

The TTAB in 2006: The Good, the Bad, and the Ugly

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The TTAB issued something in the neighborhood of 500 final decisions in 2006, 57 of which were deemed “citable.” However, as indicated in an *Official Gazette* Notice of January 23, 2007, the Board has changed its policy regarding citation of its decisions and has rendered obsolete the old categories of “citable” and “not citable.” Now, all Board decisions may be cited – including those issued prior to 2007 – but only those deemed “precedential” (or “citable,” in pre-2007 parlance) will have binding effect. The Board’s Notice states:

- The TTAB will continue its current practice of designating all final decisions as either precedential or not precedential. Unless specifically designated as precedential, an order on a motion should be considered not precedential.
- The TTAB will continue its practice of considering precedential decisions as binding upon the TTAB.
- A decision designated as not precedential is not binding upon the TTAB but may be cited for whatever persuasive value it might have.

In making this change, the Board was surely feeling some pressure from the recent Supreme Court rule change allowing the citation of “unpublished” opinions in federal appellate courts cases beginning in 2007. TTAB Chief Judge Sams has said that this ruling by the Supreme Court would not affect the TTAB directly because the Board is not an Article III court. But he also said that such a ruling would be taken into consideration by the Board. Apparently, the Board has now decided to follow the Supreme Court’s lead.

It remains to be seen whether this new Board policy will have any significant, substantive effect or whether it is merely cosmetic. Since many Board decisions are heavily fact-dependent, it seems likely that in most cases, the citation of non-precedential decisions will have little impact.

Perhaps more significant than the TTAB’s change in policy regarding citation of its decisions is the increase in the number of precedential decisions issued last year. The total of 57 precedential rulings dwarfs the 18 issued in 2005 and the 13 issued in 2004. This increase was not unexpected, since the PTO’s recent draft strategic plan, issued in August 2006, called for an “enhanced level of TTAB precedential decisions (60-80 per year.)” We can thus expect even more precedential decisions this year from the Board.

Each year for the past half-dozen or so, I have undertaken to choose what I consider to be the ten most important and/or interesting Board decisions of the year. Last year I decided to begin a companion collection, comprising the year’s ten “worst” decisions. Those two compilations form the first two parts of this article: the “Good” and the “Bad,” so to speak. The third part, the “Ugly,” will review briefly the Board’s proposed Rule Changes and the criticisms they have met.

I. *The Top Ten TTAB Decisions of 2006*[®]

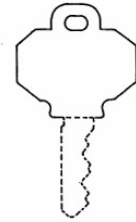
This year's collection of the Board's best includes eight precedential rulings, one not precedential, and one "decision" in the form of a PTO sanction ruling. Not surprisingly, the sanction ruling involves frequent TTAB litigant, Leo Stoller. The other nine rulings run the gamut of TTAB topics: acquired distinctiveness, concurrent use, descriptiveness, disparagement, fraud, functionality, genericness, and mutilation. The order of appearance does not necessarily reflect any assessment of the relative importance of each decision.

***In re Organon N.V.*, 79 USPQ2d 1639 (TTAB 2006) [precedential].** In this case of first impression, the Board affirmed the PTO's refusal to register "an orange flavor" as a trademark for "pharmaceuticals for human use, namely, antidepressants in quick-dissolving tablets and pills," finding the alleged mark to be *de jure* functional and incapable of functioning as a trademark for the goods. The Examining Attorney contended that the flavor orange "is a standard feature of orally administered pharmaceutical products and simply would not be perceived as an indicator of source." Moreover, she argued, "orange is a preferred flavor" and "gives an orally administered pharmaceutical product a substantial competitive advantage." The Board applied the CCPA's four-factor *Morton-Norwich* test and found the second factor to be "particularly significant": Organon's touting of the utilitarian benefits of the orange flavor. The Board was unable to find "that there are true alternatives, or a least a significant number of acceptable alternatives." It also concluded that "consumers would not view the orange flavor of an antidepressant tablet or pill as a trademark; rather, they would consider it only as just another feature of the medication, making it palatable."

