filed March 8, 2007, will not be further considered, inasmuch as we consider the filing of respondent's motion to compel on March 5, 2005 to have effectively tolled the running of this proceeding.