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

Proceeding	91180212
Party	Plaintiff Schering Corporation
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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
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SCHERING CORPORATION,)	
)	
Opposer,)	
)	
v.)	Opposition No.: 91/180,212
)	Appln. Serial No. 77/070,074
IDEA AG,)	Mark: DIRACTIN
)	
Applicant.)	
)	

OPPOSER’S REPLY BRIEF IN SUPPORT OF ITS SECOND MOTION TO COMPEL
APPLICANT TO FULLY RESPOND TO OPPOSER’S FIRST SET OF
INTERROGATORIES AND FIRST REQUESTS FOR PRODUCTION OF DOCUMENTS
AND THINGS, AND TO TEST THE SUFFICIENCY OF APPLICANT’S RESPONSES
TO OPPOSER’S FIRST REQUESTS FOR ADMISSION

Pursuant to Trademark Rule 2.127(a), Schering Corporation (“Schering” or “Opposer”), submits this Reply Brief in further support of its second motion requesting the Trademark Trial and Appeal Board (“Board”): (i) direct Idea AG (“Idea” or “Applicant”) to fully and properly respond to certain of Schering’s First Set of Interrogatories, (ii) direct Idea to fully and properly respond to Schering’s First Requests for Production of Documents and Things, and (iii) to Test the Sufficiency of Idea’s Responses to certain of Schering’s First Requests for Admissions. Schering also reiterates its request that the Board reschedule trial dates by four months after Schering receives Idea’s discovery responses.

Schering’s Good Faith Efforts Under Trademark Rule 2.120(e)

Schering’s written discovery requests are proper and are typical requests made in an opposition proceeding before the Board. Schering has made continued good faith efforts to

resolve these discovery issues starting from its September 12, 2008 letter to Idea's counsel explaining Idea's discovery response deficiencies and requesting supplemental responses, and through to Schering's March 20, 2009 e-mail again requesting a telephone conference call regarding the specific discovery requests in issue, which was rejected by Idea's counsel in his March 23, 2009 e-mail. Applicant's initial discovery responses and the subsequent telephone and written communications between counsel speak for themselves (*e.g.*, Exhibits 4-16 and 19-24 attached to Schering's pending second Motion to Compel). Applicant has shown that it will do everything possible to not cooperate and to not provide discovery despite clear obligations under the Rules to do so.

The Board's Standard Protective Order

Idea continues to assert objections based on confidential/proprietary information, stating production would occur under a protective order. The Board's Standard Protective Order applies in this proceeding, in which the Notice of Opposition was filed on October 22, 2007. Trademark Rule 2.116(g), amended effective August 31, 2007. On February 4, 2009, the Board specifically ordered that the Board's Standard Protective Order is applicable in this proceeding. (Schering filed a separate Brief in opposition to Applicant's Second Motion for Modification of the Board's Standard Protective Order.) Idea should be ordered to provide, by a date certain, all requested information and documents and things, or, if applicable, state that none exist, or be precluded from introducing any such information/materials at trial.

German Patent Law and Attorney-Client Privilege in United States Proceedings

It is not clear whether German law applies to this case, to the involved trademark information sought from Applicant during discovery, or to Idea's U.S. counsel, Eric J. Sidebotham and Daniel M. Shafer.

The Declaration of Dr. Grund in support of Idea's discovery opposition papers is craftily worded. See for example: "4. I [Dr. Grund] understand that I am bound to strict secrecy regarding client information," Dr. Grund does not represent Idea AG in the U.S. opposition before the Board. "5. ...under German law, a privilege log of the kind that is sometimes required in litigation under U.S. law can never be required of a German lawyer representing a German client before a German Court." This U.S. opposition does not involve a German lawyer or a German Court.

Query -- Is Idea's German Law Firm's (Grund Intellectual Property Group) disclosure of information to Idea's U.S. attorney, Eric J. Sidebotham, APC (appointed as counsel in the Opposition proceeding on June 6, 2008), a violation of the German Patent Law? If so, does that disclosure constitute a waiver of whatever privilege may have applied?

The attorney-client privilege cannot be used simultaneously as both a shield and a sword. *In re von Bulow*, 828 F.2d 94, 103 (2nd Cir. 1987). Thus, even if the Board accepts Idea's German Patent Law argument about the attorney-client privilege, Idea then cannot use the withheld (purportedly privileged) information at trial in this Opposition. In other words, if Idea is allowed to use German Patent Law relating to the attorney-client privilege as a shield so that it is insulated from providing a privilege log, Idea may not then use any such assertedly privileged information/documents as a sword by submitting and relying on them at trial.

