



Commissioner for Trademarks  
P.O. Box 1451  
Alexandria, VA 22313-1451  
www.uspto.gov

Rhythm Holding Limited

v.

Raymond W. Cooper

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Cancellation No. 92060118  
On Petition to the Director  
Filed: April 27, 2016

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Decision

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On April 27, 2016, Raymond W. Cooper (“Petitioner”) petitioned the Director of the United States Patent and Trademark Office (“Director”) to reverse an interlocutory order issued by the Trademark Trial and Appeal Board (“TTAB” or “Board”).<sup>1</sup> The Director has the authority to review Petitioner’s request.<sup>2</sup> *See* 37 C.F.R. §§ 2.146(a)(3) and (e)(2). The petition is denied.

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<sup>1</sup> The petition was originally filed with a designation of “confidential” on April 27, 2016. Petitioner appropriately filed a redacted copy on the same day. On May 5, 2016, Petitioner filed what appears to be a near duplicate of the redacted copy in three entries, 22-24 TTABVUE. Petitioner did not point out what the differences were between the April and the May filing. It required a side-by-side comparison to ascertain that the May 5 filing contains a single different exhibit RMX-8, which is not designated confidential and is in the public record. Exhibits RPX-8 and RPX-9, neither of which were designated confidential, and which accompanied the April 27 filing, are not included with the May 5 filing. None of the exhibits described are material to the decision herein. Accordingly, no further consideration is given to the May 5, 2016 redacted filing.

<sup>2</sup> Authority to decide any trademark petitions to the Director under 37 C.F.R. § 2.146 was delegated to the Commissioner for Trademarks. Subsequently, authority to decide petitions to the Director under 37 C.F.R. §§ 2.146(e)(1) and (e)(2), involving review of the grant or denial of an extension of time to file a notice of opposition, review of interlocutory orders issued by the TTAB, and review of requests to waive the Trademark Rules of Practice relating to TTAB cases was delegated to the Chief Administrative Trademark Judge. Under such delegation, the authority to decide this petition was further delegated.

### **FACTS<sup>3</sup>**

Rhythm Holding Limited (“Plaintiff”) seeks to cancel Petitioner’s Registration No. 4595305 for the mark RHYTHM AND BLUES for, essentially, certain clothing items.<sup>4</sup> As grounds for cancellation, Plaintiff alleges likelihood of confusion with its previously used and registered marks RHYTHM for, essentially, clothing, athletic wear, sportswear, and bags. 1 TTABVUE.

In an order dated March 27, 2016, the Board denied Petitioner’s motion to compel the parties to mediate, indicating that, although the Board encourages settlement, the Board does not compel parties to mediate. 16 TTABVUE 1. The Board further determined that Petitioner’s submission, in support of his motion to compel, of correspondence between the parties concerning settlement was inappropriate.

In an order dated March 31, 2016, the Board further addressed its determination regarding the submission of the correspondence between the parties and clarified that Petitioner’s separately-filed motion to suspend pending resolution of its motion to compel mediation was denied. In its order, the Board indicated that the Board and the parties participated in a telephone conference regarding Plaintiff’s request that the motion to compel mediation be designated “confidential” in order to remove settlement exchanges between the parties from the public record. The Board granted Plaintiff’s motion and ordered Petitioner to file a redacted copy of his motion to compel. 17 TTABVUE. Petitioner filed the redacted document on April 13, 2016. 18 TTABVUE.

Petitioner now seeks reversal of the Board’s orders arguing that the Board abused its discretion or committed clear error in:

1. denying his motion to compel mediation when, according to his assertions, the parties had resolved all issues but the amount he would receive as part of the settlement, which he submits was only a small amount;<sup>5</sup>
2. placing the motion to compel mediation under seal when, according to Petitioner, it contained “relevant, admissible, and publicly available evidence.”<sup>6</sup>

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<sup>3</sup> This decision recites only the facts relevant to the issue on petition.

<sup>4</sup> The registration also covers entertainment services. However, Plaintiff does not seek to cancel such services.

<sup>5</sup> Petitioner states the actual amount. The information has been designated confidential.

<sup>6</sup> Petitioner dedicates several pages of his petition to accusing Plaintiff of being a “trademark troll.” The issue is beyond the scope of this petition to review specific orders issued by the Board concerning other matters. A determination of whether a party is a “troll” is best made on a fully-developed record at final decision where the accused has an opportunity to defend itself. Such accusations should not be made lightly, without evidence or as a “throw-away”

Plaintiff, on May 15, 2016, filed a response to the instant petition, and Petitioner replied thereto.

## DISCUSSION

### *Standard of Review*

The Director may exercise supervisory authority in appropriate circumstances. 35 U.S.C. § 2; 37 C.F.R. § 2.146(a)(3); TRADEMARK MANUAL OF EXAMINING PROCEDURE (TMEP) § 1707. In an inter partes proceeding before the Board, a party may petition the Director to review an order or decision of the Board that concerns a matter of procedure and does not put an end to the litigation before the Board. TTAB MANUAL OF PROCEDURE (TBMP) §§ 901.02(a), 905; TMEP § 1704. However, the Director will reverse an interlocutory order issued by the Board in an inter partes proceeding only upon a showing of clear error or abuse of discretion. *Kimberly Clark Corp. v. Paper Converting Industry, Inc.*, 21 USPQ2d 1875, 1877 (Comm'r Pats. 1991); *Paolo's Associates Ltd. Partnership v. Bodo*, 21 USPQ2d 1899, 1902 (Comm'r Pats. 1991); *Jonerigin Co. Inc. v. Jonerigin Vermont Inc.*, 222 USPQ 337 (Comm'r Pats. 1983); *Riko Enterprises, Inc. v. Lindsley*, 198 USPQ 480 (Comm'r Pats. 1977). For the reasons set forth below, the circumstances presented in this case do not demonstrate that the Board committed clear error or abused its discretion.

