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

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

Instagram, LLC,

Opposer,

v.

Evergram, Inc.,

Applicant.

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Opposition No. 91216122

Serial No.: 85/613,424

Mark: EVERGRAM

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MOTION FOR RECONSIDERATION
OF NOVEMBER 12, 2015 ORDER GRANTING
APPLICANT'S MOTION TO SUSPEND

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I. SUMMARY OF ARGUMENT

Pursuant to Trademark Trial and Appeal Board Manual of Procedure (“TBMP”) §518, Opposer Instagram, LLC (“Opposer” or “Instagram”) hereby moves for reconsideration of the Board’s November 12, 2015 Order (“November 12 Order” or “Order”) suspending this proceeding. As explained below, Opposer respectfully submits that the Board erred in granting Applicant Evergram, Inc.’s (“Applicant’s” or “Evergram’s”) Motion to Suspend in this matter.

In the November 12 Order, the Board held that an unrelated opposition proceeding between Instagram and a third party against the mark FLIPAGRAM (Opposition No. 91217238) (“FLIPAGRAM proceeding”) “may have” a bearing on this instant matter. In so doing, the Board lowered the threshold for suspension, thus expanding the circumstances in which suspension of a Board proceeding might be appropriate, with wide ranging implications. The Order also granted Applicant’s Motion to Suspend without any discussion of “good cause,” which Applicant’s opening motion failed entirely to address.

Further, Instagram respectfully requests that the Board reconsider its conclusion that the FLIPAGRAM proceeding may have such a bearing on the instant matter that it would justify the suspension of these proceedings. The FLIPAGRAM proceeding involves a different mark, a different applicant, and different factual and legal claims – all of which weigh against suspension. The only common element between the proceedings is Opposer and its INSTAGRAM mark, which is insufficient to establish good cause or warrant a suspension based on an otherwise unrelated proceeding. As explained below, the FLIPAGRAM proceeding would not be dispositive of any central issues in this matter, nor would its outcome ultimately control whether the EVERGRAM mark is likely to cause confusion with, or dilute, Instagram’s trademark rights.

Finally, the Order undermines the Board's policy of encouraging speedy resolution of matters, and deprives brand owners of the ability to effectively and efficiently protect their trademarks in Board proceedings. In this respect, public policy strongly disfavors suspension on the grounds set forth in the Order. Should this decision stand, it ensures that there will be years of delay in Instagram enforcing its rights against the EVERGRAM mark – and potentially other applicants of marks that infringe or dilute the INSTAGRAM mark – which is contrary to the Board's rules and the Federal Rules of Civil Procedure. Such a ruling, if applied in other analogous cases, could deprive any brand owner of the ability to conduct multiple opposition proceedings simultaneously, solely on the basis that those proceedings involve the same asserted mark. In the same vein, it would force brand owners into an undesirable predicament: spend years conducting opposition proceedings, one after the other, or seek immediate relief in federal or state court (where there would be no similar suspension). Either option would lead to increased enforcement costs, overcrowding of court dockets, and stale dockets at the Board. That is not a policy the Board should encourage, and it is not a ruling that the Board should adopt.

For these reasons, and those detailed below, Instagram respectfully requests that the Board reconsider its November 12 Order, vacate its ruling on the Motion to Suspend, and resume this proceeding against the EVERGRAM application.

II. PROCEDURAL BACKGROUND

Instagram opposed the EVERGRAM application on April 28, 2014. At Applicant's request, and for the purpose of exploring settlement possibilities, the parties agreed to extend Applicant's deadline to respond to the opposition several times, until April 2015. When Applicant filed its Motion for Suspension, discovery had been open for five months. The parties had conducted their discovery conference and Instagram had served discovery requests on

Evergram. See Opp. to Mot. to Suspend (Dkt. 30) at 2. Applicant never suggested, at any point in the past 18 months (including during the several discussions between the parties about the prosecution of the proceeding), that this proceeding should be suspended in light of the FLIPAGRAM proceeding.

Applicant filed its Motion to Suspend on October 20, 2015, arguing, “[t]he findings and holdings in the Flipagram Opposition will have a direct bearing on the instant proceeding and the Board’s holding on the counterclaim filed therein may well effectively be dispositive of the instant opposition.” Dkt. 29 at 3. Instagram timely opposed the motion on November 2, 2015, pointing out that the proceedings featured different parties, different marks, and different claims and that the FLIPAGRAM proceeding will not be dispositive of this matter, among other arguments. Dkt. 30. On November 9, Applicant then filed a Reply brief (Dkt. 31), raising for the first time the argument that “Evergram is a small company and the expenditure of funds for the opposition at this stage would be an economic hardship on it.” Reply at 4. Applicant also cited, for the first time, a non-precedential Interlocutory Attorney ruling in *Valentino S.p.A. v. Fashion World Limited*, Opp. No. 91177921 (TTAB 2011), on which it claimed entitlement to suspension. Instagram did not have the opportunity to respond to either of Applicant’s arguments.

