TTAB

TRADEMARK TRIAL AND

09-30-2002

U.S. Patent & TMOfc/TM Mail Rcpt Dt. #39

UNITED STATES PATENT AND TRADEMARK OFFICE

TRADEMARK TRIAL AND APPEAL BOARD

PRAIRIE ISLAND INDIAN COMMUNITY, Petitioner, v. TREASURE ISLAND CORPORATION, Registrant.	Opposition No. 115,866 and Cancellation Nos. 28,126; 28,127; 28,130; 28,133; 28,145; 28,155; 28,199; 28,248; 28,280; 28,294; 28,314; 28,319; 28,325; 28,342; 28,379

REGISTRANTS' MOTION TO COMPEL PRODUCTION OF DOCUMENTS, TO DEFINE SCOPE OF THE WAIVER OF THE ATTORNEY-CLIENT PRIVILEGE, AND TO EXTEND DISCOVERY

Registrant Treasure Island Corporation ("TIC") hereby moves the Board to: (1) define the scope of Petitioner Prairie Island Indian Community's ("Prairie Island") waiver of the attorney-client privilege, including clarifying Prairie Island's prior waiver of the privilege; (2) compel Prairie Island to produce documents within its possession, custody or control that have been improperly withheld from production based on the attorney-client privilege; and (3) extend the discovery deadlines, including the deadline for designating experts, until Prairie Island provides the requested discovery.

Prairie Island has the duty to produce documents in its possession, custody or control that are responsive to TIC's discovery requests or, alternatively, list the documents on a privilege log if any documents are withheld based on the attorney-client privilege and/or work product doctrine. Documents are considered within the possession, custody, or control of a party if the party has the right to obtain them. Documents within the possession of a party's current or former attorneys are considered within the possession, custody or control of the party. Through its attempts to obtain documents through

subpoena from Prairie Island's former trademark attorneys (Dorsey & Whitney and Merchant & Gould), TIC has learned that Prairie Island has for three years failed to either produce the documents or identify all of them on a privilege log. TIC now seeks an order compelling Prairie Island to produce these documents or list them on a privilege log. As set forth below, TIC believes that some of these documents are not, in fact, privileged, based on Prairie Island's voluntary waiver of the privilege on certain subjects as set forth in the Board's May 8, 2002, order. Moreover, Prairie Island has broadened the scope of its waiver of the attorney-client privilege by voluntarily disclosing communications with Prairie Island's attorneys with respect to what action to take regarding TIC and with respect to what services were or were not performed for Prairie Island by its trademark counsel. Accordingly, TIC requests that the Board define the scope of Prairie Island's waiver of the attorney-client privilege.

Finally, Prairie Island is allowing its former counsel, William Hardacker, to invoke the attorney-client privilege on Prairie Island's behalf to avoid providing a deposition in this case. Prairie Island contends that its waiver of the privilege is limited only to communications between Merchant & Gould and Prairie Island on certain subjects. TIC believes that the waiver extends to all communications on the same subject matter. Moreover, Prairie Island contends that Hardacker did not provide any advice on intellectual property matters and, therefore, is not subject to deposition. However, the evidence establishes that Hardacker is a percipient witness with relevant knowledge that is not protected by privilege. Accordingly, TIC seeks an order prohibiting Prairie Island from allowing Hardacker to invoke the privilege to avoid deposition in this case.

BACKGROUND

Prairie Island is seeking to cancel based on likelihood of confusion seventeen (17) federal trademark registrations owned by TIC for marks containing the words "Treasure

Island." TIC has asserted several defenses, including laches and unclean hands. TIC's laches defense is based, in part, on the facts that: (1) Prairie Island's governing body, the Tribal Council, and Ron Valentine, the general manager of their casino, knew about TIC's adoption, use and registration of marks containing the word "Treasure Island" as early as 1991 or 1992; (2) Prairie Island stood idly by as TIC invested hundreds of millions of dollars in building, advertising, marketing, and renovating its resort hotel/casino in Las Vegas, Nevada; and (3) Prairie Island did not claim rights in the TREASURE ISLAND marks until initiating this cancellation proceeding in 1998. Prairie Island claims that it is not guilty of laches because it purportedly instructed its attorneys to contact TIC or its representatives regarding its plans to build the Treasure Island at the Mirage resort hotel casino in Las Vegas, Nevada. See McCue Decl. Exh. A (Prairie Island response to Interrogatories 1, 2 and 6(f) of Set Three). Prairie Island cannot, on the one hand, rely on attorney-client communications and, on the other hand, hide behind the attorney-client privilege to prevent TIC from discovering what instructions were given to Prairie Island's counsel, whether the instructions were changed or withdrawn (including, whether Prairie Island ever informed its attorney not to take any action with respect to TIC), and what action, if any, was taken.

