

**UNITED STATES PATENT AND TRADEMARK
OFFICE
Trademark Trial and Appeal Board
P.O. Box 1451
Alexandria, VA 22313-1451**

Mailed: October 15, 2009

Cancellation No. 92049740

The Sunrider Corporation d/b/a
Sunrider International

v.

Nature's Sunshine Products,
Inc.

Ann Linnehan, Interlocutory Attorney

This case now comes up for consideration of the
following motions:

- 1) Petitioner's motion (filed March 16, 2009, with a certificate of mailing dated March 12, 2009) for a thirty-day extension of time for petitioner to disclose expert witnesses (the motion is fully briefed);
- 2) Petitioner's motion (filed April 2, 2009) for a twenty-one day extension of time for petitioner to respond to respondent's discovery requests (respondent filed a brief in response);
- 3) Respondent's motion (April 14, 2009) for an extension of time within which to depose Tei-Fu Chen (there is no brief in response);
- 4) Petitioner's motion (filed April 15, 2009, with a certificate of mailing dated April 8, 2009) for suspension to allow for completion of experts' discovery as per a prior motion or, alternatively, first enlargement of the discovery period by sixty days (the motion is fully briefed);
- 5) Respondent's motion (filed June 9, 2009) for "terminating sanctions, evidentiary sanctions, or an order compelling discovery" (the motion is fully briefed); and

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- 6) Petitioner's motion (filed October 7, 2009) to suspend proceedings for a civil action between the parties.

The Board turns first to petitioner's motion to extend the deadline for expert disclosures.¹ Expert disclosures were due, as set forth in the institution order, on March 12, 2009. Petitioner requests that the parties be permitted an additional thirty days "until and including April 13, 2009 (April 11, 2009 being a Saturday)" for the designation of experts.² Petitioner states that the use of an expert witness may become necessary on Chinese language issues, proper translations or acceptable or commonly understood Romanization of such language, as well as on other issues pertaining to the Chinese language. Petitioner specifically indicates that certain discovery requests served by respondent on February 20, 2009 have made it clear that the mere testimony of Chinese language speakers may not be helpful or persuasive for resolving issues in this case and that both the parties and the Board may benefit from expert witness testimony.

The standard for allowing an extension of a prescribed period prior to the expiration of that period is good cause.

¹ Respondent should note that petitioner's motion is indeed a motion to extend and not a motion to reopen. Respondent may wish to familiarize itself with Trademark Rule 2.197.

² In the alternative, petitioner asks the Board to suspend proceedings and set forth a schedule for the orderly completion of expert discovery. The Board suspends proceedings for this purpose later in this order.

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Fed. R. Civ. P. 6(b)(1). The Board is generally liberal in granting extensions before the period to act has lapsed, so long as the moving party has not been guilty of negligence or bad faith and the privilege of extensions is not abused. See, e.g., *American Vitamin Products, Inc. v. Dow Brands Inc.*, 22 USPQ2d 1313 (TTAB 1992).

After carefully reviewing the parties' arguments and given the Board's liberal application of the Federal Rule 6(b)(1) standard, the Board finds that the circumstances herein are appropriate for granting petitioner's motion to extend. In particular, the Board finds that petitioner's stated reasons for needing additional time constitute good cause for granting the extension sought. In addition, the Board finds that there is no evidence of negligence or bad faith on the part of petitioner, that petitioner has not abused the privilege of extensions, and that respondent has pointed to no actual prejudice beyond a mere delay of these proceedings.

In view thereof, petitioner's motion to extend time is granted.³

The Board next turns to petitioner's motion for a twenty-one day extension of time for petitioner to respond

³ The Board notes that petitioner notified the Board of its designation of an expert witness on April 16, 2009 (with a certificate of mailing dated April 13, 2009), i.e., within the requested extension.

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to respondent's discovery requests (until and including April 17, 2009).

In support of its motion, petitioner argues that an additional twenty-one days are needed to respond to respondent's discovery requests because of the overall complexity of the requests, the extensive time period covered by the requests, the demands of petitioner's counsel's schedule, petitioner's involvement in another litigation, and petitioner's belief that the parties' would continue to focus on their previous efforts to settle this matter, rather than commence discovery.