On November 12, the Board granted Applicant’s requested suspension. Dkt. 32. Although the Board’s analysis acknowledged that the two proceedings featured different parties and different marks, it found:

The counterclaims asserted by Flipagram, Inc., seek cancellation of Instagram’s Registration Nos. 4146057 and 4170675, the same registrations pleaded by Instagram in the instant opposition. Further, the grounds for cancellation of Instagram’s registrations, that Instagram abandoned the marks as a result of naked licensing and that the marks are merely descriptive and lack secondary meaning, could have a bearing on Instagram’s asserted rights based on use in the instant opposition. Further, the respective proceedings involve common issues with regard to the strength and fame of Opposer’s

marks, particularly the strength and fame of the shared suffix “-GRAM,” which could have a bearing on Opposer’s claims of likelihood of confusion and dilution in this case.

The Order did not provide any further analysis, or address whether Applicant established “good cause” for suspension.

Pursuant to TBMP § 518, Instagram’s deadline to move for reconsideration is “one month from the date of the order or decision.” Because December 12, 2015 fell on a Saturday, this Motion for Reconsideration is timely filed as it is being filed on “the next succeeding day that is not a Saturday, Sunday, or a Federal holiday.” TBMP § 112.¹

III. LEGAL STANDARD FOR MOTION FOR RECONSIDERATION

TBMP §518 sets forth the standard of review on a Motion for Reconsideration: “[B]ased on the facts before it and the prevailing authorities, the Board erred in reaching the order or decision it issued.” The motion should not “be used to introduce additional evidence, nor should it be devoted simply to a reargument of the points presented in a brief on the original motion. Rather, the motion should be limited to a demonstration that based on the facts before it and the applicable law, the Board’s ruling is in error and requires appropriate change.” *Id.* As set forth below, the Board did err in granting suspension of this matter.

IV. THE BOARD FAILED TO DETERMINE THAT EVERGRAM HAD GOOD CAUSE TO SUSPEND THIS PROCEEDING

Under TBMP §510.02, the Board may (but is not required to) suspend proceedings pending the final determination of another proceeding involving the parties if it “may have a bearing on the issues before the Board.” All motions to suspend are subject to the “good cause” standard. *See National Football League v. DNH Management LLC*, 85 USPQ2d 1852, 1855, n. 8 (TTAB 2008) [Precedential], citing Trademark Rule 2.117(c) (“All motions to suspend,

¹ Pursuant to TBMP §§518 and 905, Instagram is concurrently Petitioning the Director to review the November 12 Order.

regardless of circumstances... are subject to the ‘good cause’ standard.”). As the Board has stated, “the permissive language of Trademark Rule 2.117(a)...make[s] clear that suspension is not the necessary result in all cases.” *Jodi Kristopher Inc. v. Int’l Seaway Trading Corp.*, 91 U.S.P.Q.2d 1957 (TTAB 2009) [Non-precedential] (Board denied motion to suspend where the parties were engaged in concurrent district court litigation because the petitioner had not shown good cause to suspend and was seeking only to delay a ruling against it) (quoting *Boyd’s Collection Ltd. v. Herrington & Co.*, 65 USPQ2d 2017, 2018 (TTAB 2003)[Precedential] (denying motion to suspend even where district court action may have a bearing on the proceeding because good cause was not shown when applicant was attempting to delay a decision on the merits)).

Standing alone, it is not sufficient that another proceeding *may* have some articulable bearing on the matter in which suspension is sought. Under that standard, theoretically, *every* proceeding in which a mark is asserted *may* have a bearing on every later proceeding involving the same asserted mark or marks. Instead, there must be good cause for suspension *beyond* just the existence of another proceeding that *may* have a bearing on the later matter.

In its Motion for Suspension, Applicant completely failed to address the good cause standard, instead only arguing that the Trademark Rules allow for suspension where another Board proceeding may have a bearing on the instant case. In its Reply brief, Applicant made passing reference to the good cause standard, stating without any analysis, “[j]udicial economy is good cause in this case.” Reply at 4.

