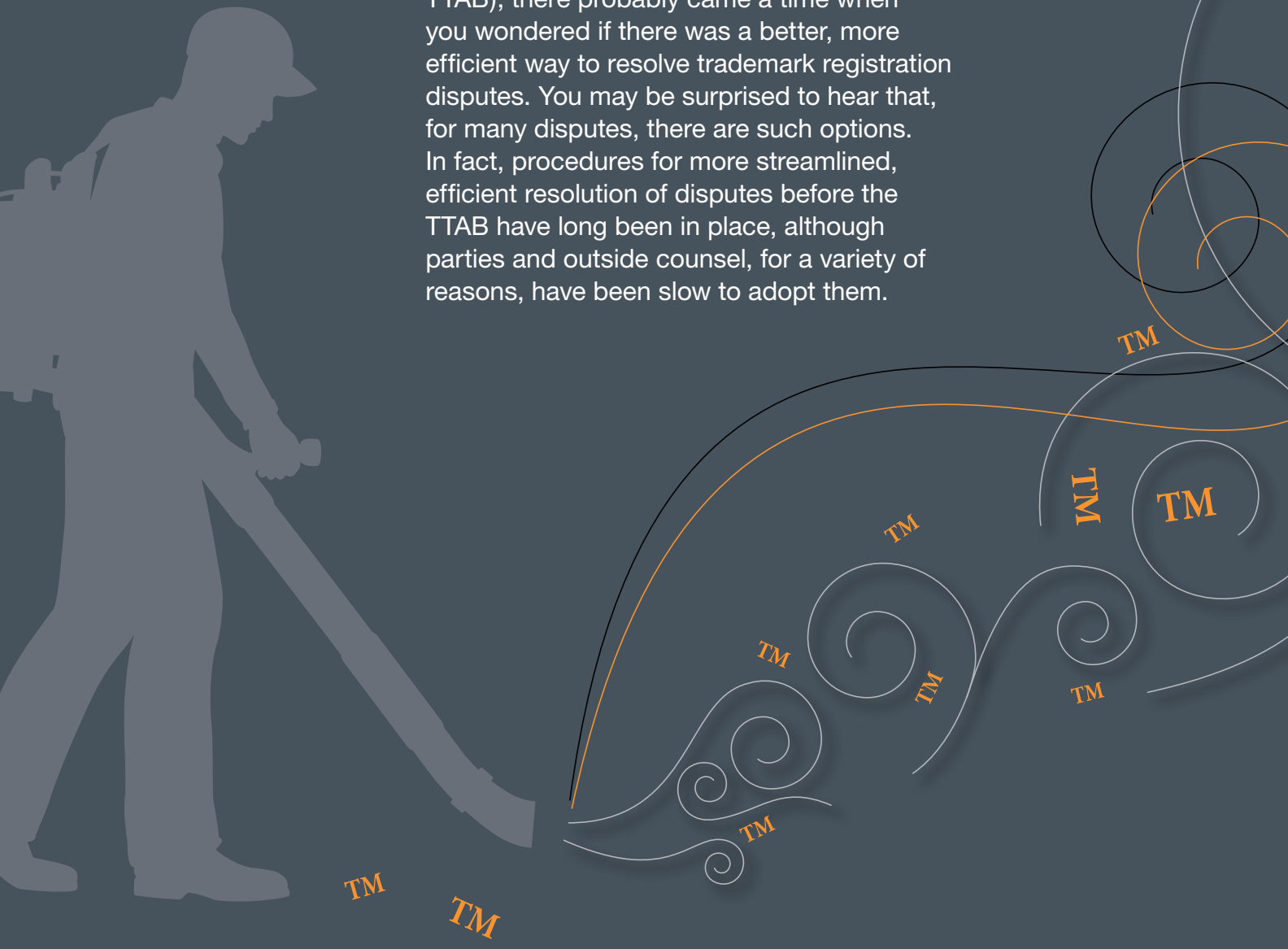
