

UNITED STATES PATENT AND TRADEMARK OFFICE
Trademark Trial and Appeal Board
P.O. Box 1451
Alexandria, VA 22313-1451
General Contact Number: 571-272-8500

mbm

Mailed: June 21, 2018

Opposition No. 91240829

STX Financing, LLC

v.

Stacey Michelle Terrazas

Mary Beth Myles, Interlocutory Attorney:

Pursuant to Fed. R. Civ. P. 26(f) and Trademark Rules 2.120(a)(1) and (2), the parties held a timely discovery conference on June 20, 2018. *See* TBMP § 401.01 (June 2017). At Applicant's request, a member of the Board participated in the conference. Participating were Mr. Bost, counsel for Opposer, Mr. Vasquez, counsel for Applicant, and Mary Beth Myles, the assigned Interlocutory Attorney.

This order memorializes what transpired during the conference. Conferences with the Board may not be recorded.

I. Settlement

During the discovery conference, the parties stated that there had been some settlement discussions to date, but no agreements had been reached. The Board encouraged the parties to engage in settlement discussions and advised that the Board does entertain, and is liberal in granting, motions to suspend proceedings for settlement discussions. The parties were cautioned, however, that the parties must

Opposition No. 91240829

be actively engaged in settlement discussions to obtain a suspension and that requests to suspend may be denied where there has been protracted suspension without substantial progress towards settlement. *See* TBMP § 605.02. The parties were further advised that proceedings may only be suspended for settlement with the consent of both parties and that either party may request resumption of the proceedings at any time. *Id.*

II. ACR

The Board informed the parties of the Board's Accelerated Case Resolution ("ACR") process. While the parties did not stipulate to pursue ACR at this time, the parties may reserve the right to pursue ACR at a future date, if appropriate.¹

III. Related Proceedings

The parties informed the Board that they are not involved in any other Board proceedings, civil actions, arbitrations, or other proceedings concerning issues related to the mark involved in the current Board proceeding. As set forth in the Board's institution order, the parties must notify the Board promptly in writing if they become parties to another Board proceeding or a civil action involving the same or related marks or issues of law or fact that overlap with this case.

IV. Board's Jurisdiction

The Board is an administrative tribunal that is empowered solely to determine the right to register, and has no authority to determine the right to use a mark or any

¹ Information concerning the Board's Accelerated Case Resolution procedure is available online at the Board's website at:
http://www.uspto.gov/sites/default/files/trademarks/process/appeal/Accelerated_Case_Resolution_ACR_notice_from_TTAB_webpage_12_22_11.pdf.

Opposition No. 91240829

infringement or unfair competition issues. *See* TBMP § 102.01. The Board also does not possess injunctive powers to prohibit a party from using its mark, and cannot award monetary damages or attorneys' fees. *See General Mills Inc. v. Fage Dairy Processing Industry SA* (TTAB 2011).

V. Pleadings

The Board then reviewed the pleadings in this matter for purposes of the discovery conference. The Board finds that Opposer's allegations regarding its standing as well as its asserted claims of likelihood of confusion and dilution by blurring are properly pleaded.

In its answer, Applicant asserts two affirmative defenses. As its first affirmative defense, Applicant asserts that Opposer has failed to state a claim upon which relief may be granted. This is not a true affirmative defense because it relates to an assertion of the insufficiency of Opposer's pleading rather than a statement of a defense to a properly pleaded claim. In view thereof, this asserted affirmative defense will not be considered as such. *See Hornblower & Weeks Inc. v. Hornblower & Weeks Inc.*, 60 USPQ2d 1733, 1738 n.7 (TTAB 2001). Moreover, the Board has found that Opposer has properly pleaded its standing and claims of likelihood of confusion and dilution by blurring. Accordingly, Applicant's first affirmative defense is stricken.

Applicant's reservation of the right to assert additional affirmative defenses is not an appropriate affirmative defense, but rather merely an advisory statement that Applicant may amend its pleading at some future point. A defendant cannot reserve unidentified defenses since it does not provide a plaintiff fair notice of such defenses.