The Board’s Order did not specifically articulate any “good cause” in granting the motion. In its November 12 order, the Board found that “the final determination of Opposition No. 91217238 may have a bearing on this proceeding” and therefore granted the motion “in the interest of judicial economy and in exercising the Board’s inherent authority...” without

addressing whether there was good cause for suspension. This was error, especially given, as discussed below, judicial economy is not served by suspension of this matter.

Indeed, it appears that Evergram's true motivation for seeking suspension, which it did not raise during the months that this opposition had been pending until after discovery had been served, and which it argued for the first time in its Reply brief, is that "Evergram is a small company and the expenditure of funds for the opposition at this stage would be an economic hardship on it." Reply at 4. This calls into question Evergram's claim of "judicial economy." See *In re Design Resources, Inc.*, Ser. No. 78478872 (TTAB March 15, 2007)[non-precedential] ("applicant's concern about judicial economy rings hollow in view of the fact that applicant did not attempt to have the proceeding suspended prior to receiving an adverse decision by the Board."). Instead, it appears that Evergram is only interested in its own economy, seeking suspension rather than responding to discovery requests, which is not good cause for suspension and appears nowhere in 37 C.F.R. §2.117 or TBMP §510. It should not lead to a suspension that prevents Instagram from enforcing its rights. If Evergram truly cannot afford these proceedings and would rather await a decision on the FLIPAGRAM proceeding before spending the money to prosecute its own application, it could seek Instagram's consent to voluntarily withdraw its application, and then refile its application (or not) after the FLIPAGRAM proceeding has ended. There is no good cause to hold Instagram's diligent enforcement efforts captive in this situation.

As explained below, the FLIPAGRAM proceeding will not have a bearing, let alone a dispositive one, on the instant matter. Judicial economy is thus not served by suspending this proceeding.² Even if it might, that would not end the inquiry. As shown by *Jodi Kristopher and Boyds Collection*, the Board must find not only that the other proceeding may have a bearing on

² Under that rationale, if the barometer for good cause is "judicial economy" – *i.e.* there is a possibility that the Board may not need to preside over multiple proceedings – then "good cause" would be a meaningless or circuitous requirement.

this matter, but beyond that, that there is good cause for suspension. Because the Board did not address the issue of good cause, and given the factual and policy issues discussed below, good cause does not exist for suspending this matter. For this reason, the November 12 Order was in error.

V. THE FLIPAGRAM OPPOSITION PROCEEDING IS NOT A BASIS TO SUSPEND THIS PROCEEDING

The Board's Order concluded that the FLIPAGRAM proceeding "may have a bearing on this proceeding." This conclusion, however, is incorrect for several reasons unaddressed in the Order.

A. Flipagram's Counterclaims and Affirmative Defenses are Unique to Flipagram and Do Not Apply Here

The scope of Flipagram's counterclaims and affirmative defenses are unique to Flipagram and to the claims asserted against Flipagram, which weighs against a finding that the FLIPAGRAM proceeding will have any bearing on the instant matter. Applicant cannot avail itself to Flipagram's counterclaims and affirmative defenses, which do not apply to this proceeding. Applicant did *not* timely file counterclaims against Instagram and it should not be allowed to make up for that fact by piggy-backing off of Flipagram's counterclaims when it could not have alleged those counterclaims itself.

Similarly, Flipagram's two affirmative defenses (not counting its defenses that repeat its counterclaims) are directed only to conduct between Instagram and Flipagram. As noted above, Flipagram's estoppel by consent and unclean hands defenses relate to Flipagram's alleged use of the Instagram API, which does not apply to Applicant. In practice, in that proceeding, Flipagram could theoretically prevail on alternative defenses that (1) are not pleaded or available to Applicant; and (2) have nothing to do with the validity of the INSTAGRAM registrations that it

has attacked in its counterclaims. Because Applicant did not (and cannot) assert these same counterclaims and defenses, they should not be a basis to suspend *this* proceeding.

B. Flipagram’s Counterclaims Are Not Dispositive Here

Contrary to Evergram’s assertion and the Board’s apparent conclusion, Flipagram’s cancellation counterclaims are not dispositive of any issues raised in this proceeding, let alone the proceeding as a whole. Flipagram’s Counterclaims in the FLIPAGRAM proceeding cover only two of Instagram’s registrations for the INSTAGRAM mark. Instagram has eight registrations as issue here. Dkt. 1.³ Thus, *even if* Flipagram somehow were to prevail on one or both of its counterclaims, and the Board orders the two registrations cancelled, Instagram’s six remaining registrations would be unaffected by that specific ruling. Any ruling on two of Instagram’s registrations would likewise have no bearing on Instagram’s common law rights, which have also been asserted against Evergram. Dkt. 1 (Notice of Opposition) at ¶3.