Moreover, TIC believes that Prairie Island's adoption and use of the TREASURE ISLAND mark in 1990 was unlawful, because of an existing federal trademark registration for TREASURE ISLAND HOTEL & CASINO, ST. MAARTEN, N.A. and design (with a disclaimer of all of the words except "Treasure Island"). Prairie Island has produced an opinion letter in which its counsel concluded that Prairie Island would not be able to obtain a federal trademark registration because of a likelihood of confusion with the existing St. Maarten registration.

SUMMARY OF FACTS

The facts relevant to this motion are set forth below.

A. Discovery Requests at Issue

On December 21, 1998, TIC served its first set of requests for production of documents on Prairie Island. TIC requested that Prairie Island "produce all documents that refer or relate to any searches, assessments, investigations, inquires, or evaluations you performed prior to and subsequent to commencing to use the mark TREASURE ISLAND regarding the availability, registrability, and usage of that mark." See McCue Decl. Exh. B (Request No. 11). In response to Request No. 11, Prairie Island produced some documents, but Prairie Island did not assert any objection based on the attorney-client privilege, did not disclose the existence of responsive documents from Prairie Island's outside trademark attorneys, and did not produce a privilege log. See McCue Decl. Exh. B (Response to Request No. 11).

On June 28, 1999, TIC served its second set of requests for production of documents from Prairie Island, including:

> **Request No. 7**: All documents (including, but not limited to, correspondence, reports, and written response to questions) reflecting, referring or relating to Treasure Island in Las Vegas.
>
> **Request No. 11**: All documents reflecting, referring or relating to your adoption of any name or mark containing the words "Treasure Island."
>
> **Request No. 48**: All documents reflecting, referring or relating to your efforts or attempts to obtain any federal or state trademark registration containing the words "Treasure Island."

In response to these document requests (except for Request No. 7), Prairie Island did not assert any objections based on the attorney-client privilege, did not disclose the existence of responsive documents from Prairie Island's outside trademark attorneys, and did not produce a privilege log. See McCue Decl. Exh. C.

B. Prairie Island's Prior Waiver of the Attorney-Client Privilege

On September 8, 1999, at the deposition of Ron Valentine (Prairie Island's former general manager), Prairie Island's counsel handed an envelope to TIC's counsel containing two letters dated April 15, 1992, and April 22, 1992, from Prairie Island's trademark counsel, Merchant & Gould, addressed to Mr. Valentine regarding Merchant & Gould's analysis of a trademark search report for TREASURE ISLAND and the registrability of the TREASURE ISLAND mark. McCue Decl. ¶ 5. Prior to the production of these two documents, Prairie Island had never disclosed their existence to TIC, even though they were clearly responsive to document requests served months earlier. McCue Decl. ¶ 5 (the documents were responsive to request no. 11 from the first set and request nos. 7 and 11 from the second set).

On September 9, 1999, the day following Mr. Valentine's deposition, Merchant & Gould produced documents in response to a subpoena duces tecum served by TIC. See McCue Dec. ¶ 6. At the document production, Prairie Island's counsel informed TIC's counsel that Prairie Island was withholding from production seven (7) letters. Prairie Island's counsel handwrote a privilege log and provided it to TIC's counsel. See McCue Decl. Exh. D. Prairie Island had not produced any other privilege log in this case. McCue Decl. ¶ 6. Moreover, at this time, Prairie Island failed to disclose the existence of documents in the possession of Dorsey & Whitney, the law firm that handled Prairie Island's trademark work after Merchant & Gould. McCue Decl. ¶ 6.

By letter dated September 29, 1999, TIC's counsel informed Prairie Island's counsel that production of the April 15 and April 22, 1992, opinion letters constituted a waiver of the attorney-client privilege. McCue Decl. ¶ 7. TIC requested production of unredacted versions of the April 15 and April 22 letters and the other Merchant & Gould documents that Prairie Island had withheld from production. Prairie Island refused to

produce the documents. McCue Decl. ¶ 7.

On April 25, 2001 (one week after the Board ruled on an unrelated motion to compel discovery that had stayed the case from approximately September 1, 1999, until April 17, 2001), TIC filed a motion to compel disclosure of documents withheld based on the attorney-client privilege, particularly all correspondence between Merchant & Gould and Prairie Island regarding the TREASURE ISLAND mark that was listed on Prairie Island's privilege log. At the time TIC filed this motion, TIC still did not know that Merchant & Gould had transferred its trademark files to Dorsey & Whitney or that Dorsey & Whitney had additional relevant documents in its possession. McCue Decl. ¶ 8.