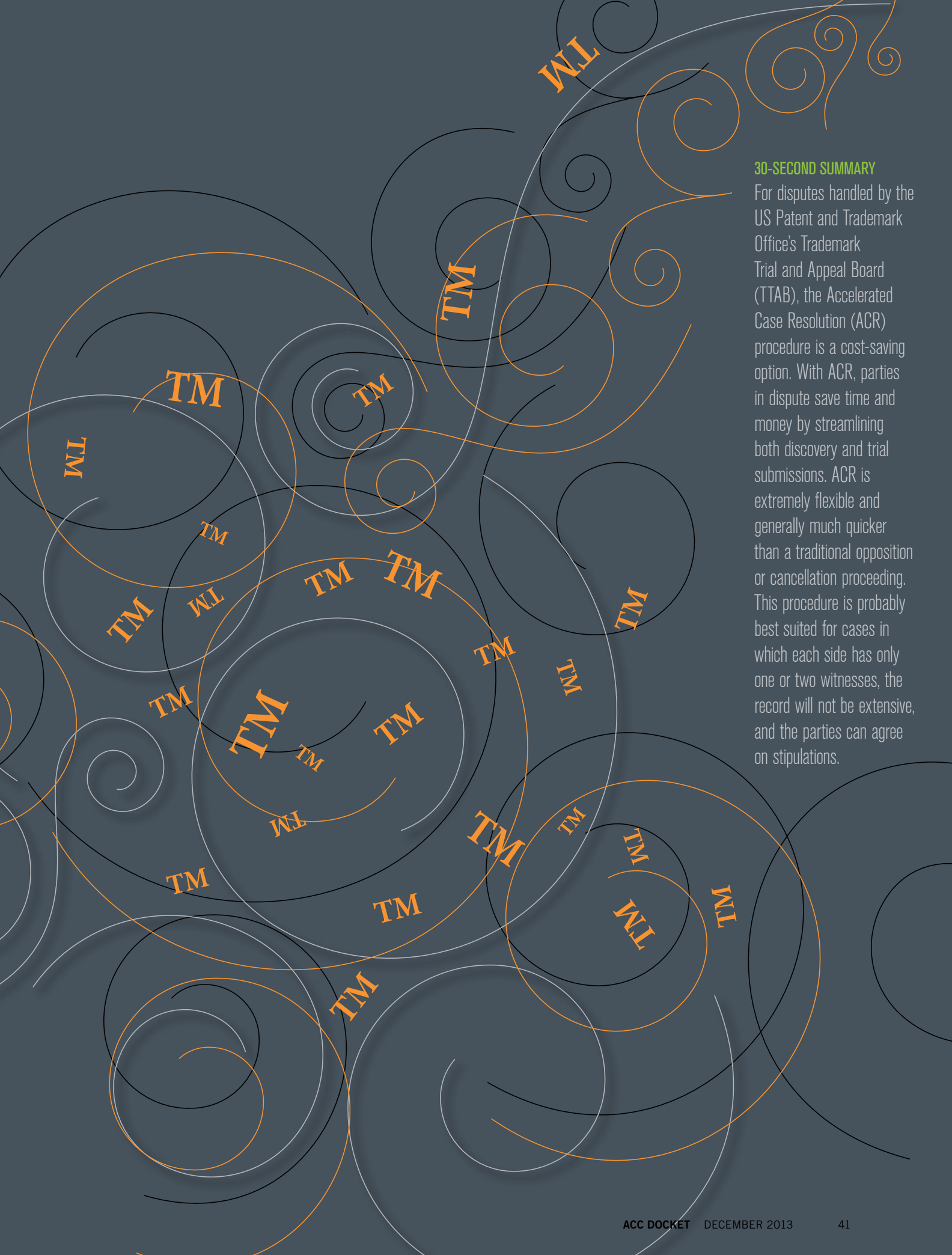
Traveling in the Fast Lane —

