

Klarquist

Trademark Oppositions & Cancellations – Alternative to Litigation

OSB IP Brown Bag CLE

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Trademarks



Source identifier



Brand



Name

Coca-Cola



Problem with Trademark Litigation

- Damages are hard to prove
- Focus on injunction
- Cost of litigation is high



Trademark Litigation Costs

At Risk	Stage	Cost
Less than \$1MM	End of discovery	\$150K
	Total	\$325K
\$1-\$10MM	End of discovery	\$263K
	Total	\$500K
\$10-\$25MM	End of discovery	\$400K
	Total	\$720K

Oppositions/Cancellations – An Alternative?

Depends...

On your goals...

On the situation...

And it's a lot less expensive...



Opposition/Cancellation Costs

Stage	Cost
End of Discovery	\$50K
Total	\$95K

How far do they go?

7035 Proceedings in 2015

- 123 trials
- 1,297 motions
- 161.2 weeks



Sample TTAB Dates

For an opposition filed June 15, 2016

Time to Answer	7/25/2016
Deadline for Discovery Conference	8/24/2016
Discovery Opens	8/24/2016
Initial Disclosures Due	9/23/2016
Expert Disclosures Due	1/21/2017
Discovery Closes	2/20/2017
Plaintiff's Pretrial Disclosures	4/6/2017
Plaintiff's 30-day Trial Period Ends	5/21/2017
Defendant's Pretrial Disclosures	6/5/2017
Defendant's 30-day Trial Period Ends	7/20/2017
Plaintiff's Rebuttal Disclosures	8/4/2017
Plaintiff's 15-day Rebuttal Period Ends	9/3/2017

Oppositions/Cancellations – An Attractive Alternative

1. Limitations
2. Post-*B&B Hardware* world
3. Proposed rule changes

Who can file Oppn/Cancel?

- “Real interest” in the case
 - “Personal interest in the outcome”
 - “Direct and personal stake” in outcome
- No requirement of actual damage
 - Reasonable belief in damages

(TBMP 303.03, 309.03)

Oppositions

Opposing application

NOT registered mark (15 USC 1063)

- Mark that has been published for proposed registration on Official Gazette
- 30-day window from date of publication to oppose or file an extension (15 USC 1063(a))
- Max extension of 90 days (37 CFR 2.102)

Trademark Cancellations

Cancelling registered mark (15 USC 1064)

- 5 years from the date of registration – any ground
- After 5 years, only if generic, functional, abandoned, fraud, misrepresents source of goods

Grounds for Opposition

Why the trademark should not be registered/have been registered

- Trademark dilution
- Infringement
- No acquired distinctiveness
- Descriptive
- Likelihood of confusion
- Deception or fraud
- Ownership issues
- No use
- No intent to use
- Abandonment



Grounds for Opposition

Likelihood of confusion most common

1. Show priority
2. Likelihood of confusion factors
 - No need for actual confusion
 - Look only at the registration

Limitations of TTAB

“The Board is an administrative tribunal that is empowered to determine **only the right to register**; it may not determine the right to use, or broader questions of infringement or unfair competition.”
TBMP 309.03(a)(1).



Limitations of TTAB

Remedies (15 USC 1068)

- Refuse to register mark
 - Cancel registration
- Nothing related to use...

B&B Hardware???

B&B Hardware, Inc. v. Hargis Industries, Inc.

135 S. Ct. 1293 (2015)

TTAB proceedings can have ***preclusive effect*** on district court litigation if :





1. Ordinary elements of issue preclusion are met;
2. Trademark usage before TTAB is materially the same; and
3. TTAB decision is final.

Post-*B&B Hardware* World

District Courts found TTAB decisions preclusive

- Likelihood of confusion
- Priority of use determination
- Fraud on USPTO
- Even used to give State Court decision preclusive effect on ownership

The Post-*B&B Hardware* World

- Appeals  8.2%
- Extension of time to oppose  6.9%
- Oppositions  8.5%
- Cancellations  2.6%

TTAB Incoming Filings and Performance Measures for Decisions 2016

Post-*B&B Hardware* World

Practical Effects

- File District Court action in middle of TTAB proceeding
- More focus on marketplace usage

Post-*B&B Hardware* World

TTAB Still Steady

- Determinations remain consistent
- Focus on registrations and applications
- Exclude evidence of actual use in marketplace

But – proposing new rules...

Proposed New TTAB Rules

Efficiency and Clarity

- Reduce burden on parties
- Conform to rules of current practice
- Reflect technologic changes

Proposed New TTAB Rules

Efficiency - Technology

- Electronic filing
- Email service
- USPTO responsible for serving complaint

Proposed New TTAB Rules

Efficiency – Streamlined Discovery

- FRCP “proportionality”
- Stipulate to limited discovery
- RFPs, RFAs – limited to 75
- Finish discovery earlier

Streamlined Discovery

Duty to Cooperate (TBMP 408.01)

“The Board expects parties ... to cooperate with one another in the discovery process, and looks with extreme disfavor on those who do not. Each party ... has a duty not only to make a good faith effort to satisfy the discovery needs of its adversary, but also to make a **good faith effort to seek only such discovery as is proper and relevant** to the issues in the case.



Proposed New TTAB Rules

Efficiency – Reduce Burdens

- Trial testimony by affidavit
- Attend hearings by videoconference

Proposed New TTAB Rules

Updated Protective Order – Current Practice

- Went into effect June 24, 2016
- Two-tiered classification:
 - Confidential
 - AEO

Proposed New TTAB Rules

Appeal

- No evidence after notice of appeal
- More clear citations to the record
- Must file notice if commencing District Court action

What does this mean?



When to file Oppn/Cancel?

- Registered mark or application
- Police your mark
- Costs low
- Other side likely to cave
- In advance of litigation
- To avoid litigation
- To tell others that you're willing to police

Questions?

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