Accordingly, even an unlikely, negative outcome in the Flipagram proceeding (e.g. cancellation of two registrations) would not, ultimately, impact or control the instant proceeding. Separately, after years of dispute in the FLIPAGRAM proceeding, Instagram could prevail on one of a number of grounds, or Flipagram could prevail by establishing a lack of likelihood of confusion, or it could prevail on one of its affirmative defenses that have nothing to do with the

³ Application Nos. 85866573 (http://tsdr.uspto.gov/#caseNumber=85866573&caseType=SERIAL_NO&searchType=statusSearch), 85965169 (http://tsdr.uspto.gov/#caseNumber=85965169&caseType=SERIAL_NO&searchType=statusSearch), 85965174 (http://tsdr.uspto.gov/#caseNumber=85965174&caseType=SERIAL_NO&searchType=statusSearch), 85965171 (http://tsdr.uspto.gov/#caseNumber=85965171&caseType=SERIAL_NO&searchType=statusSearch), 85965177 (http://tsdr.uspto.gov/#caseNumber=85965177&caseType=SERIAL_NO&searchType=statusSearch), and 86100072 (http://tsdr.uspto.gov/#caseNumber=86100072&caseType=SERIAL_NO&searchType=statusSearch), all pled in the instant proceeding (See Dkt. 1) matured to registration subsequent to Instagram filing the Notice of Opposition.

alleged invalidity of Opposer’s two registrations or the affirmative defenses pled by Applicant. None of these additional scenarios justifies suspension of the current proceeding, as those outcomes would have no bearing at all on the outcome of the current proceeding. Instagram believes it could prevail over Applicant regardless of the outcome of the Flipagram counterclaims.

Applicant may argue that, even though Flipagram’s counterclaims are aimed at only two registrations, a finding of abandonment due to “naked licensing” and “descriptiveness lacking secondary meaning” (Flipagram’s counterclaims) will apply as to all of Instagram’s registrations and applications, along with its common-law rights. This is not true. Flipagram’s counterclaim allegations make clear that they are based on certain language in the Instagram API Terms of Use that existed when the first two registrations issued, but not when the other registrations issued. Flipagram’s Counterclaims at ¶¶21, 27, 30. Any ruling on Flipagram’s counterclaims would be limited to only the two registrations at issue in those counterclaims, and none of Instagram’s other registrations or applications. This is an additional reason why Flipagram’s cancellation counterclaims have no bearing in this proceeding.

C. The FLIPAGRAM and EVERGRAM Proceedings Involve Different Marks and Different Parties

TBMP §510.02 allows for suspension in limited circumstances, including where one or more of the parties are involved in a federal civil action that may have a bearing on the Board (because the Federal district court’s decision may be binding on the Board), and “pending the final determination of another Board proceeding in which the parties are involved.” As previously noted, the marks and the parties in the FLIPAGRAM proceeding and the instant proceeding are not the same. Here, Evergram is not a party to the FLIPAGRAM proceeding (nor is Flipagram a party to this proceeding).

Flipagram and Evergram are also not in the same position with respect to Instagram. As alleged in Flipagram’s Answer and Counterclaims, Flipagram was a user of the Instagram API (software code allowing Flipagram’s services to interact with Instagram’s services), which included certain terms of use. *Instagram, LLC v. Flipagram, Inc.*, Opp. No. 91217238, Dkt. 8 at ¶5-8.⁴ Flipagram thus alleged privity with Instagram with respect to the API Terms of Use. These allegations form the basis of both of Flipagram’s counterclaims along with its “estoppel by consent” and “unclean hands” affirmative defenses. *Id.*, Dkt. 20 (Flipagram’s Opposition to Motion to Strike Affirmative Defenses) at 6-7.

Evergram, on the other hand, is not a user of the Instagram API. Evergram has not argued that it is in privity with Instagram. Nor, as the Board previously noted, has Evergram alleged that it is in privity with Flipagram or any third party such that it should be allowed to take advantage of Flipagram’s estoppel by consent affirmative defense. See Dkt. 28 , Aug. 17, 2015 Order granting in part Opposer’s Motion to Strike, at 3 fn. 1 (“estoppel may not be invoked by an applicant against an opposer based on that opposer's acquiescence in a third party's use or registration of a similar mark in the absence of a showing that applicant is in privity with that third party.”). Notably, *unlike* in the FLIPAGRAM proceeding, Evergram did not raise any counterclaims against Instagram’s registrations. The only affirmative defense that survived Instagram’s Motion to Strike in this case is an amplification of Evergram’s denial of the strength of the INSTAGRAM trademarks.