On July 17, 2001, Prairie Island produced a privilege log in Opposition No. 115,866 (which was consolidated with this action in May 2002). See McCue Decl. Exh. E. The privilege log lists the same documents that are on the handwritten log produced in the cancellation proceeding (see McCue Decl. Exh. D), plus four additional documents from "S. Baird" to Prairie Island's counsel. See id. TIC later learned that "S. Baird" was an attorney with Dorsey & Whitney, who performed trademark work for Prairie Island after Merchant & Gould. McCue Decl. ¶ 9. Prairie Island did not disclose Baird or anyone from Dorsey & Whitney as having knowledge of any facts relating to the subject matter of this action. See McCue Decl. ¶ 9.

On May 8, 2002, the Board granted in part TIC's motion to compel disclosure of documents withheld based on the attorney-client privilege. The Board indicated that Prairie Island had waived the attorney-client privilege by voluntarily producing the April 15 and April 22, 1992, letters. With respect to the April 15 letter, the Board held that the scope of the waiver extended to the "first two pages." Opinion at 13. The first two pages of the April 15 letter discuss, among other things: (1) review of the trademark search results for the TREASURE ISLAND mark for use in connection with gaming services; (2) whether Prairie

Island would be able to obtain a federal trademark registration for TREASURE ISLAND; (3) the existence of a federal trademark registration for TREASURE ISLAND HOTEL & CASINO, ST. MAARTEN, N.A. ("hereafter "St. Maarten Registration") for education and entertainment services; (4) the fact that the St. Maarten Registration has a use prior to Prairie Island; (5) the opinion that there is "a likelihood of confusion" between Prairie Island's mark and the St. Maarten Registration; (6) a legal strategy for attempting to obtain a federal trademark registration for TREASURE ISLAND if no affidavit of use was filed for the St. Maarten registration; and (7) advice about what Prairie Island's "expressed concern regarding Steve Wynn's plans for his new TREASURE ISLAND casino in Las Vegas," including a recommendation that Merchant & Gould monitor the TREASURE ISLAND mark on its "trademark board." McCue Decl. Exh. F (copy of the April 15, 1992, letter). With respect to the April 22 letter, the Board held that the scope of the waiver extended to, among other things, "the federal registration search and possible conflicts, which fall within the scope of subject areas for which [Prairie Island] has waived its attorney-client privilege." McCue Decl. Exh. G (copy of the April 22, 1992, letter).

The Board ordered Prairie Island to produce unredacted portions of the April 15 and April 22 letters and portions of other correspondence with Merchant & Gould. Prairie Island subsequently produced the documents.

C. <u>Prairie Island's Further Waiver of the Attorney-Client Privilege</u>

In addition to waiver of the attorney-client privilege arising from disclosure of the April 15 and April 22, 1992, letters, Prairie Island has continued to put the actions and advice of counsel at issue. TIC propounded Requests for Admissions (Set One) requesting that Prairie Island admit or deny that in 1992, 1993, 1994, 1995 and 1996, respectively, Prairie Island took no action with respect to TIC's use of marks containing the words TREASURE ISLAND mark. <u>See</u> McCue Decl. Exh. H (Request for Admissions Nos. 14,

17, 20, 23 and 26, and responses thereto). Prairie Island denied each of these requests. In support of its denials, Prairie Island claims that it instructed its attorneys to monitor and take action against TIC. See McCue Decl. Exh. A (Response to Interrogatory No. 6(f)). Specifically, Prairie Island states the following:

> [Prairie Island] previously has stated in response to discovery requests and in sworn deposition testimony that when in 1992 it first became aware that there was a casino facility under construction on the Las Vegas Strip that was to be named Treasure Island, it directed its attorneys to contact the Registrant or its representatives regarding the Treasure Island Las Vegas Project (See, Deposition of Freeman Johnson). [Prairie Island] also retained the intellectual property law firm of Merchant & Gould to advise it regarding its intellectual property concerns. [Prairie Island's] intellectual property law firm undertook a watching service to monitor any attempt by the Las Vegas concern to acquire federal trademark registrations for marks containing the words Treasure Island. [Prairie Island's] intellectual property law firm undertook a watching service to monitor the status of the federal registration for the mark Treasure Island held by an entity on the Island of Saint Maarten.
>
> . . .
>
> Upon learning that its intellectual property counsel had failed to advise it that the Saint Maarten mark had lapsed and that the Las Vegas concern had improperly secured several trademark registrations containing the words Treasure Island, [Prairie Island] prepared for and within 12 months filed petitions to cancel those registrations.