Idea filed for a U.S. trademark application with the United States Patent and Trademark Office, but refuses to subject itself to the Board's Rules of Practice. If the Board permits Idea to use the German Patent Law regarding attorney-client privilege as a shield, then Idea should be precluded from offering evidence in any form at trial relating to any information and/or documents/things withheld on that basis. The subjects include the following:

1. Idea's *bona fide* intention to use the mark DIRACTIN in the United States for any identified product in its U.S. application. (Doc. Req. No. 27; Adm. Req. Nos. 4, 5)
2. First conception or adoption of the mark. (Int. No. 4; Doc. Req. No. 6)
3. First use of the mark. (Int. No. 8; Doc. Req. No. 8; Adm. Req. No. 1, 2, 3)
4. Use of the mark in the United States. (Int. Nos. 8, 9; Doc. Req. Nos. 8, 9, 10; Adm. Req. Nos. 1, 2, 3)
5. Testimony from person(s) at Idea most knowledgeable regarding Idea's sales, marketing, advertising, and/or promotion of the DIRACTIN products in the United States. (Int. No. 10)
6. Printed and/or electronic publications in which the DIRACTIN products are described or referred to. (Int. No. 12; Doc. Req. No. 14)
7. Agreements between Idea and any other entities relating to Idea's use of the mark in the United States. (Int. No. 13; Doc. Req. No. 24)
8. Promotional trade events where Idea's DIRACTIN products have been or are planned to be promoted in the United States. (Int. No. 14)
9. Idea's business relationship with McNeil Consumer and Specialty Pharmaceuticals (Johnson & Johnson). (Int. No. 19; Doc. Req. Nos. 30, 31, 32)
10. Idea's business relationship with TDT (Celtic Pharmaceutical Holdings LP). (Int. No. 20; Doc. Req. Nos. 29, 33, 34)
11. Idea's ownership of the DIRACTIN mark in the United States. (Doc. Req. Nos. 1, 2, 3)
12. Advertisements, labels, and packages, of its DIRACTIN products. (Doc. Req. Nos. 1, 2, 3)

13. Printed items and electronic publications used to promote the sale and use of its DIRACTIN products. (Doc. Req. Nos. 4, 5)
14. The creation, selection and adoption of the DIRACTIN mark. (Int. No. 4; Doc. Req. No. 6)
15. Consents, authorizations or permissions in any form given to Idea by any entity to use the mark DIRACTIN in the United States. (Doc. Req. No. 7)
16. Annual sales of DIRACTIN products in the United States by dollar and by units. (Doc. Req. Nos. 11, 12)
17. Annual advertising expenditures of DIRACTIN products in the United States. (Doc. Req. No. 13)
18. Trademark searches or other types of searches conducted by Idea in connection with its adoption, use or application for registration of DIRACTIN. (Doc. Req. No. 15; Adm. Req. Nos. 6, 8)
19. Trademark searches or other types of searches conducted on behalf of Idea in connection with its adoption, use or application for registration of DIRACTIN. (Adm. Req. Nos. 7, 9)
20. Information/documents received by Idea from its customers or competitors regarding Schering and/or its pleaded TINACTIN marks. (Doc. Req. No. 16)
21. Information/documents received by Idea from its customers or competitors or other third-parties regarding the quality of Idea's products sold under the DIRACTIN mark and/or relating to Idea's mark. (Doc. Req. Nos. 17, 18)
22. Instances of actual confusion. (Doc. Req. No. 19)
23. Channels of distribution of Idea's products. (Doc. Req. No. 20)

24. Categories of Idea's customers for the DIRACTIN products. (Doc. Req. No. 21)
25. U.S. importers of Idea's DIRACTIN products. (Doc. Req. No. 22)
26. U.S. distributors of Idea's DIRACTIN products. (Doc. Req. No. 22)
27. Studies, surveys, market research tests focus group inquiries and the like relating to Idea's DIRACTIN products in the United States. (Doc. Req. No. 23)
28. Idea's purchase of the North American rights in compounds which directly or indirectly involve DIRACTIN products. (Doc. Req. Nos. 25, 26)
29. Idea's marketing plans and/or projections for the DIRACTIN products in the United States. (Doc. Req. No. 28)
30. Idea's knowledge of Schering's pleaded TINACTIN marks prior to filing its application. (Adm. Req. No. 10, 11)
31. The submission of the original DIRACTIN application and Declaration with the USPTO by Stacey J. Farmer, Esquire on December 22, 2006. (Adm. Req. Nos. 16, 17)
32. The statements made in the May 30, 2007 response to an Office Action submitted to the USPTO by Stacey J. Farmer, Esquire. (Adm. Req. No. 18)
33. At least portions of Idea's website relating to the DIRACTIN mark. (Adm. Req. Nos. 20-23).