Because Flipagram is in a different position than Evergram, and because its counterclaims and defenses are based on facts that apply to Flipagram but do not apply to Evergram, the two matters are completely distinguishable such that the Board should find that the FLIPAGRAM proceeding will have no bearing on this matter.

⁴ Flipagram’s Answer and Counterclaims are available at:
<http://ttabvue.uspto.gov/ttabvue/v?pno=91217238&pty=OPP&eno=8>

D. The Strength and Fame of the INSTAGRAM Marks Are Insufficient Issues on Which to Base Suspension

In its November 12 Order, the Board concluded the FLIPAGRAM proceeding and this matter share “common issues with regard to the strength and fame of Opposer's marks, particularly the strength and fame of the shared suffix ‘GRAM.’” Because Flipagram does not have any counterclaims or affirmative defenses directed to the strength and fame of the INSTAGRAM trademark, this is apparently a reference to two of the so-called *DuPont* factors used to analyze likelihood of confusion. That “common issue,” *i.e.* that the parties in the respective proceedings might argue against the strength and fame of the INSTAGRAM mark, is an insufficient reason to justify suspension.

First, *even if* Flipagram is somehow successful in demonstrating lack of strength or fame of the INSTAGRAM trademark (which is highly unlikely given the evidence of the fame of the INSTAGRAM mark), unless the decision is ruled precedential, it would not be binding on the Board in the EVERGRAM opposition and those issues would need to be re-litigated. *See* United States Patent and Trademark Office OG Notices: 23 January 2007 (“A decision designated as not precedential is not binding upon the TTAB but may be cited for whatever persuasive value it might have.”). The Board would need to analyze the strength and fame of the INSTAGRAM marks based on the evidence submitted in the instant proceeding.

Second, the strength and fame of an opposer’s mark is an issue in *every* opposition or cancellation proceeding. Under the Board’s rationale, and as discussed more fully below, every such proceeding “might” have a bearing on every other proceeding brought by a common opposer because the strength and fame of an opposer’s mark is a *DuPont* factor, and because it is not uncommon for applicants to challenge to the strength of an opposer’s mark. If this “common issue” – a potentially overlapping *DuPont* analysis on two factors – could form the basis of a

finding of good cause to suspend a proceeding, the Board's docket would be clogged with thousands of suspended proceedings, and brand owners would be forced to pursue oppositions one after the other, rather than simultaneously. This cannot be what was intended by the "may have a bearing" language under which the Board might grant suspensions.

Third, an unlikely finding in another proceeding that the INSTAGRAM mark is not strong or famous would not control this proceeding, or limit Instagram's ability to prove its case against Applicant. The Board is required to consider all the remaining *DuPont* factors, and as the Board and Federal Circuit have held, no single factor is dispositive. See *In re Majestic Distilling Co.*, 315 F.3d 1311, 1315, 65 USPQ2d 1201, 1204 (Fed. Cir. 2003) ("Not all of the DuPont factors may be relevant or of equal weight in a given case, and 'any one of the factors may control a particular case,'" quoting *In re Dixie Restaurants, Inc.*, 105 F.3d 1405, 1406-07, 41 USPQ2d 1531, 1533 (Fed. Cir. 1997)). Indeed, the absence of strength and fame are typically not weighed as heavily as other factors. See *In re Iolo Techs., LLC*, 95 USPQ2d 1498, 1499 (TTAB 2010) (similarity and relatedness are often the most relevant).

As a further reminder why suspension is inappropriate when the other proceeding involves a different mark and applicant, the Board here must consider numerous facts and factors that are unique to Applicant and its conduct – not the conduct of an unrelated third party, Flipagram. For example, what is relevant here is *Applicant's* prior knowledge of Instagram; admissions relating to why it selected the EVERGRAM mark; actual confusion that is specific to Applicant; the meaning and consumer perceptions of Applicant's mark (EVERGRAM); and the channels of trade of Applicant's services; and admitted competition between Applicant's services and Instagram's services. The Board must conduct this analysis as to the EVERGRAM mark, and could find in favor of Instagram *regardless* of the outcome of the FLIPAGRAM proceeding. There is, accordingly, no benefit to judicial economy in suspending this matter,

potentially for years, when all of the foregoing issues would need to be adjudicated in this proceeding. To the contrary, suspension harms judicial economy as it only serves to delay this proceeding, leading to a clogged docket for the Board without any concurrent benefit to judicial economy.