***Standard Knitting, Ltd. v. Toyota Jidosha Kabushiki Kaisha*, 77 USPQ2d 1917 (TTAB 2006) [precedential].** In its first citable fraud decision in three years, the Board cancelled three registrations relied on by Opposer Standard Knitting, finding that false statements made to the PTO regarding use of Opposer's marks on certain clothing items constituted fraud. The registrations listed various men's, ladies' and children's clothing items, but discovery revealed that, when Opposer filed its two underlying use-based applications and when it filed its Statement of Use in the third application, it had not used the marks on "at a minimum, most, if not all, of the items of children's clothing identified in each of the three registrations." Under applicable precedent, that clearly constituted fraud. Standard claimed that the false statements were the result of honest mistake and misunderstanding rather than fraudulent intent, but the Board ruled that Standard's claim of innocence was not credible. The Board nonetheless considered Standard's likelihood of confusion claims based on its common law rights, but, in view of the vast differences between the goods of the parties (clothing versus automobiles), it ruled in favor of Toyota.

***In re The Black & Decker Corp.*, Serial No. 76570453 (December 28, 2006) [precedential].** Rarely does an applicant for a product configuration mark clear the distinctiveness hurdle, but Black & Decker managed to convince the Board to reverse the PTO's refusal to register the configuration of a key head as a trademark for metal door hardware and key blanks. The sole issue before the Board was whether the configuration had acquired distinctiveness. B&D established acquired distinctiveness, despite the lack of "look

for” advertising evidence, by proving more than \$20 million in advertising expenditures and more than \$500 million in revenues during the 2000-2004 period. Its marketing manager averred that the Baldwin Key Head Design is an arbitrary design, that “it is an industry practice to use different and identifiable key head designs for locksets and keys,” that the design has been featured in promotions (including sales person lapel pins), and that since 2001 Applicant has used an octagonal logo for all of its advertising and promotional materials. In addition, Applicant submitted ten customer declarations attesting to the distinctiveness of the design, five third-party registrations for marks consisting of other key head designs for door hardware, and photos of ten key heads from other manufacturers of locksets. The Board acknowledged that it has, at times, been critical of an applicant’s 2(f) claim when “look for” evidence was not provided. Here, however, the Board found the evidence regarding industry practice to be particularly significant.



***In re King Koil Licensing Co.*, 79 USPQ2d 1048 (TTAB 2006) [precedential].** In affirming a Section 2(e)(1) mere descriptiveness refusal of THE BREATHABLE MATTRESS (MATTRESS disclaimed) for beds and mattresses, the Board gave some (albeit limited) probative weight to the PTO’s evidence from foreign websites, even though the websites did not deal with scientific or technical subject matter. Citing *In re Remacle*, 66 USPQ2d 1222 (TTAB 2002) (which concerned sophisticated medical technology), the Board observed that “under appropriate circumstances, web pages posted abroad may be considered probative evidence on how a term will be perceived.” “[C]onsumers may visit foreign web sites for informational purposes, even if they are more likely to focus on internet retailers that can easily ship items or make items available for pick up in a store in a location convenient to the purchaser. That would appear especially likely in a case such as this, where the item in question, a mattress, is large and potentially more expensive to ship than a smaller item.” (For a discussion of foreign website evidence, see Welch and Lamport Hammitte, “The TTAB and Foreign Website Evidence: *Quo Vadis?*,” 20 *Allen’s Trademark Digest* 7 (December 2006)).

***Maids to Order of Ohio, Inc. v. Maid-to-Order, Inc.*, 78 USPQ2d 1899 (TTAB 2006) [precedential].** This decision reminds us that not every false statement made by an applicant is fraudulent. Petitioner contended that Respondent had committed fraud on the PTO by falsely claiming use of its mark MAID TO ORDER in *interstate* commerce. But the Board concluded that Petitioner failed to meet its “heavy burden” to prove fraud: “It was not unreasonable for Ms. Kern [Respondent’s president], as a layperson, to believe that [Respondent’s] activities constituted use of the MAID TO ORDER mark in interstate commerce. *** This belief is sufficient to negate an inference of fraud upon the USPTO in obtaining and maintaining the registration.” The question at hand – whether the mark had been used in interstate commerce, or only intrastate – was a mixed question of law and fact, one much different from the black-and-white question of whether the mark had been used at all in connection with a particular product.

