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

Proceeding	92048271
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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

In the Matter of Registration No. 1,698,407
Date of Issue: June 30, 1992

RHINO LININGS USA, INC., Petitioner,	)	
vs.	)	Cancellation No. 92048271
RAPID RACK INDUSTRIES, INC., Applicant.	)	

PETITIONER'S REPLY IN SUPPORT OF ITS SECOND MOTION FOR SANCTIONS

Petitioner Rhino Linings USA, Inc. ("Petitioner"), by and through the undersigned counsel, respectfully requests that the Board consider this Reply in Support of its Second Motion for Sanctions.

INTRODUCTION

Rapid Rack's Opposition to the Second Motion for Sanctions is no response at all. Indeed, the Opposition Brief admits the underlying facts of the violation at issue, namely that:

- Rapid Rack produced only one witness, whom it designated to testify on only **"twenty-three of the forty-five topics noticed by [Petitioner]."** (Rapid Rack's Opposition, Doc. No. 34, at p. 3).

- Rapid Rack did not intend to produce all of its designees on the day of the deposition; rather, Rapid Rack felt that it could **unilaterally decide to provide "witnesses at other times for other topics."** (*Id.* at p. 4)

- Rapid Rack's only designee had only **"minimal preparation for the Rule 30(b)(6) deposition."** (*Id.* at p. 7).

On these facts, sanctions are warranted. Rapid Rack does not provide any basis why its misconduct should go unpunished. Instead, it attempts to focus on arguments that provide no justification for Rapid Rack's willful refusal to appear and testify on all topics noticed on the day of the deposition. The Board should sanction Rapid Rack appropriately for its tacitly admitted discovery violations.

ARGUMENT

I. Rapid Rack's discussion of the propriety of panel depositions is both irrelevant and misleading, in that Rapid Rack did not produce enough witnesses for there to be a panel, and contrary to Rapid Rack's contrary assertions, the deposition transcript proves that Petitioner's counsel never insisted that there be a panel deposition.

Rapid Rack incorrectly contends that the Second Motion for Sanctions "is based upon [Petitioner's] misunderstanding that the Federal Rules of Civil procedure required Rapid Rack to produce a panel of witnesses" and erroneously states multiple times that Petitioner's counsel "insisted" that the Rule 30(b)(6) deposition required multiple designees to testify at the same time. There are three problems with Rapid Rack's argument.

First, Petitioner's Second Motion for Sanctions does not include any argument concerning panel depositions. Rapid Rack's Opposition Brief does not and cannot point to any such argument in Petitioners brief. Rapid Rack's argument is thus a mischaracterization.

Second, Rapid Rack's argument conflates two distinct issues. Whether Rapid Rack had to produce one or more designees to testify for all of the topics noticed on the day of the deposition is a completely different issue than the question of how to deal with multiple designees. Rapid Rack's argument that its failure to produce witnesses is excused by the manner in which such conjectural witnesses may have been questioned is a *non sequitur* argument that does not respond to any assertion made by Petitioner.

Third, Rapid Rack's statement that Petitioner's counsel "insisted" on a panel deposition is simply false. Rapid Rack has self-servingly presented a cut-and-pasted version of the transcript that intentionally excluded the following comments from Petitioner's counsel:

> MR. ORME: So I just want to make sure I'm clear on what you're stating. You're stating we should have multiple witnesses here at one time so you can ask different witnesses questions in any order you want; is that correct?
>
> MR. DOWDY: **Or do the witnesses sequentially. I can see how we can work it out the way you say.** If you wanted to show up with several witnesses today and say look we've got the following

> people on the following topics, then I could choose in what order I want to depose those witnesses. What's been done instead is I've been told we only want to testify today on certain topics and that's who we're bringing and the company isn't going to produce a witness with respect to the other ones, at least not today.
>
> MR. ORME: Now, Joe, that's inconsistent from what you've stated earlier where you said you've done this several times where you have multiple witnesses being deposed.
>
> MR. DOWDY: **I said you can do it either way, Patrick. You've done it neither way. . . . It does not matter which way we do it whether we do it one witness at a time all in one day or several witnesses all at once, both of which are perfectly lawful, but it doesn't matter which way you do it. You've done neither. . . .**

(Rapid Rack Dep., at p. 19:17-23:22 (emphasis added)).

Rapid Rack has introduced a "panel deposition" argument that Petitioner never made and which is factually untrue. This argument has no bearing on the question of whether Rapid Rack should be sanctioned for failing to provide designees necessary to testify for the company on all topics noticed in the deposition on the day of the deposition, and it is directly contradicted by the deposition transcript.