See id. (emphasis added).[1]

D. Prairie Island's Failure to Produce or Disclose Other Responsive Documents

On August 1, 2002, TIC's counsel conducted the deposition of Gregory Sebald, the attorney from Merchant & Gould who drafted the April 15 and April 22 opinion letters. Mr. Sebald was unable to answer several questions regarding the opinion letter and the information he relied on in drafting the opinion letter. McCue Decl. Exh. I at pages 15-25. During the deposition, Mr. Sebald testified that he believed that the Prairie Island

---

[1] Prairie Island provided the same response to interrogatories asking Prairie island to "[s]tate all of your actions with regard to to the "Treasure Island" mark which may disprove any claim of undue delay" and "[s]tate all facts to support your contention that "Registrant cannot meet its burden in demonstrating unreasonable delay by Petitioner in asserting its rights against Registrant or prejudice from any such delay." McCue Decl. ¶ 1.

trademark files were transferred from Merchant & Gould to Dorsey & Whitney. McCue Decl. Exh. I at pages 43-44.

On August 8, 2002, TIC subpoenaed the Prairie Island trademark files from Dorsey & Whitney. See McCue Decl. Exh. J. Dorsey & Whitney objected, claiming that the subpoena was improperly issued.[2] After TIC reissued the subpoena, Dorsey & Whitney again asserted objections, produced a privilege log, and indicated that a redwell of documents were missing. McCue Decl. Exh. L (objections and declaration) and Exh. M (privilege log). The Dorsey & Whitney privilege log contains a listing of 18 documents. See id. None of the documents on the privilege log were previously disclosed by Prairie Island. Cf. McCue Decl., Exh. L with McCue Decl. Exhs. D and E. Moreover, none of the four Dorsey & Whitney documents that Prairie Island listed on its privilege log were listed on Dorsey & Whitney's privilege log. Cf. McCue Decl. Exh. M with McCue Decl. Exhs. D and E.

Because Prairie Island had the duty to produce all responsive non-privileged documents within the possession of Dorsey & Whitney and Prairie Island had failed to list any of the 18 documents in a privilege log, TIC requested by letter dated September 5, 2002, that Prairie Island produce all of the Dorsey & Whitney documents that were responsive to TIC's document requests served in 1999. McCue Decl. Exh. N. In response, Prairie Island denied that it failed to produce any non-privileged documents. McCue Decl. Exh. O.

Upon information and belief, documents withheld from production by Prairie Island are either not privileged or are within the scope of Prairie Island's waiver of the attorney-

---

[2] TIC initially issued the subpoenas from the United States District Court for the District of Minnesota with a Trademark Trial and Appeal Board number. After Dorsey & Whitney objected, TIC remedied the problem by opening a miscellaneous case in the District of Minnesota and re-issuing the subpoena with a civil case number. See McCue Decl. Exh. K.

client privilege.

E. Prairie Island's Improper Assertion of the Attorney-Client Privilege With Respect to the Deposition of William Hardacker

On July 2, 2002, William J. Hardacker was personally served with a subpoena for his deposition on July 23, 2002, in Minneapolis, Minnesota. See McCue Decl. Exh. P. On or about July 16, 2002, Hardacker sent TIC's counsel a letter and Notice of Objection to Subpoena, which was also filed with the Board in this action. See McCue Decl. Exh. Q. The only basis for Hardacker's objection and refusal to be deposed in this action is his belief that "any information held by [him] in relation to [this action] is privileged in accordance with the attorney-client privilege." See id.

On July 18, 2002, TIC's counsel sent Hardacker a letter requesting that he reconsider his objection and refusal to be deposed in this action. See McCue Exh. R. TIC's counsel explained that Prairie Island identified Hardacker as someone with knowledge regarding the facts of this case. TIC's counsel further explained to Hardacker that the attorney-client privilege would only apply to communications made in confidence between an attorney and client for the purpose of seeking, obtaining, or providing legal assistance to the client. Moreover, TIC's counsel pointed out that Hardacker did not know what questions TIC's attorney would ask him during the deposition and, thus, he could not properly evaluate whether or not the privilege applies. Furthermore, TIC's counsel explained that Prairie Island had waived the attorney-client privilege and provided a copy of the Board's May 8, 2002, order. Hardacker did not respond. TIC made an additional attempt to resolve the issue with Mr. Hardacker by a letter dated August 8, 2002. McCue Decl. Exh. S.

After not receiving any response from Hardacker, on September 9, 2002, TIC sought the assistance of Prairie Island's counsel in resolving the dispute, since the

privilege ultimately belongs to Prairie Island. See McCue Decl. Exh. T. In response, Prairie Island took the position that the subpoena served on Mr. Hardacker was "bogus," the scope of Prairie Island's waiver of the attorney-client privilege extended only to communications between the same attorney and the same client relating to the same subject, and the BlueDog Law Office (Mr. Hardacker's firm) "did not purport to advise" Prairie Island regarding intellectual property matters. See McCue Decl. Exh. U. TIC responded to the letter and reissued the subpoena from the United States District Court for the District of Minnesota and is attempting to reserve Hardacker. See McCue Decl. Exh. V. However, the re-issuance of the subpoena will not resolve the dispute over whether Hardacker can be deposed in this case.