***In re Nutraceutical Corp.*, Serial No. 78975072 (March 13, 2006) [not precedential].** Some TTAB Judges are apparently not happy with the CAFC’s current test(s)

for genericness, Judge Bucher principal among them. Here, the Board panel ignored the CAFC's *American Fertility* test applicable to phrases, in affirming a genericness refusal of the term FRESH ORGANICS for fresh fruits and vegetables, unprocessed cereals, and the like, and for retail health food store services. Instead, the Board chose to apply the "compound word" test of *In re Gould*, which permits a finding of genericness based on dictionary definitions alone. The Board noted that the NEXIS and Internet excerpts were a "mixed bag": some of the evidence "does not point unquestionably toward genericness," while several of the examples "appear to be references to applicant." Nonetheless, the Board observed that "Applicant has done no more than combine terms that are individually generic in relation to its goods and services. Thus the composite is likewise generic." "Based on these dictionary definitions and our common parlance of the English language, we find that the relevant purchasing public would readily understand that 'Fresh Organics' indicates that a variety of fresh, unprocessed and/or raw food items have been grown organically." *See also*, the WELDING, CUTTING, TOOLS & ACCESSORIES case (*In re Welding, Cutting, Tools & Accessories, LLC*, Serial No. 78212695 (April 20, 2006)), and Judge Bucher's dissent in the DIGITAL INSTRUMENTS decision (*In re Veeco Instruments, Inc.*, Serial No. 76383240 (March 22, 2006)).

***In re 1175856 Ontario Ltd.*, Serial No. 78442207 (October 6, 2006) [precedential].** I have it on good authority that the Board is not happy with the PTO's approach to mutilation refusals. Here, the Board reversed a refusal to register the mark WSI and Design (below left), finding that the mark on the application drawing was not a mutilation of the mark as depicted in the specimen of use (right). The sole issue was whether the mark, as it appears on the drawing, is a substantially exact reproduction of the mark as used on the specimens. See Trademark Rule 2.51(a), 37 C.F.R. Section 2.51(a). Of course, the focus of the case was on



the omission of the curved design element that appears in the specimen. The Board was "mindful of the fact that in an application under Section 1 of the *Trademark Act*, the applicant has some latitude in selecting the mark it wants to register. *TMEP* Section 807.12(d)(4th ed. April 2005)." The Board agreed with Applicant that "the lettering and globe design shown in the drawing create a separate commercial impression apart from the curve design." "Here, the lettering WSI and the globe design, serving as part of the letter I, join to convey to the consumer the brand name of applicant's services and act together as an indication of source separate from the curve design."

***CDS, Inc. v. I.C.E.D. Management, Inc.*, 80 USPQ2d 1572 (TTAB 2006) [precedential].** Concurrent use decisions are as rare as a traffic cop in Boston, but the Board provided an important one (decision, not cop) in 2006. It held that Applicant CDS is entitled to a concurrent use registration for the mark THE COPY CLUB for various document copying, publishing, and management services "for the State of Kansas and that portion of the state of Missouri located within 50 miles of Lenexa, Kansas." In turn, I.C.E.D.'s registration for the mark COPY CLUB for similar and overlapping services was "restricted" to the entire United States except for the area of CDS's registration. CDS sought registration for seven states: Utah, New Jersey, New York, Connecticut, Pennsylvania, Kansas, and Missouri. The Board applied the *Weiner King* test in finding that CDS's use in Utah, New

Jersey, New York, Connecticut, and Pennsylvania was “de minimis and nebulous.” However, CDS did show use of its mark in Kansas and was entitled to the entire state; in addition, because a large percentage of CDS’s business in Kansas City comes from Missouri, the Board awarded CDS a portion of Missouri. I.C.E.D. argued that there would still be confusion because both parties advertise on the Internet, but the Board flatly rejected that argument: “We do not believe that the creation of the Internet has rendered the concurrent use provision of the Trademark Act moot.”