After carefully reviewing the parties' arguments and given the Board's liberal application of the Federal Rule 6(b)(1) standard, the Board finds that the circumstances herein are appropriate for granting petitioner's motion to extend its time to respond to respondent's discovery requests. In particular, the Board finds that petitioner's stated reasons for needing additional time constitute good cause for granting the extension sought. In addition, the Board finds that again there is no evidence of negligence or bad faith on the part of petitioner, that petitioner has not abused the privilege of extensions, and that respondent has pointed to no actual prejudice beyond a mere delay of these proceedings.

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In view thereof, petitioner's motion to extend its time to respond to respondent's discovery requests is granted.⁴

The Board next turns to respondent's motion for an extension of time within which to depose Tei-Fu Chen. Respondent requests permission to depose Mr. Chen following the close of discovery. At the time of the filing of respondent's motion, discovery was set to close on April 11, 2009. Inasmuch as the discovery deadline will be reset herein, respondent's motion is denied as moot.

Next, the Board considers respondent's motion for "terminating sanctions, evidentiary sanctions, or an order compelling discovery."

Respondent seeks an order entering judgment against petitioner or evidentiary sanctions against petitioner for "its repeated disregard for the deadlines established by the Board in its scheduling order, failure to provide initial and pretrial disclosures, refusal or failure to provide substantive and complete interrogatory responses, refusal or failure to make documents available for production and failure to make Tei-Fu Chen available for deposition after receiving proper notice of the deposition."⁵

⁴ The Board notes that the record indicates that petitioner served its responses on April 17, 2009, within the requested extension.

⁵ The Board notes that in respondent's motion it makes reference to the fact that the deadline for the discovery conference passed and it "did not hear from SunRider with regard to settlement or any other matter..." Respondent should note:

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This motion is not properly before the Board and will receive no further consideration.⁶

With regard to respondent's alternative motion to compel discovery, the motion is denied. Upon reviewing the arguments and supporting papers submitted by the parties, the Board finds that respondent has not satisfied its obligation under Trademark Rule 2.120(e) to make a good faith effort to resolve the discovery disputes herein. Trademark Rule 2.120(e) provides that a motion to compel must be supported by a written statement from the moving party that it has made a good faith effort, by conference or

The obligation for the parties to hold a conference to discuss settlement and planning for disclosures and discovery is a mutual obligation. A plaintiff in a Board *inter partes* proceeding bears a burden of proof and is generally expected to move forward in a proceeding, while a defendant may choose to "defend" the case by doing little and hoping that the plaintiff will not be able to prove its case. Nonetheless, the obligation to confer and determine whether the parties can settle a case, or if not, at least plan for a cooperative exchange of disclosures and any possible discovery requests, is a shared responsibility. The mutual nature of the conferencing obligation is illustrated by the Board policy of participating in the conference upon request of any party,' see Trademark Rule 2.120(a)(2), as well as by the requirement that both a plaintiff and a defendant must make initial disclosures, and planning for such disclosures is one of the subjects to be discussed in the conference. *Influence, Inc. v. Elaina Zuker*, 88 USPQ2d 1859, fn. 2 (TTAB 2008).

⁶ A motion for sanctions for failure to comply with an order of the Board lies when the Board has entered an order relating to disclosure or discovery (i.e., an order compelling discovery or a protective order) and the order has been violated. See TBMP Section 527.01(a) (2d ed. rev. 2004). In this instance, the Board has yet to issue an order compelling discovery.

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correspondence, to resolve with the other party the issues presented in the motion, but the parties were unable to resolve their differences. *See Sentrol, Inc. v. Sentex Systems, Inc.*, 231 USPQ 666 (TTAB 1986). The concept behind Trademark Rule 2.120 is to require a bilateral effort to resolve the parties' differences or, at least, to focus those differences.

There is no good faith effort statement in respondent's motion to compel, nor any indication in the record that respondent discussed *in good faith* petitioner's objections to the discovery requests or the parties' disputes surrounding the requests before respondent filed the motion to compel.