Opposition No. 91240829

Whether or not Applicant may, at some future point, add an affirmative defense would be resolved by way of a motion to amend for Board approval. *See* Trademark Rule 2.115; Fed. R. Civ. P. 15(a); TBMP § 507. In view thereof, Applicant's second affirmative defense is stricken.

VI. Board's Standard Protective Order

The Board then advised the parties of the automatic imposition of the Board's two-tiered standard protective order pursuant to Trademark Rule 2.116(g), and further indicated that the parties would control which tier of confidentiality applies. Additionally, the Board stated that if the parties wished to modify the Board's standard protective order, they could do so by filing a motion for Board approval. Because the Board's standard protective order is automatically imposed on this proceeding, the parties are precluded from objecting to any discovery on the ground of confidentiality.

Under the Board's standard protective order, once a proceeding before the Board has been finally determined, the Board has no further jurisdiction over the parties thereto. According to the terms of the Board's protective order, within thirty days following termination of a proceeding, the parties must return to each disclosing party the protected information disclosed during the proceeding, including any briefs, memoranda, summaries, and the like, that discuss or in any way refer to such information. Alternatively, the disclosing party or its attorney may make a written request that such materials be destroyed rather than returned.

Opposition No. 91240829

It is unclear, however, whether the Board can order parties to enter into a contract that will govern the protection of information after the Board proceeding is concluded. *See* Miscellaneous Changes to Trademark Trial and Appeal Board Rules, 72 Fed. Reg. 42242, 42251 (August 1, 2007). Thus, it may be advisable for the parties to sign a stipulated protective order, so that it is clear that they are all bound thereby; that they have created a contract that will survive the proceeding; and that there may be a remedy at court for any breach of that contract that occurs after the conclusion of the Board proceeding.² Nonetheless, any determination of whether the agreement establishes contractual rights or is enforceable outside of the Board proceeding is for a court to decide should such matter come before it.

Opposer indicated that it intended to make revisions to the Board's Standard Protective Order for Applicant's review and approval. The Board advised the parties that any agreed upon revisions must be submitted for Board approval.

VII. Service of Papers

The Board advised the parties that each paper filed with the Board must be served on the opposing party electronically and that all filings with the Board must be made via ESTTA, the Board's online electronic filing system. If email service is not possible because of technical problems or extraordinary circumstances and there is no stipulation, the serving party must show by written explanation accompanying the submission or paper that email service was attempted but could not be made. In

² While it may be advisable for the parties to sign a stipulated protective order, it is not necessary for the Board's protective order to take effect.

addition, the failure to file motions and papers via ESTTA requires a showing of technical difficulty or an explanation of extraordinary circumstances.

VIII. Discovery and Motion Practice

The Board apprised the parties of the general procedural rules and guidelines that govern *inter partes* proceedings, including the Board's liberal granting of motions to suspend for settlement efforts, and the requirement that a party serve its initial disclosures pursuant to Fed. R. Civ. P. 26(a)(1)(A)(i) and (ii) prior to serving discovery requests. *See* Trademark Rule 2.120(a)(3). The Board further noted the parties may not take discovery or file a motion for summary judgment until they had made their initial disclosures pursuant to Fed. R. Civ. P. 26(a)(1).

The Board also advised the parties how the amended Federal Rules of Civil Procedure, which became effective December 1, 2015, have affected Board proceedings, particularly discovery. Discovery should be proportional to the needs of the case as mandated by the Federal Rules of Civil Procedure. The parties were also advised that there is a limit of seventy-five interrogatories, document requests, and requests for admission, including sub-parts. Trademark Rules 2.120(e) and (i).

The Board explained that discoverable material includes electronically stored information and advised the parties to identify any potential problems with the production of electronically stored information in advance. The parties were also instructed to consult TBMP § 414 when preparing and responding to discovery requests and to consult Chapter 400 for other questions concerning discovery.

Opposition No. 91240829

Additionally, the Board advised the parties that if either party plans to file a motion to compel discovery, the moving party must demonstrate a good faith effort has been made to resolve the discovery dispute before filing its motion.³ The Board also advised the parties that a motion to compel must be filed prior to the day of the deadline for pretrial disclosures for the first testimony period. The parties are advised to consult Chapter 500 of the TBMP for more information on motion practice before the Board.