Accelerated Case Resolution for Trademark Disputes

By Monica Winghart and Joe Petersen

If you have ever been involved in an opposition or cancellation proceeding before the US Patent and Trademark Office's Trademark Trial and Appeal Board (USPTO's TTAB), there probably came a time when you wondered if there was a better, more efficient way to resolve trademark registration disputes. You may be surprised to hear that, for many disputes, there are such options. In fact, procedures for more streamlined, efficient resolution of disputes before the TTAB have long been in place, although parties and outside counsel, for a variety of reasons, have been slow to adopt them.





30-SECOND SUMMARY

For disputes handled by the US Patent and Trademark Office's Trademark Trial and Appeal Board (TTAB), the Accelerated Case Resolution (ACR) procedure is a cost-saving option. With ACR, parties in dispute save time and money by streamlining both discovery and trial submissions. ACR is extremely flexible and generally much quicker than a traditional opposition or cancellation proceeding. This procedure is probably best suited for cases in which each side has only one or two witnesses, the record will not be extensive, and the parties can agree on stipulations.

The procedure for more streamlined resolution of TTAB disputes is called Accelerated Case Resolution (ACR). ACR can be thought of as a procedure akin to summary judgment in which parties, following agreement to proceed by ACR, can receive a determination of the claims and defenses in their case promptly, without the need for trial. In this respect, ACR is similar to summary judgment but, in contrast to summary judgment motions, ACR procedures can be used to empower the TTAB to resolve disputed issues of fact. It is an open secret among TTAB practitioners that summary judgment motions, in most instances, are a waste of time and money. Such motions are costly to prepare, and all too often, they are summarily denied by the TTAB because they present a genuine dispute as to at least one material fact.[1] And the motion does not necessarily save trial expense because evidence submitted in connection with unsuccessful motions is of record only for consideration of that motion. To be considered at final hearing, any such evidence must be properly re-introduced in evidence during the appropriate trial period.[2]

Under changes to the Trademark Rules for inter partes TTAB proceedings, effective Nov. 1, 2007, parties to TTAB proceedings are required to conference at the earliest stage of the proceeding to discuss claims, defenses, settlement possibilities, and various alternative arrangements for disclosures, discovery and trial. During the conference, the parties are required to discuss the possible use of ACR. In fact, if a party concludes before the conference that ACR may be appropriate, it should notify the TTAB "interlocutory attorney" assigned to the proceeding and request the attorney's participation in the conference. If the interlocutory attorney agrees that the case is suitable for ACR, he may be helpful in bringing the parties together on ACR options and schedules.

The parties may still agree to pursue ACR even after the initial conference, and it has not been unusual for parties to agree to ACR only after they have engaged in the exchange of disclosures and some discovery. However, the deeper the parties proceed into discovery, the less likely it is that resorting to ACR will realize savings of time and resources. If the parties agree to ACR after the initial conference, they should notify the interlocutory attorney immediately. Notification is required so the interlocutory attorney can discuss with the parties whether the particular case is suitable for resolution by ACR and, if so, the best schedule for discovery and trial.

If the interlocutory attorney agrees that the case is appropriate for ACR, the parties will be given a period of time to complete discovery (which can be focused according to the needs of the parties) and to file briefs.[3] If agreement is reached during the settlement and discovery planning conference, the interlocutory attorney may, in a post-conference order, tailor the disclosure and discovery schedule to facilitate ACR. If agreement is provided later, the interlocutory attorney may then issue an order delineating limits on any remaining discovery activities and the schedule for submitting briefs. The parties may include evidence with their briefs, including written disclosures and disclosed documents, and stipulate facts for the TTAB to consider.

After the briefs are filed, the TTAB will issue a decision on the merits within 50 days, which will be judicially reviewable as set out in 37 CFR § 2.145.

To take advantage of ACR, the parties must stipulate that, in lieu of trial, the TTAB can resolve any genuine disputes of material fact. If the parties have already filed cross-motions for summary judgment, they may also stipulate that the TTAB may resolve any genuine disputes of material fact and consider the parties' cross-motions as the parties' final briefs in lieu of a full trial.

Parties desiring to use ACR in other situations, such as after the close of discovery, must contact the assigned interlocutory attorney to discuss the efficacy of ACR. If parties agree to pursue resolution of the case through ACR, and the TTAB has approved, but the parties subsequently have substantial disagreements about discovery or trial arrangements, or engage in contested motion practice related thereto, the TTAB may determine that the case no longer is suitable for ACR.