Leo Stoller Sanction Order (July 14, 2006). The Board sanctioned frequent TTAB irritant Leo Stoller for his “misuse of the TTAB’s procedures” by filing more than 1,800 requests for extension of time to oppose since November 2005. The Board found that the filings were made “for improper purposes, namely, to harass the applicants to pay you to avoid litigation or to license one of the marks in which you assert a baseless claim of rights.” The Board consequently vacated “[t]he approval of each request for extension of time to oppose that you have filed since November 2005.” Moreover, any notice of opposition filed by Stoller against any of the involved marks “shall be dismissed.” In addition, for the next two years, Stoller was banned from filing, on his own behalf or as an officer, director, or partner of any entity that he controls, any request for extension of time to oppose. This ban applies regardless of whether Stoller is represented by an attorney. After that two-year period, Stoller is PERMANENTLY barred from such filings, but an attorney may file a request on his behalf. The Board concluded that Stoller was “holding up thousands of trademark applications in an attempt to coerce applicants to license, i.e., ‘rent,’ trademarks to which you have not demonstrated any proprietary right,” and that “the extension requests here at issue were filed for improper purposes, specifically ‘to obtain additional time to harass applicant, to obtain unwarranted extensions of the opposition period, and to waste resources of applicant and the Board.”

In re Squaw Valley Devpt. Co., 80 USPQ2d 1264 (TTAB 2006) (on reconsideration) [precedential]. The PTO succeeded in obtaining partial reversal of the TTAB’s decision overturning Section 2(a) disparagement refusals of the marks SQUAW and SQUAW ONE for clothing, ski equipment, and retail store services. The Board again applied the test of *Harjo v. Pro-Football, Inc.*, 50 USPQ2d 1705 (TTAB 1999) [reversed on other grounds] [*“Harjo I”*], but concluded that it had imposed the wrong standard of proof; it now found the PTO’s evidence “sufficient to establish *prima facie* that applicant’s marks disparage a substantial composite of Native Americans when used in the context of applicant’s goods and services.” Applicant failed to overcome the PTO’s case because it did not submit “any evidence which suggests that Native Americans do not view ‘squaw’ as a [disparaging] term for its Class 25 and 35 goods and services.” However, the Board maintained its finding that, when used in connection with ski equipment, the primary meaning of SQUAW is the SQUAW VALLEY ski resort. Thus as to those goods, Applicant successfully rebutted the PTO’s *prima facie* case that SQUAW is disparaging.

II. *The Ten Worst TTAB Decisions of 2006?*

Before launching into a review of my choices for the ten worst TTAB decisions of the year, we should put this enterprise in perspective: Babe Ruth failed to hit safely 65% of the time and Michael Jordan missed about half his shots. So is it any wonder that, out of the 500 or so final decisions issued by the TTAB in 2006, there were a few duds? My list of the ten worst Board decisions of 2006 is obviously based on my subjective judgments, and some of you may disagree with one or more of my selections. My response: you're wrong.

***In re Xcaliber Int'l Ltd.*, Serial No. 78360389 (September 15, 2006).** In a decision that caused me to choke on my chew, the Board affirmed a Section 2(e)(4) refusal to register the mark CHISHOLM for smokeless tobacco, finding the mark to be primarily merely a surname. Applicant submitted Internet pages discussing the Chisholm Trail (a route used for cattle drives from Texas to Kansas during the late 1800s), and asserted that the primary significance of CHISHOLM is the name of the trail, but the Board would not be driven in that direction. It agreed with the PTO that "the question before us is not the significance of Chisholm Trail but of CHISHOLM alone." The Board opined that "the renown of Shirley Chisholm as the 'first black woman elected to the House of Representatives' and a 14-year member of Congress, indicates that consumers would be more likely than not to perceive CHISHOLM as a surname." [There was no evidence, however, that Ms. Chisholm used smokeless tobacco - *ed.*]. In any case, the Board dubiously asserted that "even among consumers with a keen sense of history, who may think of the Chisholm Trail when confronted with the term CHISHOLM alone, these history buffs are also likely to know that the trail was named after an individual."