Discovery Regarding an Intent-to-Use Based Application

Idea argues that any evidence of its use of DIRACTIN in the United States is irrelevant because Applicant filed its U.S. application based on an asserted *bona fide* intent to use the mark in commerce; and further priority is not an issue in this case. Schering pleaded priority,

likelihood of confusion, and that Idea's U.S. application is based on Section 1(b) of the Trademark Act.

If Applicant's use has commenced, Schering is entitled to such information and documents because the nature of Idea's use, the nature of Idea's goods, the conditions of sale, the channels of trade and other factors set forth in *In re E. I. du Pont de Nemours & Co.*, 476 F.2d 1357, 177 USPQ 563 (CCPA 1973) are highly relevant. Even though Idea's pending application is based on Applicant's claimed *bona fide* intent to use the mark in commerce, if/when Idea commences use of its applied-for mark, Schering is entitled to all requested discovery relating to Idea's actual use through supplemental responses. Rule 26(e), Fed.R.Civ.P.

Moreover, Idea's use of the applied-for mark DIRACTIN is not only relevant to Schering's pleaded claims herein, it also is relevant to Idea's several pleaded "affirmative defenses," such as "7. Applicant has established and continues to establish goodwill and recognition for the Mark in the relevant market through use of the Mark."

Information and documents regarding Idea's use are highly relevant to the subject matter of the opposition. Schering's discovery requests in issue clearly are reasonably calculated to lead to the discovery admissible evidence. Rule 26(b)(1), Fed.R.Civ.P. Schering also is entitled to the highly relevant, requested information and documents showing Idea's asserted *bona fide* intention to use the mark in commerce in or with the United States. *Commodore Electronics Ltd. v. CBM Kabushiki Kaisha*, 26 USPQ2d 1503 (TTAB 1993). Wherever there exists no such information and/or documents, Idea should be ordered to so state in supplemental responses.

Specific Discovery Requests in Issue

In an effort to not further burden the Board, Schering will not address each of Idea's added bases for objection to most of the specific discovery requests at issue, other than to state

that Schering disagrees with the added objections (which in any event have been waived for Applicant's failure to timely assert them).

Schering's discovery requests were served on Idea on May 12, 2008, and Idea continues to add excuses and rationalizations for its failure to provide proper discovery even as late as its April 17, 2009 Responsive Brief to Opposer's Second Motion to Compel. Idea's repeated assertions (Idea's brief, pages 15-25) that Schering did not dispute Idea's initial stated objections and has waived the opportunity to do so now is absurd. Beginning with Schering's September 2008 letter, Schering has identified Idea's specific written discovery responses that Schering considers deficient and non-responsive; and Schering has provided detailed reasons for seeking supplemental responses thereto. The parties are at an impasse as to Idea's legal obligations to respond to Schering's involved written discovery requests served in May 2008.

Idea's Responsive Brief (page 15) did not address Schering's Interrogatory Nos. 8 and 9 in any manner. (See Exhibit 26 attached to Schering's pending second Motion to Compel; and the "Summary" section of Schering's second Motion to Compel, page 8.) Thus, the Board may consider any objections to those Interrogatories to have been waived.

Idea's comments on Schering's involved Requests for Admissions are without merit for all the reasons discussed above. Further, each of Schering's involved Requests for Admissions is straightforward, clear, and relevant to the issues in this Opposition. Idea should be ordered to admit or deny Schering's involved Requests for Admissions.

Conclusion

Applicant applied to register a trademark in the United States, and once opposed, Applicant filed an Answer in defense of the Opposition; but Applicant steadfastly refuses to provide relevant requested discovery. Applicant has made clear that it is not willing to provide

full and complete responses to Opposer's involved Interrogatories, Requests for Production of Documents and Things, and Requests for Admissions absent an order by the Board.

Accordingly, based on the foregoing, Schering Corporation respectfully requests that the Board grant Opposer's Second Motion to Compel Applicant to fully and properly respond to certain of Opposer's Interrogatories and to Opposer's Requests for Production of Documents and Things; and to Test the Sufficiency of Applicant's Responses to certain of Opposer's Requests for Admissions; and to extend trial dates by four months after Schering receives Idea's discovery responses.

Respectfully submitted,

SCHERING CORPORATION

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CERTIFICATE OF SERVICE

I hereby certify that a true copy of the foregoing OPPOSER'S REPLY BRIEF IN SUPPORT OF ITS SECOND MOTION TO COMPEL APPLICANT TO FULLY RESPOND TO OPPOSER'S FIRST SET OF INTERROGATORIES AND FIRST REQUESTS FOR PRODUCTION OF DOCUMENTS AND THINGS, AND TO TEST THE SUFFICIENCY OF APPLICANT'S RESPONSES TO OPPOSER'S FIRST REQUESTS FOR ADMISSION was served on counsel for Applicant, this 7th day of May, 2009, by sending same via First Class mail, prepaid, to:

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