

An Underused Way To Resolve Trademark Disputes

Law360, New York (August 8, 2014, 10:04 AM ET) -- Brand owners often find themselves pursuing or defending claims before the Trademark Trial and Appeal Board — whether it's to enforce their brand or to obtain a new registration. Board proceedings involve fact discovery, experts, summary judgment motions and trial. The cost of these proceedings can often be significant and the average case takes four years from inception to final decision. One way to minimize the costs and streamline the process is to take advantage of the board's accelerated case resolution procedure (the "ACR"), which allows the parties to stipulate that, in lieu of trial, the board can resolve any genuine dispute of material fact. In essence, summary judgment briefs are treated as trial briefs, and decisions are rendered within two years (which is half the normal time frame).



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Despite the simplicity and financial benefits for opting to litigate under the ACR, very few parties take advantage of the procedure. This article explores the mechanics of the ACR, when it should be used and its benefits.

What Is the ACR?

ACR allows parties to receive a determination of the claims and defenses on a shortened time period with limits on discovery, motion practice and the methods for presentation of evidence. Trial briefs are filed early on and take the form of a summary judgment motion — memorandum of law accompanied by declarations. However, unlike a summary judgment motion, the parties stipulate that the board can decide genuine issues of material fact.

While the parties may tailor their own proposal and submit for approval, the board provides the following suggested approaches:

11-Month Track

Discovery runs for 60 days, and the plaintiff files its ACR brief and evidence within 30 days of the close of discovery. The ACR brief is in the form of a summary judgment motion, and the opposition brief is in the form of a cross-motion for summary judgment. The defendant files the opposition within 30 days, and both parties have 15 days to file rebuttal briefs. The board will render a decision within 50 days of final briefing.

Under this track, the parties stipulate to (1) limited written discovery to the extent needed,

(2) no depositions and (3) the authenticity of produced documents. Parties may also stipulate to forego discovery, which could shorten this option, overall. No motions to extend or suspend are permitted — if such a motion is filed, the matter is removed from the 11-month track.

The parties are expected to stipulate to many facts and will introduce testimony by affidavit or declaration. Testimony depositions and cross-examination are not permitted. The parties stipulate that the board may decide issues of material fact, and they forego oral argument.

14-Month Track

The discovery period lasts for 60 days, and the plaintiff's ACR brief is due within 30 days of the close of discovery. The defendant files the opposition within 30 days, and both parties have 15 days to file rebuttal briefs. Under this track, the parties are allowed to cross-examine the affiants within 30 days of submission of the ACR brief. The board will render a decision within 50 days of final briefing (which can be shortened if the plaintiff indicates it will not be cross-examining defendant's rebuttal affiant).

Under this track, the parties stipulate to limited, written discovery (no discovery depositions) to the extent needed, and stipulate to authenticity of produced documents. Parties also may stipulate to forego discovery, which could shorten this option, overall.

The parties may present motions to the interlocutory attorney, and stipulate that these motions will be resolved by phone. No motions to extend or suspend periods are permitted unless ordered by the board.

The parties are expected to stipulate to many facts and will introduce testimony by affidavit or declaration, if needed. Notices of reliance are permitted, which would include the cross-examination of an affiant. There is no oral argument.

17-Month Track

Thirty-day intervals are scheduled between each of the designated periods for discovery or a submission by a party, and after the period for defendant's rebuttal submission, to account for possible cross-examination of affiants. The parties have the option to request a hearing, and a decision is rendered within 50 days thereafter. Like the 14-month track, motions may be presented to the interlocutory attorney and decided by telephone conference.

Under this track, the parties stipulate to limited, written discovery and limited discovery depositions to the extent needed. The parties are expected to stipulate to many facts and introduce testimony by affidavit or declaration. The parties may cross-examine the affiants within 30 days of close of each testimony period, and expert testimony by affidavit or declaration/survey evidence is permitted.

18-Month Track

This option follows the same timetable and discovery parameters as the 17-month track — the only difference are that reply briefs are permitted and all briefs are in the form of trial briefs rather than summary judgment motions.

How Is ACR Implemented?

The parties are required to discuss whether they wish to use ACR during the discovery conference. If a decision is reached (either before, during or after the conference), then the parties should notify the interlocutory attorney, who will then participate in a

conference call to discuss this alternative. The ultimate decision as to whether ACR is appropriate lies with the board.

Why Should Parties Opt for ACR?

ACR is a cost-effective and simplified process for a proceeding that can usually be reduced to a determination of a few material facts. Most oppositions revolve around one issue: Are the marks confusingly similar? To resolve that issue, most cases do not need extensive discovery. The best candidate for ACR is a case in which the parties can stipulate to most facts or in which the parties expect to rely on the testimony of only one or two witnesses and the overall record will not be too extensive.

In many cases, litigants file summary judgment motions with the hope to avoid trial, however, most are denied because there are material facts in dispute. Consequently, the parties engage in the trial testimony period which include burdensome depositions of representatives of the company. Those depositions can be avoided with the ACR because evidence may be submitted in the form of summary judgment-styled declarations. Whereas on summary judgment, material facts cannot be decided, they can be adjudicated under the ACR. In essence, the litigant is submitting the same brief and evidence so why not let the board provide full resolution the first time around?

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