***In re GoSMILE, Inc.*, Serial No. 76518244 (January 20, 2006).** The Board affirmed a Section 2(d) refusal of the mark GOSMILE PM for toothpaste, finding the mark likely to cause confusion with the registered mark P.M. for "toothpaste and gel." Applicant GoSMILE argued that the first *du Pont* factor, the dissimilarity of the marks, was dispositive. It contended that the dominant feature of its mark is GOSMILE (a registered mark in itself), that the PM portion of its mark was disclaimed as required by the Examining Attorney because of its descriptiveness, and that the first portion of a mark is often "that which catches the consumer's eye." But the Board did not smile on Applicant's arguments. It pointed out that the PTO had failed to cite any evidence to support the disclaimer requirement [perhaps because the Examining Attorney and the Applicant felt none was needed - *ed.*] and it oddly asserted that "GOSMILE and PM are not combined in a manner which in any way alters the impression of PM alone." The Board then concluded that "consumers are just as likely and perhaps even more likely to view GOSMILE PM as identifying another product from the owner of the P.M. mark as they are to view it as a new product from the owner of the GOSMILE mark." [Applicant then sought review by way of civil action, and eventually entered into a stipulation returning the case to the PTO and re-opening prosecution.]

***In re TelechaT Network, Inc.*, Serial No. 76535248 (May 11, 2006).** Although the meaning of the term TELECHAT seems obvious, the Board reversed a PTO requirement that this Applicant disclaim the word TELECHAT in its mark shown below [NETWORK disclaimed] for "telephone and on-line dating service allowing participants to select, obtain

and provide information and communicate with potential companions.” The Examining Attorney relied on dictionary definitions of “tele” and “chat,” and on several database and Internet printouts that included the term “telechat.” The Board, however, was not convinced: “While consumers may understand that the term can mean using the telephone to converse in an easy, familiar manner with potential companions, it is not at all clear that consumers will draw this conclusion. *** When the terms are combined, they create a term that appears nebulous and non-specific.” The Board resolved its doubt (as it must) in Applicant’s favor.



In re JMH Productions, Inc., Serial No. 76608812 (August 25, 2006). My mind’s eye had little difficulty in envisioning the meaning of the mark MISS NUDE CENTERFOLD SEARCH for this Applicant’s adult videotapes, CD-ROMs, DVDs, and entertainment services. The Board, however, found that some thought or imagination would be required in order to discern the meaning of the mark, and it therefore reversed a Section 2(e)(1) refusal to register. JMH made of record 28 registrations for marks that include the wording “MISS (or MS.) NUDE” combined with other words – generally geographic or place names. (e.g., MISS NUDE KENTUCKY), arguing that the PTO’s position was clearly inconsistent with prior and present practice of the Office. The Board observed that third-party registrations, while not establishing binding precedent, “may in general be given some weight to show the meaning of a mark in the same way that dictionary definitions would be so used.” Here, the Board agreed with the PTO that the phrase NUDE CENTERFOLD SEARCH is merely descriptive of Applicant’s goods and services, but concluded that the word MISS would be viewed as a “courtesy title or form of polite address for a young woman selected as the winner ... but it does not merely describe such designations or categories with any degree of particularity nor constitute its own subject matter.” [If NUDE CENTERFOLD SEARCH is merely descriptive, doesn’t the addition of the laudatory term MISS make the phrase even more so? - *ed.*]

Johnson & Johnson v. Natural Thoughts, Inc., Opposition No. 91122373 (January 10, 2006). In a simply awful decision, the Board sustained a Section 2(d) opposition to registration of the mark DUAL-PURPOSE MASSAGE CREME for “massage creme,” finding the mark likely to cause confusion with the registered mark PURPOSE for moisturizers. The Board not surprisingly deemed the involved goods to be related, based in part on Applicant’s own advertising indicating that moisturizing is one purpose of its “creme.” As to the marks, the Board recognized PURPOSE to be not a particularly strong mark: evidence of third-party use of the word “purpose” as part of product brand names “suggests that the public distinguishes between various marks containing this word by looking to other distinctive parts of those marks.” However, the Board gave “greater weight to the DUAL-PURPOSE portion of applicant’s mark” and questionably concluded that the involved marks “are similar in commercial impression.”