Respondent is reminded that the purpose of discovery is to advance the case so that it may proceed in an orderly manner within reasonable time constraints. To this end, the parties must adhere to the strictures set forth in *Sentrol, Inc. v. Sentex Systems, Inc.*, 231 USPQ 666 (TTAB 1986), and repeated below:

[E]ach party and its attorney has a duty not only to make a good faith effort to satisfy the discovery needs of its opponent but also to make a good faith effort to seek only such discovery as is proper and relevant to the specific issues involved in the case. Moreover, where the parties disagree as to the propriety of certain requests for discovery, they are under an obligation to get together and attempt in good faith to resolve their differences and to present to the Board for resolution only those remaining requests for discovery, if any, upon which they have been

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unable, despite their best efforts, to reach an agreement. Inasmuch as the Board has neither the time nor the personnel to handle motions to compel involving substantial numbers of requests for discovery which require tedious examination, it is generally the policy of the Board to intervene in disputes concerning discovery, by determining motions to compel, only where it is clear that the parties have in fact followed the aforesaid process and have narrowed the amount of disputed requests for discovery, if any, down to a reasonable number.

Accordingly, respondent's motion to compel is denied without prejudice to renewal or refiling when narrowed or focused following good faith discussion by the parties of their differences regarding discovery.

In consequence of the above, the parties are directed to work together to resolve their discovery problems, in the spirit of good faith and cooperation which is required of all litigants in Board proceedings. The Board believes that the parties should be able to resolve most, if not all, of the discovery disputes identified in the motion. In particular, no motion to compel should be filed unless the parties are truly unable, after making their best efforts, to work out mutually acceptable solutions to their discovery problems without the Board's help, and are able to demonstrate the extent of their efforts to resolve their differences.

It is noted that the petition to cancel contains an allegation of fraud as a ground for cancelling respondent's registration. Although the allegation of fraud was made prior

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to the August 31, 2009 decision of *In re Bose Corp.*, ___ F.3d ___, 91 USPQ2d 1938 (Fed. Cir. 2009), petitioner is advised that any determination of the merits of its alleged ground of fraud (whether upon motion for summary judgment or at final decision) will be in accordance with *In re Bose Corp.*, which clarified the standard for proving fraud in cases before the United States Patent and Trademark Office.⁷

The Board now considers petitioner's motion for suspension to allow for completion of discovery relating to experts, as per a prior motion or, alternatively, for a first enlargement of the discovery period by sixty days.

In support of this motion, petitioner argues that a suspension of proceedings is appropriate to allow for the completion of experts' discovery and to allow the petitioner to complete the extensive and comprehensive discovery requests served by respondent.⁸ In the alternative, petitioner argues that a sixty-day extension of the discovery period would be appropriate.

Inasmuch as petitioner has now advised the Board of its intention of using an expert witness, petitioner's motion is

⁷ This discussion of fraud is merely advisory. The Board makes no determination herein as to the merits of petitioner's ground of fraud, the merits of any other ground for cancellation, or the sufficiency of any of the allegations in the petition to cancel.

⁸ Again, the Board notes that petitioner appears to have served its responses and the Board has addressed herein the need for additional time with respect to answering respondent's discovery requests in the prior motion to extend.

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granted to the extent that proceedings will be suspended for the sole purpose of affording respondent the opportunity to take discovery limited to petitioner's designated expert witness *in the event* proceedings are resumed following the civil action between the parties. Therefore, the Board turns to opposer's October 7, 2009 motion to suspend the proceeding pending final determination of a civil action between the parties.⁹

Trademark Rule 2.117(a) provides that "[w]henver it shall come to the attention of the ... Board that a party or parties to a pending case are engaged in a civil action...which may have a bearing on the case, proceedings before the Board may be suspended until termination of the civil action."

The civil action involves the same parties and same trademarks involved herein. After reviewing the civil action pleading, the Board finds that the civil action at issue may have a bearing upon the above-captioned proceeding in that the federal action will essentially determine applicant's rights to use its mark. In the interest of judicial economy, and consistent with the Board's inherent authority to regulate its proceedings to avoid duplicating

⁹ The civil action at issue is styled *Nature's Sunshine Product's Inc. v. The SunRider Corporation*, filed October 5, 2009 in the United States District Court for the District of Utah Central Division.

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the efforts of the district court and the possibility of reaching an inconsistent conclusion, suspension is appropriate. See TBMP Section 510.02(a) (2d ed. rev. 2004).

In view thereof, opposer's motion to suspend is hereby granted. Proceedings herein are suspended pending final disposition, including any and all appeals and remands.

Within twenty days after the final determination of the civil action the parties should notify the Board so that this case may be called up for appropriate action.¹⁰ During the suspension period the Board should be notified of any address changes for the parties or their attorneys.

¹⁰ In the event proceedings are resumed the Board will provide a sixty-day suspension period for the completion of discovery related to the expert witness.