E. Board Precedent Favors Not Suspending this Matter

Instagram is not aware of any Board decision, and neither Evergram nor the Board has cited any, finding that suspension is warranted in the instant circumstances. In its Opposition to the Motion to Suspend, Instagram cited two cases *denying* motions to suspend in analogous circumstances. Opp. at 4. Evergram ignored these cases in its Reply. Evergram cited to one decision in its Reply (depriving Instagram of the opportunity to address the ruling), but that decision is distinguishable.

In *Valentino*, Opp. No. 91177921, the Board suspended Valentino’s opposition because it was engaged in another proceeding regarding the same marks that was “in the final briefing stages.” *Id.* at 2, fn. 1. Here, the FLIPAGRAM proceeding is still in the early discovery phase and is not currently scheduled to conclude with briefing for another 14 months. *See* Declaration of Marcus Peterson in Support of Motion for Reconsideration (“Peterson Decl.”) at ¶2. Moreover, the parties in the FLIPAGRAM proceeding anticipate filing motions to compel discovery, which will delay the proceedings further. *Id.* at ¶3. In *Valentino*, the Board ostensibly placed significance on the imminence of the decision; here, a decision in the FLIPAGRAM proceeding is not anticipated for well over a year, and any outcome is likely to lead to further appeals. Consequently, the *Valentino* decision does *not* support suspension in this matter. *See In re Design Resources*, Ser. No. 78478872 (denying a motion to suspend an appeal of a denial pending potential cancellation of the registration the lead to the denial, where the

Section 8 filing was not due for nearly a year, citing “the substantial delay that would ensue at this point until it can be determined whether the cited registration will be cancelled”).

Lastly, the Board did not address either of the cases cited by Instagram, or the *Valentino* decision, in granting suspension here. Beyond the cases previously cited by Instagram, the *Jodi Kristopher* and *Boyd's Collection* decisions discussed above also demonstrate that suspension is inappropriate here.

For all of these reasons, the FLIPAGRAM proceeding is not an appropriate basis to suspend because it will not have any bearing on the instant matter.

* * *

For all of the foregoing reasons, the existence of the FLIPAGRAM proceeding is not an appropriate basis to suspend the instant proceeding, and does not promote judicial economy.

VI. SUSPENDING THE EVERGRAM PROCEEDING ON THESE GROUNDS IS AGAINST PUBLIC POLICY

Beyond the above reasons why it was error to suspend the EVERGRAM opposition, the Board’s November 12 Order is contrary to Board policy, encourages abuse, deprives brand owners of the ability to effectively and efficiently protect their rights at the USPTO, and does not benefit the public.

A. The Rationale for Suspension, if Followed, Would Deprive Instagram and Other Brand Owners of the Ability to Enforce their Rights

Like other owners of world-famous and popular trademarks, Instagram is currently involved in a number of simultaneous opposition proceedings. If the Board’s November 12 Order stands, it may unwittingly provide a tool for each of those other proceedings to be suspended at the applicant’s request. This result would only encourage extensive and costly delay.

To illustrate, once the FLIPAGRAM proceeding is concluded, the EVERGRAM opposition, or perhaps another matter, would be decided as the next in line while the remaining oppositions continue to be suspended. If each matter is decided in turn, Instagram's current set of opposition proceedings might stretch on for years, if not decades (without accounting for newly-filed, additional oppositions in the future). Given the very broad language of the November 12 Order, nothing would prevent this scenario since each proceeding "may have a bearing" on all of the next in line due to "common issues" of strength or fame, or if those applicants challenge the validity of certain of Instagram's registrations.

Brand owners have a duty to enforce their trademark rights. The November 12 Order, if applied to other cases, makes it impossible for brand owners to do so in a timely manner, regardless of whether counterclaims are lodged or affirmative defenses raised, since strength and fame of a mark are issues in every opposition. As an example, looking at just the top 10 brands in the Interbrand Best Global Brands 2015⁵, many are involved in a number of TTAB proceedings. For example, Coca-Cola filed 12 oppositions or cancellations in 2015. Toyota instituted eight proceedings this year. McDonald's (five proceedings this year) and Amazon (six proceedings) are very active at the TTAB.⁶ Suspending all of the proceedings while each subsequent matter is decided, in turn, would frustrate and undermine the brand owner's ability to enforce its rights in an efficient and effective manner.