Bose Corp. v. ONG Corp., Opposition No. 91162058 (September 29, 2006). The Board dubiously found a likelihood of confusion between Applicant ONG’s mark WAVETRACE for “audio encoding and decoding circuit boards and software for converting audio content to and from digital audio files,” and Bose’s registered marks WAVE,

ACOUSTIC WAVE, and WAVE/PC for radios, audio tape players, compact disc players, loudspeaker systems, and sound systems coupling a radio to a computer. The Board recognized that the parties' goods are not competitive, but it was captivated by Bose's testimony that "[t]here is a decoding circuit board inside the Wave Music System." Also, "the Wave/PC software has basically a MPE encoder." The Board recognized that "there is nothing in the record to indicate that opposer markets these components to makers of finished audio products," but it failed to apply properly its own precedent regarding a party's "zone of natural expansion" and instead leaped to the conclusion that the goods are related: "Because opposer utilizes in its finished products elements that are similar in function to the product of applicant, it would be within opposer's zone of natural expansion to consider marketing such elements to other producers of finished products."

In re Sikorsky Aircraft Corp., Serial No. 78221800 (August 25, 2006). In this unfortunate decision, the Board reversed a poorly-supported Section 2(e)(4) refusal to register the mark SIKORSKY for sports knives, videogames, jewelry, umbrellas, and other ancillary goods, ruling that the PTO failed to establish a *prima facie* case. The PTO lamely produced evidence of "only one individual in the entire United States with the surname 'Sikorsky.'" That individual, now deceased, was the founder of Applicant in 1923, Igor Sikorsky, but there was no evidence that he "is well known or that his name has had wide exposure to the purchasing public." Although SIKORSKY was thus the name of someone associated with Applicant – a factor that would normally weigh in favor of the PTO's position – the Board questioned "whether this reflects current use as a surname by anyone in the United States or current perception of the term as a surname." Moreover, the Examining Attorney dropped the ball by failing to introduce evidence – such as the absence of the term "Sikorsky" from dictionaries – that the term has no meaning other than as a surname. Finally, according to the Board, there was no evidence or explanation to support the PTO's "conclusory contention" that Sikorsky has the look and sound of a surname [despite the fact that Igor Sikorsky had that surname - *ed.*].

In re Truck-Lite Co., Serial No. 76532510 (January 26, 2006). The Board surprisingly reversed a Section 2(e)(1) refusal to register the mark SUPER, finding it not merely descriptive of vehicle lights. The Examining Attorney relied on a dictionary definition, on disclaimers in third-party registrations, and on third-party Supplemental Registrations in maintaining that SUPER "merely describes that applicant's vehicle lighting products 'are of a higher quality or are superior to similar products on the market.'" Applicant argued that the mark is suggestive and not merely descriptive because it does not immediately convey any particular idea about or reveal any characteristic of the goods, because the term is "not normally associated with lighting products for vehicles," and because others in the field have neither used the term nor need to use it. After reviewing the cases cited by the PTO and by applicant, "as well as other Board decisions," the Board distilled the following strange rule: "in general, if the word 'super' in a mark is combined with the generic name of the goods, or if the goods come in various grades or sizes, then the mark is merely descriptive rather than suggestive." The Board found SUPER to be "suggestive and not merely descriptive," observing that "[t]here is a certain ambiguity about the mark." [So, had Applicant attempted to register SUPER LIGHT, then SUPER would have been descriptive, but without the word LIGHT, it's not descriptive? Huh? - *ed.*]