II. The suspension Order does not provide a basis for Rapid Rack avoiding sanctions where it failed to comply with the Order's mandate that Rapid Rack "appear for a discovery deposition which had been duly noticed prior to the filing and service of the [First Motion for Sanctions]."

Rapid Rack first asserts its belief that it should be immune from consequences for further discovery violations because of the September 15, 2008 suspension order. This assertion completely ignores that, in the same order, the Board instructed the parties as follows:

> This suspension order does **not** toll the time for either party to make any required disclosure, to respond to discovery requests which had been duly served prior to the filing and service of the motion to compel, or to appear for a discovery deposition which had been duly noticed prior to the filing and service of the motion to compel.

(Doc. No. 10 (emphasis in original)). Thus, under the Order, Rapid Rack had the obligation to appear and testify at its previously-noticed Rule 30(b)(6) deposition, and Petitioner had the corresponding obligation to notify the Board when Rapid Rack failed to comply with the Board's Order.

III. Rapid Rack violated Rule 30(b)(6) by producing an empty chair for half of the topics set forth in the Rule 30(b)(6) deposition notice, by failing to produce a properly prepared witness, and by failing to take action to correct its improprieties during the deposition.

Pursuant to Rule 30(b)(6) of the Federal Rules of Civil Procedure, Petitioner was entitled to notice the corporate deposition of Rapid Rack and to "describe with reasonable particularity the matters for examination." Rapid Rack was required to "designate one or more officers, directors, or managing agents, or designate other persons . . . [to] testify about information known or reasonably available to the organization." Petitioner complied with its obligation by listing forty-five topics in a Rule 30(b)(6) deposition notice served nineteen days prior to the originally-scheduled date of the deposition and twenty-three days prior to the date on which the deposition was held. In hopes of avoiding controversy, Rapid Rack enumerated the topics for examination in great detail, but in reality, all of the topics related to but a few core issues in this cancellation: (a) the factual basis, if any, for the declaration of use submitted by Rapid Rack in 2002; (b) Rapid Rack's use in commerce, if any, of the RHINO RACK Mark from 1998 to present; (c) Rapid Rack's use of the Mark in connection with products and advertising from 1998 to present; (d) Rapid Rack's use of its GORILLA RACK Mark; and (e) Rapid Rack's written discovery responses and document production. Rapid Rack's designee was not prepared to testify in detail on these core issues.

The authority cited by Rapid Rack identifies the duties with which Rapid Rack has failed to comply in this case:

> [A] party meets its Rule 30(b)(6) burden by (1) producing a deponent "knowledgeable on the subject matter identified as the area of inquiry;" (2) designating "more than one deponent if it would be necessary to do so in order to respond to the relevant areas of inquiry that are specified with reasonable particularity;" (3) preparing a designated witness to testify "on matters not only known by the deponent, but those that should be reasonably known by the designating party;" and (4) substituting "an appropriate deponent when it becomes apparent that the previous deponent is unable to respond to certain relevant areas of inquiry." The duty to testify "as to matters known or reasonably available" implicitly requires designated persons to review all matters known or reasonably available to them in preparation for a Rule 30(b)(6) deposition.

EEOC v. Boeing Co., 2007 U.S. Dist. LEXIS 29107, 3-4 (D. Ariz. Apr. 17, 2007) (citations omitted), *cited in* Rapid Rack's Response, at p. 6. Rapid Rack has failed on all four of its obligations.

(1) Rapid Rack failed to produce a deponent knowledgeable with respect to at least twenty-two of the forty-five topics in the deposition notice. Indeed, Rapid Rack candidly acknowledges that it only "provided [one] Rule 30(b)(6) witness . . . and designated him as knowledgeable and prepared to testify regarding [23] of the forty-five topics included in [the] notice of deposition." (Rapid Rack's Response, at. p. 6).

(2) Rapid Rack failed to designate more than one designee where it doing so was necessary to provide testimony on all topics. Rapid Rack claims that it "also offered up additional witnesses prepared to testify to the remaining topics." (*Id.* at pp. 6-7). This statement is patently untrue. During the deposition, Rapid Rack's counsel stated the following:

> MR. ORME: . . . If, . . ., it's only going to take you four hours, then we can *consider* getting someone else here to testify on other topics. So if you give me a time limit as to what -- how long you will be deposing Mr. Taylor, I'll be *happy to inquire* into having another deponent. . . .

(Rapid Rack Dep., at pp. 17:12-24 (emphasis added)). Mr. Orme later stated that, "[i]n no way is Rapid Rack representing they [sic] will not provide evidence or produce a deponent to those [remaining] topics," notwithstanding that Rapid Rack had not produced anyone for the remaining topics, had not provided the identity of any of the other alleged designees, and had not made an unequivocal statement that it would produce anyone else. (*Id.* at 24:4-11). Rapid Rack also seeks to rely on hearsay (making the same mischaracterization that there was an "offer" to produce additional designees) in its attorney's declaration that is wholly unsupported by any documentary evidence.