F. TIC's Good Faith Efforts to Resolve the Discovery Disputes

TIC has made a good faith effort to resolve these discovery disputes, but these efforts have not been successful as set forth in the accompanying Declaration of Michael J. McCue.

ARGUMENT

I. THE BOARD SHOULD CLARIFY THAT THE SCOPE OF PRAIRIE ISLAND'S PRIOR WAIVER OF THE ATTORNEY-CLIENT PRIVILEGE EXTENDS TO THE SUBJECT MATTER OF THE APRIL 15 AND APRIL 22, 1992, LETTERS

Prairie Island has taken the position that its waiver of the attorney-client privilege extended only to the communications between the same attorney and the same client on the same subject matter. See McCue Decl. Exh. U. Thus, Prairie Island contends that its waiver of the privilege based on disclosure of the April 15 and April 22, 1992, letters extended only to communications between Gregory Sebald of Merchant & Gould and Prairie Island on the subject matter of the letters. See id. Prairie Island is using its unduly narrow view of the attorney-client privilege to support its refusal to produce Dorsey & Whitney documents and to preclude the deposition of William Hardacker.

A. Prairie Island's Waiver of the Attorney-Client Privilege Extends to All Communications on the Same Subject

The Board's May 8, 2002, held that the waiver of the privilege extended to the subject matter of the disclosed communications. With respect to the April 15, 1992, letter, the Board held that Prairie Island "has waived any attorney-client privilege to the contents ot the first two pages." See Order (May 8, 2002) at 13. With respect to the April 22, 1992, letter, the Board held that Prairie Island waived any attorney-client privilege that may have protected the subject matter in the first paragraph of the second page of the letter. See Order (May 8, 2002) at 14. In reviewing other letters withheld by Prairie Island from production, the Board considered whether the letter "involves issues that fall within the scope of subject areas for which plaintiff has waived its attorney-client privilege . . . ." See Order (May 8, 2002) at 15-17.

Accordingly, the Board held that the waiver extended to certain subject matter. Specifically, the Board held that the waiver extended to the subject matter of the "first two pages" of the April 15 letter Opinion at 13. The first two pages of the April 15 letter discuss, among other things: (1) whether Prairie Island would be able to obtain a federal trademark registration for TREASURE ISLAND; (2) the existence of a federal trademark registration for TREASURE ISLAND HOTEL & CASINO, ST. MAARTEN, N.A. ("hereafter "St. Maarten Registration") for education and entertainment services; (3) the the opinion that there is "a likelihood of confusion" between Prairie Island's mark and the St. Maarten Registration; (4) a legal strategy for attempting to obtain a federal trademark registration for TREASURE ISLAND if no affidavit of use was filed for the St. Maarten registration; and (5) advice about what Prairie Island's "expressed concern regarding Steve Wynn's plans for his new TREASURE ISLAND casino in Las Vegas," including a recommendation that Merchant & Gould monitor the TREASURE ISLAND mark on its "trademark board."

McCue Decl. Exh. F (copy of the April 15, 1992, letter). With respect to the April 22 letter, the Board held that the scope of the waiver extended to, among other things, "the federal registration search and possible conflicts."

Prairie Island's contention that the Board ruled that the waiver was limited to communications with Merchant & Gould is erroneous. Prairie Island's contention is based on the portion of the order in which the Board referred to the numerous references that have held that the waiver extends to communications between the same attorney and same client on the same subject matter. May 8, 2002, Order at 12. However, this is clearly not the Board's holding. The remainder of the Board's order did not indicate that the waiver was limited to communications between the same attorney and same client; rather, the Board defined the scope of waiver in terms of the subject matter of the communications.

B. Even if the Waiver Does Not Extend to All Communications on the Same Subject Matter, It Extends to Communications with Hardacker

Even if the Board holds that the waiver does extend only to communications between the same attorney and same client on a particular subject, the waiver certainly extends to communications between Prairie Island and Hardacker. Although Merchant & Gould wrote the April 15 and April 22, 1992, letters, the letters were both copied to Hardacker. See McCue Decl. Exhs. F and G. Moreover, the copy of the April 22, 1992, letter that Prairie Island voluntarily disclosed bears the "Received" stamp for Hardacker's law firm, Bluedog Law Office. See McCue Decl. Exh. G. Thus, the privileged communications that were disclosed were communications among Merchant & Gould, Hardacker, and Prairie Island. As a result, the waiver extends at a minimum to all communications among Merchant & Gould, Hardacker, and Prairie Island with respect to the subject matter of the letters.