***In re Box Solutions Corp.*, 79 USPQ2d 1953 (TTAB 2006) [precedential].** The TTAB ignored many of its standard doctrines in reversing a Section 2(d) refusal to register the mark BOX SOLUTIONS & Design (left) for “computer hardware, namely, communication servers;” the Board found the mark not likely to cause confusion with the registered mark BOX & Design (right) for “computers and computer peripherals.” It concluded that BOX “is a weak term in the computer industry in that it signifies a computer or computer related device.” Ruling that the marks in their entireties “have substantially different appearances and commercial impressions,” the Board found confusion not likely. However, in this observer’s view, the evidence that BOX is a weak mark was feeble, and given that the word “BOX” is the part of the registered mark that would be spoken, BOX should have been considered the dominant portion of that mark. As to Applicant’s mark, in which the word SOLUTIONS appears in much smaller letters and is disclaimed, BOX is surely the dominant portion. If, as the Board frequently states, marks are not to be compared in a side-by-side fashion, are the design elements really that important here? Moreover, assuming *arguendo* that the word BOX is a weak formative, the Board has often said the even weak marks are entitled to protection. And the Board also has often said that even sophisticated purchasers are not necessarily immune to confusion when similar marks are involved. In sum, this observer would have found BOX and BOX SOLUTIONS to be confusingly similar, the differing designs notwithstanding.



***In re Freiberg*, Serial No. 76388348 (June 16, 2006).** Here, it was Applicant’s decision to employ sarcasm, rather than the Board’s ruling, that merited inclusion in this list. Freiberg’s caustic arguments failed to overturn the Board’s Section 2(e)(1) and indefiniteness refusals of her mark ALLERGY WIPES for “eyelid wipes.” Freiberg came out swinging from the opening bell: “These are facially antithetical positions; if the Examiner cannot understand from the description what the goods are, how can the Examiner be so cocksure of how the mark describes the goods.” Freiberg saw herself as the victim of a conniving Examining Attorney who had essentially set a prosecutorial trap: “In an intent-to-use application, an examiner lacks specimens in which an applicant might be caught explaining how a mark relates to the goods. . . . However, if an applicant can’t be relied on to scuttle his own application with specimens, an examiner has another tool that may be applied toward that same end. An indefiniteness objection and requirement for the applicant to describe the goods and their uses in great detail might maneuver the applicant into ponying up evidence of descriptiveness for the examiner.” In Freiberg’s view, she was caught between Iraq and a hard place: “Thus the only response to the final refusal that Applicant could rely on as acceptable was an amendment to describe the goods in a way the Examiner had determined was merely described by the mark. The clarification requirement appears to have been a gambit to nail down a descriptiveness refusal.” The Board, however, saw no such “gambit,” nor any ulterior motive in the PTO’s stance: “we would have no difficulty in affirming the descriptiveness refusal with or without the amended identification.” In short, Freiberg’s aggressive attempt to wipe away the PTO’s refusal to register may have raised a few eyelids, but she managed to prove only that sarcasm is an ineffective tool in a TTAB appeal.

III. The Proposed TTAB Rule Changes

In a Notice of Proposed Rulemaking dated January 17, 2006, the TTAB set forth its plan to re-vamp the Rules applicable to TTAB proceedings. The PTO posited that the proposed rules would increase “the efficiency of the processes for commencing inter partes cases” and “the efficiency by which discovery and pre-trial information is exchanged.”

The proposed Rules would effect major changes in TTAB procedure, and particularly in discovery practice. The Board would issue an “Institution Order” at the beginning of each *inter partes* proceeding, and would impose its standard protective order from the outset (although the parties may agree to modifications, subject to Board approval). The Institution Order sets the date for answer (40 days later), and requires that the parties have a discovery conference (within 70 days of the Institution Order). The 6-month discovery period would open on that 70th day, and each party would have to make “initial disclosures” by the 100th day.

The mandatory initial disclosures would be broad in scope, including information regarding the origin of a party’s mark, its plans for use, its dates of use, the extent of use, its awareness of similar third-party marks, its classes of customers and channels of trade, market research, identification of knowledgeable officers and employees, and the location of relevant documents. Until a party provides the mandatory initial disclosure, it may not serve discovery requests or file for summary judgment.

Half-way through the discovery period, each party would be required to disclose its plans regarding expert witness testimony. Pretrial disclosure will take place no later than 30 days prior to trial, identifying witnesses and providing general summaries or descriptions of the subject matter of their testimony and the documents and things to be introduced.