If you would like to learn more about the TTAB's ACR procedures, ample information concerning ACR is available through the TTAB's website: *www.uspto.gov/trademarks/process/appeal*. There, you will find a listing of Frequently Asked Questions about ACR; the TTAB's manual of procedure, particularly TBMP §§ 528.05(a)(2) and 702.04 (3d ed. Rev. 2 2013); stakeholder and TTAB suggestions for possible ACR schedules; and a transcript of a roundtable discussion on ACR involving TTAB representatives and

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"In fact, any case in which counsel would like the opportunity to present more focused and persuasive arguments would be an ideal candidate for ACR."

representatives of various stakeholder organizations, including ACC.

Top things you should know about ACR:

- ACR is intended to save the parties time and money by utilizing a procedure that streamlines both discovery and trial submissions.
- ACR is extremely flexible, with no set format or time tables. To borrow a popular advertising slogan, it is the "have it your way" approach to resolving disputes before the TTAB.
- ACR is generally much quicker than a traditional opposition or cancellation proceeding. Through FY 2011, according to the TTAB's postings, ACR cases took "end to end" about half the time of cases decided under the standard procedures (average of 4.1 years vs. 2.1 years for cases that proceeded through final decision).
- Discovery time and type limitations must be agreed on by the parties, though the involvement of the interlocutory attorney in the parties' discussion can facilitate agreement.
- The parties are to agree on their proposal and submit it for TTAB approval. The TTAB also has four suggested approaches. Three consist of submission of materials that are equivalent to cross-motions for summary judgment with the agreement that the TTAB can decide any remaining fact questions:
  - an 11-month track (two months of discovery with no discovery or other motions; each side's fact and argument submissions made in one filing — i.e., not separate submission of briefs after each side has submitted evidence; no oral hearing available);
  - a 14-month track (same as above, except there can be motions, with telephone resolution of any such motions);
  - an up to 17-month track (same as above, except three months of discovery and oral hearing available).
- The fourth option is an up to 18-month track with a trial format and having three months of discovery and oral hearing availability. While fact evidence is submitted first followed by briefing, the trial schedule is still streamlined.
- The foregoing are simply options. The parties can agree on any procedures or timetables and submit those to the TTAB for approval.
- Although ACR can be agreed upon later in a proceeding, the greatest time and cost savings are achieved if it is adopted at the outset, either in the Rule 26(f) conference or after a single round of written discovery.
- ACR is probably best suited for cases in which each side has only one or two witnesses, the record will not be extensive, and the parties can agree on stipulations and admissibility of exhibits, reserving only relevancy or weight arguments.

An interview with TTAB Chief Judge Gerard Rogers concerning ACR

Q: When did ACR become available at the TTAB?

A: The designation "ACR" is relatively recent, but the process has been available to parties for quite some time.[4]

Q: What prompted the TTAB's adoption of ACR procedures?

A: Recognition by TTAB professionals that the TTAB could offer parties more efficient and economical alternatives to traditional discovery, trial and briefing.

Q: Has ACR been used much?

A: Defined broadly, as noted above, ACR has been used sporadically. The procedure thus may be said to have been "embraced" only by some. In fiscal years 2009 through 2011 (October 2008 through September 2011), 16 cases were decided at final hearing after having progressed through some form of ACR. There appears to be some movement in the direction of ACR and use of ACR-like stipulations as to facts or as to the admissibility of evidence. The TTAB's webpage includes lists of many cases that either proceeded through ACR or involved consideration of ACR by the parties, and review of the contents of some of these case files via the TTAB's TTABVUE system may be helpful for parties considering ACR.

Q: What types of cases are most appropriate for ACR?

