

USPTO Makes Changes To Trademark Board Rules

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Thursday, Aug 02, 2007 --- The U.S. Patent and Trademark Office made significant amendments to the Trademark Trial and Appeal Board Rules on Wednesday, after 19 months of deliberations.

“This is big, big, big news,” said Jonathan Hudis, partner in the trademark and copyright practice group at Oblon, Spivak, McClelland, Maier & Neustadt PC. “The trademark board really did its job and did it well. And a better work product came out of it.”

Major changes to the existing rules include several new disclosure obligations, and a requirement that parties in a trademark registration dispute participate in a conference at the start of proceedings.

The new rule mandating an immediate conference is one that the board hopes will have the most positive impact, according to Gerard Rogers, acting chief judge of the Trademark Trial and Appeal Board. In that mandatory meeting, which the board calls a discovery conference, parties discuss the potential for settlement, and negotiate a way to proceed if settlement isn't possible.

“There are a number of things that parties can agree to do to make proceedings less expensive,” said Rogers. “If they want us to participate, then one of our staff attorneys or judges will participate. We can give them as much advice about their options going forward as they want to hear.”

The new disclosure requirements provide guidelines for initial disclosure, pretrial disclosure and expert witness disclosure, including what information should be released, and due dates.

“What it is going to mean is a lot more upfront work for attorneys and their clients. And expense to the client,” said Hudis. “It may be more work, but it's manageable. What the board initially proposed wasn't manageable.”

Another significant change is a new rule that requires plaintiffs in trademark registration disputes to serve the initial pleading to the trademark owner of record. Previously the board took on the obligation to contact the owner.

The intent of the rule changes, according to Rogers, was to streamline the system, while preserving the rules that are beneficial to the board and the parties that come before it.

The vast majority of cases, about 95%, that come before the board are settled, according to Rogers.

But for parties that don't settle, or don't settle immediately, the idea behind the rule changes is to let parties “know what the expectations are and require them to move forward if they're not going to be serious on their settlement discussions,” Rogers said.

Rogers also noted that some of the changes were just updates. “We not only changed some of the rules that help develop our practice, but also used it as an opportunity to catch up to existing practice.”

In January 2006, the board revealed proposals for rule changes. According to Jonathan Hudis, who also sits on the board of directors at the American Intellectual Property Law Association, bar and industry groups, among other interested parties, were not immediately pleased with many of the board's proposals, some of which Hudis called “draconian.”

The board received 30 written comments on the proposals.

“We were all waiting with bated breath as to when the new rules were going to come out and whether the trademark office was going to listen to us,” said Hudis. “The board listened. They raised a flag, we shot at it, they raised another flag and said, 'We hear you.'”

The true effect of the new amendments remains to be seen, but a significant number of new steps have been added to the process, according to Scott Johnston, chair of the trademark group and a partner at Merchant & Gould.

“I think its going to make it a lot more like federal litigation and for the most part is going to drive up costs,” Johnston said.

Johnston also said the new amendments, which number 23 pages in the Federal Register, could end up favoring those attorneys who frequently deal with the board. “It makes it a little more technical. It's slightly more complicated with more docket dates and more areas to mess up, essentially.”