Rapid Rack's obligation was not to "consider" providing another designee or have its counsel be "happy to inquire" into getting another designee. Rapid Rack's obligation was to "designate one or more . . . persons [to] testify about information known or reasonably available to the organization." Fed R. Civ. P. 30(b)(6). Mr. Orme's alleged offer to produce additional designees was contingent on

his demand that Petitioner's counsel state how long the deposition would take. Of course, as is typical with most depositions, there is no way to determine in advance how long a deposition may take, since the time required is contingent on the depth of knowledge of the witness(es). Further, there is no support in the Rules of Civil Procedure for a corporate deponent to make its multiple designees available only after the noticing party promises a particular deadline for the deposition. Stated simply, Rapid Rack did not produce multiple designees when it had to—on the date of the deposition.

(3) Rapid Rack failed to prepare a designated witness to testify on matters not only known by the deponent, but those that should be reasonably known by Rapid Rack. In its Response, Rapid Rack contends that its sole designee was *per se* prepared on the limited topics for which he was designated because he had been employed by the company for nearly twenty years. Tellingly, however, the designee could not provide responsive answers to questions concerning multiple topics for which he had been designated. For example, Mr. Taylor was designated to testify regarding the following topics:

> 6. [Rapid Rack]'s use of [the] Mark from January 1, 1998 to present[;]
>
> 7. [Rapid Rack]'s use of [the] Mark in commerce from January 1, 1998 to present[; and]
>
> 9. The products in connection with which [Rapid Rack] uses or has used [the] Mark in commerce from January 1, 1998 to present.

However, he was able to provide only limited testimony, based on personal knowledge concerning use of the RHINO RACK Mark:

> Q. (BY MR. DOWDY): Did you use the Rhino Rack Mark in calendar year 1998.
>
> A. I'm not sure that that's the year I started. Oh, excuse me, '98?
>
> Q. Yes '98?
>
> A. As far as I know, yes.
>
> Q. What's the basis? You said as far as you know. What's the basis for that your answer yes?

A. Just some of what I actually found last night on the internet or excuse me on our computer system.

Q. What did you find on your computer system that led you to believe that?

A. RR-4805 sales history.

Q. So you believe you used it on RR-4805 in 1998?

A. I believe so.

Q. How do you know that it was used on RR-4805 in 1998?

A. Just from what I found on our computer system.

Q. What is that, sir? What did you find on your computer system?

A. Sales information.

Q. Does the sales information show the trademark?

. . . .

THE WITNESS: No.

(Rapid Rack Dep., at pp. 40:23-41:25). Such answers continued practically verbatim in response to questions for other years through 2006 (with the exception of 2004, 2005, and 2006, for Mr. Taylor testified that he had no knowledge of the Mark being used). (*Id.* at pp. 36:14 – 40:17; 55:1 – 55:16; 76:20 – 84:14). Further, when later discussing use of the Mark, Mr. Taylor testified that he had no "actual personal knowledge" of whether the RHINO RACK Mark was actually used or not. (*Id.* at pp.60:10-24). Thus, Mr. Taylor's self-confessed preparation time of "maybe an hour" obviously did not prepare him to provide all of the knowledge possessed by the company on the topics for which he was designated. (*Id.* at pp. 6:18 - 7:2; 20:9 – 23:1).[1]

[1] Surprisingly, Rapid Rack seeks the opportunity to rebut the testimony of its twenty-year employee, Mr. Taylor, with positions taken by new corporate management who joined the company in the last three years and who "lack[] knowledge regarding many of the discovery requests propounded by [Petitioner]." (Rapid Rack's Response to the First Motion for Sanctions, at. p. 4). For some reason, Rapid Rack's new management apparently insists that the company used the RHINO RACK Mark in commerce during the relevant time period, notwithstanding that Mr. Taylor's contrary testimony.

(4) Notwithstanding all of the foregoing problems, Rapid Rack failed to substitute an appropriate deponent when it became apparent that the previous deponent was unable to respond to certain relevant areas of inquiry. Rapid Rack does not even attempt to deny this basis for sanctions in its Response Brief.

IV. Rapid Rack completely ignores the fact that its corporate deposition was noticed for a single day, and Rapid Rack failed to provide appropriate designees to testify on the date agreed to by counsel for the parties.

"Upon notification of a deposition, the corporation has an obligation to investigate and identify and if necessary prepare a designee for each listed subject area and produce that designee **as noticed**." *Poole ex rel. Elliott v. Textron, Inc.*, 192 F.R.D. 494, 504 (D. Md., 2000) (emphasis added).