In such an instance, the brand owner would have no choice but to file a lawsuit in state or federal court to redress its concerns, unless it wanted to handle such disputes on a case-by-case

⁵ Available at <http://interbrand.com/best-brands/best-global-brands/2015/ranking/>

⁶ See <http://ttabvue.uspto.gov/ttabvue/v?pnam=The%20Coca-Cola%20Company> (Coca-Cola), <http://ttabvue.uspto.gov/ttabvue/v?pnam=Toyota%20Jidosha%20Kabushiki%20Kaisha%20/a%20Toyota%20Motor%20Corporation> (Toyota), <http://ttabvue.uspto.gov/ttabvue/v?pnam=McDonald%27s%20Corporation> (McDonald's), and <http://ttabvue.uspto.gov/ttabvue/v?pnam=Amazon%20Technologies,%20Inc>. (Amazon).

approach. This outcome would lead to increased costs of enforcement for the brand owners and additional overcrowding of court dockets, none of which serve judicial economy.

The effect of such a ruling would not only impact brand owners. Given that one purpose of trademark laws is to protect consumers from confusion, hampered and expensive enforcement efforts and delayed resolution of matters harms the public. The rationale of the November 12 Order, if imported to other matters, would likely have such an effect. For example, many applications would remain on the register for years, purporting to give the applicants certain rights that – because of suspended proceedings – may not be adjudicated for years. This is not a policy that the Board should espouse.

B. Suspension on these Grounds Thwarts Federal Rules that Encourage the Speedy Resolution of Proceedings

Similarly, suspension on these grounds runs contrary to USPTO policy. Pursuant to TBMP § 101.02, proceedings before the Board are governed in part by the Federal Rules of Civil Procedure. Fed. R. Civ. P. 1 states that the rules, “should be construed and administered to secure the just, *speedy*, and inexpensive determination of every action and proceeding.” (emphasis added). Suspension of proceedings under the Board’s rationale – where there are common issues on only two *DuPont* factors – does not comply with Rule 1. *See Universal Elecs., Inc. v. Universal Remote Control, Inc.*, 943 F. Supp. 2d 1028, 1035 (C.D. Cal. 2013) (denying motion to stay patent litigation pending *inter partes* review of some of the claims at issue because, “allowing the progress of its docket to depend on the status of proceedings elsewhere can interfere with its obligation to secure the just, speedy, and inexpensive determination of every action. If litigation were stayed every time a claim in suit undergoes reexamination, federal infringement actions would be dogged by fits and starts. Federal court calendars should not be hijacked in this manner.”) (internal quote and citations omitted);

Ludwigson v. Roman Catholic Diocese of Brooklyn, No. 14-CV-1212, 2015 WL 4602548, at *2 (E.D.N.Y. June 16, 2015) (denying motion to suspend pending appeal of denial of motion to dismiss because “The plaintiff will be injured if she is forced to wait longer for relief, if she is entitled to it,” and because “the public interest requires speedy adjudication of this case to allow for the court's attention to other matters on its docket.”).

The rationale in these cases and Fed. R. Civ. P. 1 holds true here. The Board docket should not be hijacked by unrelated proceedings that are unlikely to have a bearing on later proceedings. Nor should a brand owner be denied relief to which it is entitled. Such outcomes do not secure the speedy resolution of Board proceedings.

C. Suspension on these Grounds Undermines the Board’s Efforts to Avoid Unreasonable Delay

The Board itself has modified its rules over time to avoid delay in resolving Board matters (*see, e.g.*, Miscellaneous Changes to Trademark Trial and Appeal Board Rules, 1409 CNOG 3339 (modifying rules relating to service and initial disclosures to “increase efficiency” in Board procedures)) and has rejected attempts to unnecessarily delay proceedings. See *Jodi Kristopher*, 91 USPQ2d 1957 (Petitioner’s motion to suspend based on civil action was denied as Board found it was simply a delay tactic which is not a valid reason for suspension); *Norac, Inc. v. Elements Specialties, Inc.*, 2003 WL 22964788, at *2 (Dec. 12, 2003) (“the Board finds that suspension of these proceedings to allow a case involving an application that is currently being examined to reach the same procedural posture as the above-captioned proceedings and then be consolidated therewith would **unreasonably delay resolution** of the above-captioned proceedings and is therefore inappropriate.”) (emphasis added).

Unfortunately, the Board’s November 12 Order provides a mechanism by which Instagram could never have a speedy resolution of any proceeding as long as the FLIPAGRAM

proceeding, or any other proceeding in which the strength of Instagram's mark or validity of some of Instagram's registrations, is pending.