The Board then advised the parties that the 2016 Miscellaneous Changes to the Trademark Trial and Appeal Board Rules went into effect on January 14, 2017. The Board further advised that the parties should note, in particular, the following changes: (1) all discovery requests must be served early enough in the discovery period so that responses will be due no later than the close of discovery;⁴ (2) requests for production of documents and things and requests for admission are limited to seventy-five, including subparts;⁵ (3) a motion to compel initial disclosures must be filed within thirty days after the deadline therefor;⁶ (4) all service should be provided electronically;⁷ and (5) all filings with the Board must be made through ESTTA.⁸

³ The Board expects the parties to cooperate with one another in the discovery process and looks with disfavor on those who do not so cooperate. *See* TBMP § 408.01.

⁴ Trademark Rule 2.120(f).

⁵ Trademark Rules 2.120(e) and (i).

⁶ Trademark Rules 2.120(f)(1) and (2).

⁷ Trademark Rules 2.119(a) and (b).

⁸ Trademark Rule 2.126(a).

IX. Initial Disclosures

The Board provided the parties instructions as to what the required initial disclosures entail under Fed. R. Civ. P. 26(a). In such disclosures, the parties should provide to each other the following information:

the name and, if known, the address and telephone number of each individual likely to have discoverable information—along with the subjects of that information—that the disclosing party may use to support its claims or defenses, unless the use would be solely for impeachment [and] a copy—or a description by category and location—of all documents, electronically stored information, and tangible things that the disclosing party has in its possession, custody, or control and may use to support its claims or defenses, unless the use would be solely for impeachment.

Fed. R. Civ. P. 26(a)(1)(A)(i) and (ii). The parties **should not** file their respective initial disclosures with the Board.

X. Expert Witness Disclosures

The Board also noted that, to the extent either party retains an expert witness, such party must make their expert witness disclosure by the set deadline, as well as provide the Board with notification that the party will be employing an expert. Depending upon when such notification is made with the Board, the Board, in its discretion, may suspend proceedings for the sole purpose of allowing the parties to take discovery of a designated expert witness.

XI. Pretrial Disclosures

Pretrial disclosures are governed by Fed. R. Civ. P. 26(a)(3) with one exception: the Board does not require pretrial disclosure of each document or other exhibit that a party plans to introduce at trial as provided by Fed. R. Civ. P. 26(a)(3)(A)(iii).

Opposition No. 91240829

Disclosures allow parties to know prior to trial the identity of trial witnesses, thus avoiding surprise witnesses.

In making its pretrial disclosures, the party must disclose the name and, if not previously provided, the telephone number and address of each witness from whom it intends to take testimony, or may take testimony if the need arises. The party must disclose general identifying information about the witness, such as relationship to any party, including job title if employed by a party, or, if neither a party nor related to a party, occupation and job title, a general summary or list of subjects on which the witness is expected to testify, and a general summary or list of the types of documents and things that may be introduced as exhibits during the testimony of the witness.

Pretrial disclosure of a witness under Trademark Rule 2.121(e), however, does not substitute for issuance of a proper notice of examination under Trademark Rules 2.123(c) and 2.124(b). Further, if a party does not plan to take testimony from any witnesses, it must so state in its pretrial disclosure.

For further information regarding pretrial disclosures, the parties should consult TBMP § 702.01.

XII. Testimony

The parties were advised that the Board does not preside at the taking of testimony. Rather, all testimony is taken out of the presence of the Board during the assigned testimony or trial periods and written transcripts thereof, together with any exhibits thereto, are then filed with the Board. The parties may elect to submit testimony via affidavit or declaration, subject to a right by the other side to cross-examine the witness. Trademark Rule 2.123.

XIII. Trial

The Board advised the parties to consult Chapter 700 of the TBMP for information on trial procedure and the proper introduction of evidence. No paper, document, or exhibit will be considered as evidence in the case unless it has been introduced in evidence in accordance with the applicable rules. *See* Trademark Rules 2.122 and 2.123. The parties were advised that they may utilize stipulations of fact and evidence to realize cost and procedural efficiencies. Finally, the parties were reminded that an oral hearing is set only upon request as provided by Trademark Rule 2.129.

XIV. Schedule

Dates remain as set in the Board's April 24, 2018 institution order.