C. Even in the Absence of Waiver, the Attorney-Client Privilege Cannot Be Used to Prevent the Deposition of William Hardacker

Even if the Board were to hold that Prairie Island's waiver of the attorney-client privilege did not extend to Hardacker, the holding would not preclude the deposition of Hardacker. Prairie Island listed Hardacker as a percipient witness with knowledge of facts relevant to the subject matter of this action. See McCue Decl. Exh. W. Moreover, members of the Prairie Island tribal council testified that Hardacker has relevant knowledge. Vine Wells, a former Tribal Council member, testified that "Hardacker brought a paper down stating that there was a casino, Treasure Island, but it was in the Carribean" and that Bluedog law firm and Hardacker did the research. Vine Wells also testified that in 1990 Prairie Island also requested Hardacker and the Bluedog law firm to research the "Treasure Island" name and an opinion letter was provided to Prairie Island. McCue Decl. Exh. X (Vine Wells deposition at 17-19, 29-31, 34, 41-42)[3].

Prairie Island's counsel's contention that Hardacker's firm, the BlueDog Law Office "did not purport to advise" Prairie Island regarding intellectual property matters is contrary to the facts and, in any event, is irrelevant. McCue Decl. Exh. U. Whether Hardacker provided advice to Prairie Island on intellectual property matters is not relevant to the issue of whether he has knowledge of relevant facts. Moreover, facts within Hardacker's knowledge do not become privileged merely because he is an attorney. The privilege only extends to communications between an attorney and client made for the purpose of obtaining or providing legal advice. See, e.g., Restatement, The Law Governing Lawyers § 118.

Finally, TIC has deposed Prairie Island's other in-house and outside counsel,

---

[3] Prairie Island has not produced this 1990 search report, nor the opinion letter. They are also not identified on any of its privilege logs. Additionally, the 1992 search report that was produced was incomplete.

including, Peter Poncelet (assistant general counsel for Prairie Island from June 1993 to June 1997) and Gregory Sebald of Merchant & Gould (trademark counsel for Prairie Island from the early to mid 1990's). Most of the questions did not implicate the attorney-client privilege at all, and when they did, Prairie Island's counsel asserted the privilege and instructed the witness not to answer the question. There is certainly no reason to believe that Hardacker could not be deposed under the same circumstances.

Accordingly, TIC requests that the Board enter an order instructing Prairie Island that it cannot assert the attorney-client privilege (or allow Hardacker to assert the privilege on its behalf) to avoid producing Hardacker for a deposition in this case.

II. PRAIRIE ISLAND ALSO WAIVED THE PRIVILEGE WITH RESPECT TO COMMUNICATIONS WITH ITS INTELLECTUAL PROPERTY COUNSEL

In addition to waiving the attorney-client privilege with respect to the subject matter of the April 15 and April 22, 1992, letters, Prairie Island has further waived the privilege by putting the advice of counsel at issue in interrogatory answers. Specifically, Prairie Island has voluntarily disclosed the following privileged matter in arguing that laches is not applicable in this case:

1. "In 1992 [when Prairie Island] first became aware that there was a casino facility under construction on the Las Vegas Strip that was to be named Treasure Island, it directed its attorneys to contact the Registrant or its representatives regarding the Treasure Island Las Vegas Project."

2. "[Prairie Island's] intellectual property law firm undertook a watching service to monitor any attempt by the Las Vegas concern to acquire federal trademark registrations for marks containing the words Treasure Island."

3. "[Prairie Island's] intellectual property law firm undertook a watching service to monitor the status of the federal registration for the mark Treasure Island held by an entity on the Island of Saint Maarten."

4. "[Prairie Island's] intellectual property counsel had failed to advise it that the Saint Maarten mark had lapsed and that the Las Vegas concern had improperly secured several trademark registrations containing the words Treasure Island . . . ."

See McCue Decl. Exh. A. (Response to Interrogatory No. 6(f)).

When a party puts the advice of counsel at issue, the party waives the privilege. In its May 8, 2002, order, the Board cited with approval the Third Circuit's approach to waiver in this context. In Rhone-Poulenc Rorer Inc. v. Home Indem. Co., 32 F.3d 851, 863-64 (3rd Cir. 1994), the Third Circuit held that a party waives the attorney-client privilege if it puts the advice of counsel at issue in the litigation.

In its interrogatory responses, Prairie Island has put at issue: (1) what it instructed its intellectual property counsel to do with respect to TIC; (2) what its intellectual property counsel did with respect to monitoring TIC and the status of the Saint Maarten Registration; and (3) the content of advice given Prairie Island regarding the lapse of the Saint Maarten Registration and TIC's registration of marks containing the words TREASURE ISLAND. Accordingly, Prairie Island has waived the privilege with respect to these subjects and should be ordered to produce documents withheld from production that reflect this subject matter. In addition, Prairie Island should be ordered to allow witnesses to testify in depositions with respect to questions that fall within the scope of these topics.