A: The focus here is more on the development of — or proof of — the facts, rather than on the claims and applicable law. The TTAB is willing to consider almost any sort of claim under ACR. However, the most appropriate cases are those in which one or more of the following apply: little discovery is necessary; the parties are able to stipulate to many facts; each party expects to rely on the testimony of one or two witnesses, and the overall record will not be extensive; the parties are prepared to make summary judgment submissions with exhibits and will be prepared to stipulate that the TTAB panel deciding the case can resolve any lingering genuine disputes as to material facts; or the parties are prepared to stipulate to the admissibility of most of the record, and will merely reserve the right to object in trial briefs on the grounds of relevancy or weight to be accorded particular items of evidence. In fact, any case in which counsel would like the opportunity to present more focused and persuasive arguments would be an ideal candidate for ACR. Each party has the

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opportunity to refine its evidence and arguments when they agree, for example, to presentation of testimony by affidavit or declaration, and can avoid disagreements and objections about the introduction of evidence, while maintaining the option to present arguments about how much weight the evidence should be accorded.

Q: Wouldn't a very high percentage of TTAB cases meet that description?

A: Many TTAB attorneys and judges believe a high percentage of cases should be amenable to a procedure focused more on a coordinated presentation of facts and evidence than on the traditional adversarial procedure. Trademark owners and the trademark bar may need more convincing, or at least more time and experience with the process, before routinely pursuing it as an option.

Q: What do parties do to implement the ACR procedures?

A: That depends. If the parties have an idea of how they would like to modify TTAB procedures into a more efficient and economical alternative process, then they are free to agree to whatever arrangements they believe will accomplish their goals. To aid parties in considering various alternative approaches, the TTAB has posted on its webpage both stakeholder and TTAB-developed options, which the parties can use as a base for crafting an ACR procedure. Whether they agree to a procedure used in another case or proposed on the TTAB's webpage, the parties must then present the agreement or proposal to the assigned interlocutory attorney, usually by a written submission with a follow-up phone conference; but they are free to request a phone conference first to obtain assistance from the interlocutory attorney in the negotiation of alternatives. The final determination regarding whether a particular case is suitable for disposition by ACR ultimately lies with the discretion of the TTAB.[5] One way not to seek use of ACR is by a unilateral motion. The TTAB has denied unconsented requests to proceed by ACR.[6] ACR can also be implemented by accepting an invitation or suggestion from a TTAB attorney or judge to participate in the process, with details to be negotiated. Consideration of the process can be raised as early as desired by the parties, certainly by the time the settlement and discovery planning conference is held; but the issue can be, and should be, revisited when the parties have received disclosures and/or taken initial discovery. The sooner it is discussed, the greater the possible savings in time and resources.

Q: Does the TTAB have standard time frames and discovery limitations for ACR cases?

A: The parties may agree to time frames, as well as discovery and testimony limitations, of their own making. In the alternative, they may consider adopting, with or without modification, one of the TTAB suggestions for an ACR schedule posted on the TTAB's webpage. Then, the parties will be able to discuss these options with the interlocutory attorney.

Q: Is this simply a matter of the TTAB agreeing to a set of procedures created by the parties?

A: Not simply. The TTAB attorney or judge reviewing any stipulation or motion to depart from standard procedures may note potential problems that the parties' agreement does not anticipate.[7] Further, if the parties are choosing the cross-motions for summary judgment option, then it will be critical that the TTAB confirm that the parties have agreed that the TTAB will be able to resolve any genuine disputes of material fact that are presented by the record or which may be discovered by a panel of judges working on a final decision for an ACR case.

Q: How does ACR reduce the cost of an Opposition or Cancellation proceeding?

A: The potential for cost savings would come from the reduced time spent by counsel and client preparing to prosecute or defend the case. When facts are stipulated, no time is spent proving them (although there may be some typical costs involved in preparing and exchanging documents and other materials that illustrate for the involved parties that facts are not genuinely in dispute and therefore can be stipulated). When issues are limited (e.g., when likelihood of confusion is accepted, but priority of use is to be determined by the TTAB), savings can be even greater, because all aspects of the proceeding — including discovery, trial and briefing — are limited, allowing practice to be more focused and efficient, and less costly. The extent of savings will largely be a function of the willingness of the attorneys and their clients to focus on factual or legal issues genuinely in dispute, and to utilize discovery and trial only for the resolution of those issues.

Q: How do the time frames in ACR compare with a regular case?