The FLIPAGRAM proceeding is currently scheduled to conclude briefing in February 2017 (Peterson Decl. at ¶2), after which the parties will have oral argument and Board will need time to consider the matter and issue a ruling (no sooner than mid- 2017). The parties in the FLIPAGRAM proceeding currently contemplate filing motions to compel discovery responses, which will suspend the proceeding. *Id.* at ¶3. Accordingly, the FLIPAGRAM proceeding would not be decided until mid-2017 *at the earliest*, and likely several months after that. Either party is also likely to appeal an unfavorable ruling, stretching the proceeding out longer. Instagram should not be forced to wait a year and a half, or longer, to resume conducting its opposition proceedings against Applicant – or any other infringer.

Under the most recent schedule here (from the August 17 ruling on Instagram's motion to strike), once resumed, the current proceeding would then have 13 months of discovery, trial period, and briefing before it is fully submitted, meaning there will be no resolution for Instagram or Applicant until 2019 *at the earliest*. This is hardly the "speedy resolution" of the matter contemplated by the Rules. Fed. R. Civ. P. 1; see also *In re Design Resources*, Ser. No. 78478872 (denying a motion to suspend that would delay resolution for over a year).

D. Suspension on these Grounds Could Foster Abuse By Applicants and Opposers

As a matter of policy, failure to reconsider the November 12 Order would frustrate the use of Board proceedings as a vehicle to obtain a better understanding of an opponent's position and gather evidence in an effort to resolve a matter. To the contrary, this decision would encourage suspensions to avoid discovery, or cause brand owners with multiple proceedings to consider other outlets of enforcement.

CERTIFICATE OF SERVICE VIA FIRST CLASS MAIL

I, Marcus Peterson, hereby certify that a true and complete copy of the foregoing
MOTION FOR RECONSIDERATION OF NOVEMBER 12, 2015 ORDER GRANTING
APPLICANT’S MOTION TO SUSPEND
was served on Applicant’s counsel, Jay Begler, Niesar & Vestal LLP, 90 New Montgomery
Street, San Francisco, CA 94109, via postage prepaid first-class mail on December 14, 2015.

/s/ Marcus Peterson_____

Marcus Peterson

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

Instagram, LLC,	§	Opposition No. 91216122
	§	
Opposer,	§	Serial No.: 85/613,424
	§	
v.	§	Mark: EVERGRAM
	§	
Evergram, Inc.,	§	International Classes: 09, 42
	§	
Applicant.	§	Published: October 29, 2013
	§	

**DECLARATION OF MARCUS PETERSON IN SUPPORT OF MOTION FOR
RECONSIDERATION OF NOVEMBER 12, 2015 ORDER GRANTING APPLICANT’S
MOTION TO SUSPEND**

1. I, Marcus Peterson, am an attorney licensed to practice law in the state of California and am a senior associate of Pillsbury Winthrop Shaw Pittman LLP, attorneys for Opposer Instagram, LLC (“Instagram”) in this action. The matters set forth in this declaration are based upon my personal knowledge, except where otherwise indicated, and if called as a witness I could and would testify competently thereto. I make this declaration in support of Instagram’s Motion for Reconsideration re Applicant’s Motion to Suspend.
2. I am also attorney for Instagram in its opposition against the FLIPAGRAM trademark application, Opposition No. 91217238. Pursuant to the current schedule in that matter, final briefing is not currently scheduled to conclude until February 2017.
3. Based on discussions with opposing counsel in the FLIPAGRAM proceeding, I am aware that the parties in the FLIPAGRAM proceeding currently anticipate filing motions to compel discovery.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed this 14th day of December, 2015, at Los Angeles, California.

Date: December 14, 2015

By: /s/ Marcus Peterson
Marcus Peterson
PILLSBURY WINTHROP SHAW PITTMAN
725 S. Figueroa St., Suite 2800
Los Angeles, CA 90017
(213) 488-7551

CERTIFICATE OF ELECTRONIC TRANSMISSION

DATE OF DEPOSIT December 14, 2015

I hereby certify that this correspondence is being transmitted to the United States Patent and Trademark Office Trademark Trial and Appeal Board using the Electronic System for Trademark Trials and Appeals (ESTTA) on the date indicated above.

/s/ Marcus Peterson
Marcus Peterson

CERTIFICATE OF SERVICE VIA FIRST CLASS MAIL

I, Marcus Peterson, hereby certify that a true and complete copy of the foregoing DECLARATION OF MARCUS PETERSON IN SUPPORT OF MOTION FOR RECONSIDERATION OF NOVEMBER 12, 2015 ORDER GRANTING APPLICANT'S MOTION TO SUSPEND was served on Applicant's counsel, Jay Begler, Niesar & Vestal LLP, 90 New Montgomery Street, San Francisco, CA 94109, via postage prepaid first-class mail on December 14, 2015.

/s/ Marcus Peterson_____

Marcus Peterson