III. THE BOARD SHOULD COMPEL PRAIRIE ISLAND TO PRODUCE CERTAIN DOCUMENTS IN THE POSSESSION OF ITS OUTSIDE COUNSEL

Prairie Island has failed to comply with its obligations under Rule 34 of the Federal Rules of Civil Procedure by failing to produce (or disclose on a privilege log) all of the Merchant & Gould documents and Dorsey & Whitney documents. Rule 34 requires, in pertinent part, that a party must produce all documents within its "possession, custody or control." The case law clearly provides that "possession, custody or control" includes documents that a party has a legal right to obtain. See Poole v. Textron, Inc., 192 F.R.D. 494 (D. Md. 2000). Documents within the possession of a party's attorney or former attorney are within the " control" of the party within the meaning of Rule 34. See id.

A. Billing Records from Merchant & Gould and Dorsey & Whitney

Prairie Island has failed to produce billing records from Merchant & Gould or from Dorsey & Whitney. It is well established that attorney billing statements are not privileged. See Bieter v. Blomquist, 156 F.R.D. 173 (D. Minn. 1994); Rayman v. American Charter Federal Savings & Loan Ass'n, 148 F.R.D. 647 (D. Neb. 1993); Real v. Continental Group, Inc., 116 F.R.D. 211, 213-14 (N.D. Cal. 1986). To the extent that the billing statements reveal attorney-client communications or work product, they can be redacted. See, e.g., Leach v. Quality Health Services, 162 F.R.D. 499 (E.D. Pa. 1995).

The billing records will reveal what work Merchant & Gould and Dorsey & Whitney performed for Prairie Island and when the work was performed. TIC believes that the billing records will enable TIC to corroborate Mr. Sebald's testimony that Prairie Island instructed Merchant & Gould to cease performing work with respect to Prairie Island's trademarks for periods of time. TIC expects that the bills will show significant gaps of time in which no action was taken by Prairie Island's trademark attorneys with respect to the TREASURE ISLAND mark. In addition, the billing records may reveal when Prairie Island first learned of the publication for opposition of TIC's trademarks containing the words TREASURE ISLAND. Such information is important in establishing TIC's defense of laches. Moreover, TIC believes that the billing records may refute Prairie Island's contention regarding what actions Prairie Island took or did not take with respect to the Saint Maarten Registration and the TIC marks.

To the extent that the billing records reflect any privileged communication that is the subject of the April 15 or April 22, 1992, letters, or that is the subject of Prairie Island's interrogatory responses, Prairie Island has clearly waived the privilege with respect to that subject matter. Thus, if the billing statements reveal, for example, any decision, instruction, or opinion regarding whether Prairie Island should or should not take any action with

respect to TIC or the Saint Maarten Registration, those portions of the billing statements should not be redacted.

B. Dorsey & Whitney Documents

Prairie Island should also be compelled to produce the 18 documents listed on the Dorsey & Whitney privilege log and the 4 documents listed on the Prairie Island privilege log that pertain to Dorsey & Whitney. See McCue Decl. Exhs. E (Prairie Island privilege log) and K (Dorsey & Whitney privilege log).

Dorsey & Whitney's privilege log lists 18 documents. The "General Subject" listed for each of the documents does not indicate that the documents reflect communications between Dorsey & Whitney and Prairie Island with respect to giving or receiving any legal advice. More importantly, even assuming that the documents reflect advice regarding the TREASURE ISLAND mark (including TIC's registrations and the cancellation of the Saint Maarten Registration), Prairie Island has put the advice at issue through its voluntary disclosure of attorney-client communications as set forth in Sections I and II above.

The subject matter for the 4 Dorsey & Whitney documents listed on Prairie Island's privilege log concern: (1) "[i]ntellectual property audit relevant to Prairie Island Indian Community marks"; (2) "[r]eport to client regarding Treasure Island trademark strategies"; (3) "[c]over letter setting forth known status of certain trademark applications"; and (4) "[l]etter regarding work in process concerning Treasure Island applications." McCue Decl. Exh. E. These subjects certainly fall within the scope of Prairie Island's waiver of the attorney-client privilege to the extent they pertain to the TREASURE ISLAND mark as discussed in Sections I and II above. Indeed, one of the subject matters in the April 15, 1992, opinion letter was a legal strategy for attempting to obtain a federal trademark registration for TREASURE ISLAND if no affidavit of use was filed for the Saint Maarten Registration were filed.

Dorsey & Whitney also claims work product protection for 10 of the 18 documents. Work product protection only applies to materials created "in anticipation of litigation." See Fed. R. Civ. Proc. 26(b)(3). To satisfy this requirement, the risk of litigation must be real and imminent. In re Grand Jury Investigation, 412 F. Supp. 943, 948 (E.D. Pa. 1976). Moreover, when documents would have been prepared independent of use in litigation, no work product protection can attached. First Pacific Networks, Inc. v. Atlantic Mut. Ins. Co., 163 F.R.D. 574 (N.D. Cal. 1995).