A: The length of time spent in discovery and in trial are the two aspects of a case where there is the greatest

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It is too soon to tell with any statistical reliability, but it appears that more parties are seriously considering the option. Final decisions issued in ACR cases totaled four in fiscal year 2009, six each in fiscal years 2010 and 2011, and nine in fiscal year 2012.

potential for savings by way of agreeing to shorter time frames for one or both of these. Pleading is generally complete by the time the parties consider ACR. For a case prosecuted on the cross-motions for summary judgment model, the trial and briefing are collapsed into one phase, because the cross-motions and accompanying submissions serve in lieu of both trial and briefing. For a case prosecuted on the stipulated record model (with or without stipulated facts), there is the potential to obviate the need for any testimony periods. It is as difficult to define an average ACR case as it is to define an average trial case. However, the TTAB does post on its webpage, on a quarterly basis, average "end to end," or commencement to completion, processing times for both ACR and traditional trial cases, and ACR cases decided through fiscal year 2011 tended to take half the time of traditional trial cases.

Q: Can a party who has agreed to ACR later change its mind?

A: The short answer is yes, a party can change its mind. The TTAB, however, would encourage parties facing such a situation to try and salvage any efficiencies they can, rather than revert entirely to a traditional process. And the parties must notify the TTAB when they have abandoned an approved approach to ACR. In addition, the TTAB may determine, in a particular case, that disagreements of the parties, or substantial motion practice, have rendered the case no longer suitable for resolution by ACR, and the TTAB may then issue a traditional discovery and trial schedule, as necessary, to allow for completion of the proceeding.

Q: How do the judges deal with disputed issues of fact?

A: No matter the type of ACR procedure adopted by the parties, whether cross-motions for summary judgment or a procedure with stipulations as to many facts and as to the admissibility of evidence, the standards of proof are unchanged. Disputed issues of fact are resolved by the panel deciding the case at final hearing, as in any non-ACR case. This is why it is critical under the cross-motions for summary judgment approach that parties agree that the TTAB can decide any disputed issues of material fact.

Q: Are there any rules or regulations about ACR?

A: None in particular, other than those which govern the TTAB's proceedings and are subject to modification to accommodate the desire for a more efficient and economical proceeding in a given case.

Q: Is the number of ACR cases trending up?

A: It is too soon to tell with any statistical reliability, but it appears that more parties are seriously considering the option. Final decisions issued in ACR cases totaled four in fiscal year 2009, six each in fiscal years 2010 and 2011, and nine in fiscal year 2012.

Q: We've heard the pros. Are there any cons?

A: The process is not suitable for parties who can agree on little and who are not willing to restrain, to at least some extent, their discovery and/or trial activities. Nor will an ACR procedure work well for a case that promises to generate a large record. ACR cannot be of assistance in very contentious cases or in very complicated cases. **ACC**

NOTES

1 See, e.g., *Olde Tyme Foods Inc. v. Roundy's Inc.*, 961 F.2d 200, 22 U.S.P.Q. 2d 1542 (Fed. Cir. 1992); and *Lloyd's Food Prods. Inc. v. Eli's Inc.*, 987 F.2d 766, 25 U.S.P.Q. 2d 2027 (Fed. Cir. 1993).

2 See *Am. Meat Inst. v. Horace W. Longacre, Inc.*, 211 U.S.P.Q. 712, 716 n.2 (TTAB 1981).

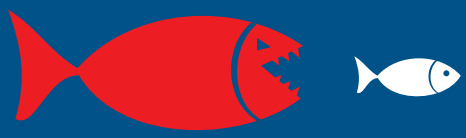
3 See TBMP §§ 528.05(a)(2) and 702.04 (3d ed. Rev. 2 2013).

4 See, e.g., *Miller Brewing Co. v. Coy International Corp.*, 230 USPQ 675 (TTAB 1986), which involved a stipulation of the parties.

5 See TBMP §§ 528.05(a) (2) and 702.04 (3d ed. Rev. 2 2013).

6 See *Roll-A-Cover, LLC v. Cohen* (91182364); *Globo Communicacao E Participacoes S.A. v. The Media Globo Corp.* (91184401); and *D-Col, Inc. v. Young* (91188416).

7 See TBMP §§ 528.05(a) (2) and 702.04 (3d ed. Rev. 2 2013).



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