> When it appears that more than one individual should be designated to testify without duplication on the designated area(s) of inquiry, each such individual should be identified, a reasonable period of time before the date of the deposition, as a designated witness along with a description of the area(s) to which he or she will testify.

ABA Civil Discovery Standards § 19 (c), available at *www.abanet.org/litigation/discoverystandards* (Aug. 2004). Here, Rapid Rack did not observe either obligation.

The Rule 30(b)(6) deposition notice clearly stated that the deposition would take place on a specified date: September 22, 2008. By agreement of counsel, the date of the deposition was moved to September 26, 2008. Prior to that date, Rapid Rack never informed Petitioner's counsel that multiple designees would be necessary or that Rapid Rack believed that more than one day would be necessary for the deposition. In correspondence regarding the Rule 30(b)(6) deposition, Rapid Rack's counsel referred to "*the* deposition," and Rapid Rack's counsel did not ask to schedule several days for the deposition. Instead, on the day of the deposition, Rapid Rack ambushed Petitioner's counsel by failing to produce all of its designees in accordance with Rule 30(b)(6) and thereafter asserted for the first time that it would have been willing to make other designees available (notwithstanding that it did not actually do so when it had the opportunity).

The *EEOC v. Boeing Co.* case cited by Rapid Rack does not provide any support for its

conclusory contention that it "met its obligations." In that case, after several individual depositions of the defendant's employees were taken, the defendant decided to designate portions of those individuals' testimony in response to certain topics thereafter set forth in a Rule 30(b)(6) deposition notice, and to produce a live witness as a designee with respect to the remaining topics. Thus, at least one designee was produce for all topics in the notice. The plaintiff contended that the designee was required to testify regarding the prior testimony which had been designated in response to the Rule 30(b)(6) deposition notice. The District Court disagreed and instead ruled that the plaintiffs were required to re-open the depositions of the representatives who provided the designated testimony instead:

> when deposition testimony is designated as responsive to a noticed 30(b)(6) topic, the duty to testify to matters "known or reasonably available" regarding that topic correspondingly shifts to the representative whose deposition was designated. A representative produced as a live witness deponent for a discrete set of topics need not review or prepare to answer questions regarding matters outside of his area of expertise.

Boeing Co., 2007 U.S. Dist. LEXIS 29107 at *5.

Quite differently, in the present case, Rapid Rack chose to provide **no evidence at all** with respect to half of the topics set forth in deposition notice and chose to provide an unprepared witness with respect to most of the remaining topics. It thus refused to appear and testify at a Rule 30(b)(6) deposition that the Board ordered to go forward, and it should be sanctioned for this misconduct.

CONCLUSION

"In reality if a Rule 30(b)(6) witness is unable to give useful information he is no more present for the deposition than would be a deponent who physically appears for the deposition but sleeps through it." *Black Horse Lane Assn. v. Dow Chem. Corp.*, 228 F.3d 275, 304 (3d Cir. 2000). In the context of discovery depositions, the Board has recognized the impropriety of respondents "through [their] attorney . . .engaged[ing] in a series of dilatory tactics designed to frustrate petitioner's right of discovery." *Martin Beverage Co., Inc. v. Colita Beverage Corp.*, 169 U.S.P.Q. 568, 570-71 (T.T.A.B. 1971). Indeed, the Board has held that judgment is an appropriate sanction for such a

respondent which (1) filed competing litigation in hopes of avoiding a discovery deposition; (2) ignored a Board order requiring attendance at a previously-noticed deposition; and (3) ignored an agreement of the parties concerning deposition attendance. *Id.* That is the same misconduct by Rapid Rack that is before the Board on Petitioner's Second Motion for Sanctions. Rapid Rack filed a lawsuit in hopes that its deposition would be delayed and then willfully refused to appear and testify on all topics set forth in a Rule 30(b)(6) deposition notice on the agreed-to date for the deposition. Accordingly, the same sanction is appropriate: judgment. Rapid Rack's factually and legally unsupported arguments provide absolutely no basis for Rapid Rack to avoid sanctions for its numerous efforts to frustrate Petitioner's right to discovery.

Respectfully submitted, this 28th day of October, 2008.

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CERTIFICATE OF SERVICE

I hereby certify that on this day a true and correct copy of the foregoing document has been served this day by depositing a true copy thereof in a depository under the exclusive care and custody of the United States Postal Service in a first class postage prepaid envelope and properly addressed as follows:

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This, the 28th day of October, 2008.

NELSON MULLINS RILEY & SCARBOROUGH, L.L.P.

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