All of the documents on Dorsey & Whitney's privilege log and the Dorsey & Whitney documents on Prairie Island's privilege log were created during the period between February 1997 and December 1997. McCue Decl. Exh. K. The first petition to cancel involved in this cancellation proceeding was not filed until October 28, 1998. From a temporal point of view, the Dorsey & Whitney documents cannot be considered to have been created in anticipation of litigation. Moreover, the documents were created before Prairie Island even applied for federal trademark registration of the TREASURE ISLAND mark. Indeed, the description of the latest dated document (December 31, 1997) was: "[l]etter regarding work in process concerning Treasure Island applications." Thus, the last work performed by Dorsey & Whitney for Prairie Island appears to be related to preparing trademark applications, not filing a petition to cancel. Indeed, this cancellation proceeding was not initiated until long after the Prairie Island's trademark applications for the TREASURE ISLAND mark were refused registration. Accordingly, none of these Dorsey & Whitney documents can be considered to have been created in anticipation of litigation.

Based on the foregoing points, the Board should compel Prairie Island to produce the documents listed on the Dorsey & Whitney privilege log and the Dorsey & Whitney documents listed on the Prairie Island privilege log.

C. Other Documents Withheld from Production

Given Prairie Island's failure to disclose the existence of several documents in this case, TIC believes that Prairie Island has failed to conduct an adequate search for documents responsive to TIC's requests. Prairie Island did not disclose the existence of any of Merchant & Gould documents and the Dorsey & Whitney documents until after TIC served subpoenas on these law firms. Moreover, Prairie Island failed to disclose all of the Merchant & Gould and Dorsey & Whitney documents on privilege logs. Prairie Island's logs make no reference to any billing records from either firm. Moreover, Prairie Island's privilege log omits all 18 of the documents listed on Dorsey & Whitney's privilege log, even though the Dorsey & Whitney documents were in the possession, custody or control of Prairie Island. Accordingly, TIC requests that the Board order Prairie Island to conduct a full search for all documents prepared by or for Prairie Island by any of its inside or outside counsel relating in any way to the TREASURE ISLAND mark and provide a complete and detailed privilege log to enable TIC and the Board to determine whether the documents are in fact privileged or protected by the work product doctrine or whether the documents should be produced.

CONCLUSION

Based on the foregoing points and authorities, the Board should enter an order holding that: (1) Prairie Island's waiver of the attorney-client privilege extends to the subject matter of the unredacted portions of the April 15 and April 22, 1992, letters, regardless of the attorneys involved in the communications; (2) Prairie Island has further waived the privilege with respect to what it instructed its intellectual property counsel to do with respect to TIC, what its intellectual property counsel did with respect to monitoring TIC and the status of the Saint Maarten Registration, and the content of advice given Prairie Island regarding the lapse in registration of the Saint Maarten mark and TIC's registration of

marks containing the words TREASURE ISLAND; and (3) Prairie Island cannot invoke the attorney-client privilege to prevent the deposition of William Hardacker. Prairie Island should be compelled to conduct a full search of all records within its possession, custody or control (including the possession of its present and former attorneys) and produce a complete privilege log detailing the author(s), recipient(s), date, and subject matter of each document. In addition, TIC requests that the Board reset the discovery schedule (including deadlines for disclosing experts) until Prairie Island complies with its discovery obligations.

DATED: September 30, 2002

Respectfully Submitted,

QUIRK & TRATOS

By _____

Michael J. McCue
Nancy Ramirez Ayala
3773 Howard Hughes Parkway
Suite 500 North
Las Vegas, Nevada 89109
(702) 792-3773

Counsel for Registrant

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document was served on September 30th, 2002, by first class mail, postage prepaid, to Petitioner's counsel of record, as follows:

Henry M. Buffalo, Jr.
Joseph F. Halloran
JACOBSON, BUFFALO, SCHOESSLER & MAGNUSON, Ltd.
246 Iris Park Place
1885 University Avenue West
Saint Paul, Minnesota 55104

Orrin Haugen
Eric Haugen
HAUGEN LAW FIRM PLLP
121 South Eighth Street, Suite 1130
Minneapolis, Minnesota 55402

Carlene M. Arnold
An employee of Quirk & Tratos

CERTIFICATE OF SERVICE

I, Carlene M. Arnold do hereby certify that this document is being deposited with the United States Postal Service as Express Mail, postage prepaid, in an envelope addressed to the Assistant Commissioner for Trademarks, BOX TTAB, 2900 Crystal Drive, Arlington, Virginia 22202-3513, on the date below.

Carlene M. Arnold
An Employee of Quirk & Tratos

EV 072940060 US
Express Mail Label Number

September 30, 2002
Date of Deposit