Although the Board declined to hold a public hearing on the proposed Rules, it did receive a number of written comments from law firms, individual practitioners, and intellectual property organizations. On July 25, 2006, representatives of the USPTO, the ABA, INTA, IPO, and AIPLA met to discuss the proposed Rule Changes. According to their five-page Summary Report (which may be found at www.ttab-rules.com), “the Organizations provided consensus viewpoints regarding five of the proposed changes to the Rules in descending order of importance (i.e., “1” being the greatest source of concern and “5” being the least): (1) Scope of the Mandatory Initial Disclosures; (2) Reduction in the number of Interrogatories; (3) Serving Notice of Board Proceedings; (4) Protective Order; and (5) Expert Disclosures.” To summarize the views expressed by the Organizations:

- As to initial mandatory disclosures, the Organizations suggested more modest disclosures of the type described in Rules 26(a)(1)(A) & (B), Fed. R. Civ. P. The broad disclosure categories proposed by the PTO are likely to increase motion practice regarding the adequacy and scope of parties’ compliance, stalling the progress of proceedings. These early, detailed, and costly disclosures may discourage settlement because the incentive of cost savings may be lost.

- The PTO was asked to reconsider the proposed reduction in the number of interrogatories from 75 to 25, since the current system seems to be working well. A “drastic reduction” to 25 interrogatories would encourage more motions for leave to serve additional interrogatories and more discovery depositions, resulting in the expenditure of greater resources in a proceeding.
- As to serving notice of Board proceedings, the Organizations do not object to direct service on the party in the position of defendant, but they are concerned about the Board’s proposed steps required of a plaintiff who suspects that the correspondence address of record no longer is accurate or who finds that the service copy of the notice of opposition or the petition for cancellation is returned as undeliverable.
- As to the automatic imposition of the Board’s Standard Protective Order, the Organizations expressed their concern that the proposed Rule changes would undermine the protection accorded trade secrets and confidential information in Board proceedings. Because the nature of confidential information differs from case-to-case, a “one-size-fits-all” approach to protecting such information is not appropriate.
- Finally, regarding expert disclosure, the Organizations urged the Board to either track FRCP 26 (which allows a court to set a deadline for expert disclosures at a time before trial, but not necessarily during the discovery period, as the PTO proposes), or provide more flexibility, perhaps even setting a period for expert disclosures and discovery after fact discovery has closed and before the plaintiff’s testimony period opens.

Practitioners generally seem to feel that the proposed Rules would make the cost of TTAB proceedings so much higher that a potential party may choose to file a civil action in the federal court, where more comprehensive relief is available. Most TTAB proceedings settle well before the testimony period, and the TTAB proceeding is seen as a relatively low-cost, low-key vehicle for resolving trademark disputes. The complaints that practitioners now have about TTAB practice tend to focus on the delays that arise while parties await Board decisions, both interlocutory and final. Some writers have suggested that the Board take a more active role in monitoring its cases. The approach reflected in the proposed Rules, however, is to push more of the burden onto the parties and to make Board proceedings much more costly and complicated. Many feel that the Board is attempting to fix aspects of Board practice that are not broken and, in doing so, will turn what is a relatively useful mechanism for dispute resolution into another expensive legal battlefield.

After its meeting with the various intellectual property organizations, the Board decided to take another look at the Proposed Rules. As of this writing, the Board’s proposal remains unchanged, although practitioners expect that the Board will make at least some modifications based on the comments of the trademark bar.

IV. Conclusion

As the year 2007 rolls along, TTAB practitioners eagerly, but somewhat apprehensively, await the new TTAB Rules package. Meanwhile, they will be watching to see whether and when non-precedential TTAB decisions influence the Board's decision-making. Perhaps we will have further developments in the fraud area, as the Board continues to delineate the boundaries of correctable and unacceptable conduct. Maybe we will see some new growth in the TTAB's rather barren dilution landscape. And we might expect some interesting international discovery issues to arise as more Madrid Protocol requests for extension face the opposition hurdle. Whatever happens, we can look forward to another interesting, and even exciting, TTAB year!

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