### *The TTAB Did Not Commit Clear Error or Abuse Its Discretion*

#### *1. The denial of Petitioner's motion to compel mediation.*

Petitioner argues that the Board "adopted a per se rule" that it does not compel mediation. Petitioner contends that, in so stating, the Board abused its discretion because the parties have all but settled the matter, with the exception of the monetary amount to be received by Petitioner, and because Petitioner asserts he will prevail on the likelihood of confusion claim. In contrast, according to Plaintiff, while the parties once discussed settlement, including an offer and counter offer which were rejected, there is no outstanding proposal. Plaintiff further asserts it has standing and priority.

Petitioner argues that the Board has the authority to compel mediation under Fed. R. Civ. P. 16, which addresses pretrial conferences, scheduling and management, and which is generally applicable to Board proceedings pursuant to Trademark Rule 2.116(a), 37 C.F.R. § 2.116(a).

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argument. A party making unsubstantiated accusations runs the risk of being found to have acted improperly. Fed. R. Civ. P. 11(b).

Petitioner's reliance only on the federal rule is misplaced. As recognized by Petitioner, Rule 16 does not expressly require compulsory mediation, though the provisions permit flexibility to facilitate settlement.

The Board does not require settlement, that the parties engage in settlement discussions or compel mediation. Rather, the Board encourages settlement, and several aspects of Board practice and procedure, including its discovery practice and its usual willingness to suspend proceedings for reasonable times while parties negotiate for settlement, serve to facilitate the resolution of cases by agreement. TBMP § 605.01. Were the parties mutually to agree to enter into mediation, the Board similarly would facilitate their endeavors.<sup>7</sup>

It is clear that no Board rule exists requiring mediation be compelled; that, as acknowledged by Petitioner, the Board has not compelled mediation as part of its practice; and the federal rule relied upon by Petitioner does not require that mediation be compelled. Thus, the Board did not abuse its discretion or commit clear error in denying Petitioner's motion to compel mediation. (Order dated March 27, 2016.)

*2. The grant of Plaintiff's request that the correspondence exchanged between the parties during settlement be removed from the public record.*

In its order of March 31, 2016, the Board placed Petitioner's motion to compel mediation under seal and ordered Petitioner to submit a redacted version for the public record that did not include:

references to specific issues in the parties' settlement negotiations in the text of that motion [] and any copies of correspondence related thereto ....

Petitioner argues that the Board committed clear error and abused its discretion when it sealed "non-confidential, relevant evidence." Petitioner argues the information he submitted was not confidential (as he was not asked and did not agree that the settlement exchange would be confidential); that it was publicly disclosed; that there is a compelling need for the information to be publicly available; and that Fed. R. Evid. 408 does not exclude the use of the redacted statements and exhibits.<sup>8</sup>

Even considering the material at issue as relevant and admissible for purposes of determining Petitioner's then-pending motion to compel mediation, it was not clear

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<sup>7</sup> The information on the USPTO website concerning independent resources that the parties may elect to utilize to mediate their dispute is informational. See ALTERNATIVE DISPUTE RESOLUTION at the TTAB home page at [www.uspto.gov](http://www.uspto.gov). The Board makes it clear that it does not sponsor or endorse any organization and further requests that the parties inform the Board if they engage in alternative dispute resolution.

<sup>8</sup> Fed. R. Evid. 408 addresses the admissibility of settlement offers and negotiations.

error or abuse of discretion to designate certain portions as confidential and shield those portions from the public record. Contrary to Petitioner's assertions, there is no compelling need for the public to be made aware of the details of the proposed terms, particularly the differences in the expectations of the parties concerning the monetary amount to be paid to Petitioner in order to conclude a possible settlement.<sup>9</sup> The fact that the specific exchanges were briefly publicly disclosed prior to being placed under seal does not prevent the Board from later determining that such material is to be placed under seal. Only a very small portion of Petitioner's motion to compel was designated confidential. Indeed, the greater portion of the submission, and any subsequent submission from which similar information was redacted, remains available to the public. Finally, the Board acknowledged that Rule 408 does not exclude consideration of the redacted material. Rather, the Board determined that such material was to be designated as confidential. Thus, the Board did not abuse its discretion or commit clear error in granting Plaintiff's motion to remove the correspondence between the parties, and certain references in the body of the motion to compel, from the public record. (Order dated March 31, 2016.)

## **DECISION**

The Petition is denied. This decision will be forwarded to the assigned Interlocutory Attorney for resumption of proceedings

/Cheryl Butler/

Cheryl Butler  
Senior Counsel  
Trademark Trial and Appeal Board

Date: August 9, 2016

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<sup>9</sup> Any one reading the redacted motion to compel will clearly understand that the parties did not agree with respect to the financial aspect of their settlement discussions.

Cancellation No. 92060118; Registration No. 4595305

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