AMERICAN BAR ASSOCIATION

Section of Intellectual Property Law
321 North Clark Street
Chicago, IL 60654-7598
(312) 988-5598
FAX: (312) 988-6800
E-mail: iplaw@abanet.org
www.abanet.org/intelprop

June 20, 2011

via electronic mail
TTAB_Settlement_comments@uspto.gov

The Honorable David J. Kappos
Under Secretary of Commerce for Intellectual Property and
Director of the United States Patent and Trademark Office
P.O. Box 1450
Alexandria, VA 22313-1450

Attn: Karen Kuhlke, Administrative Trademark Judge
Trademark Trial and Appeal Board

Re: Comments on *Trademark Trial and Appeal Board Participation in Settlement Discussions*

Dear Under Secretary Kappos:

We are writing on behalf of the American Bar Association Section of Intellectual Property Law and Section of Alternative Dispute Resolution (the "Sections") to provide comments in response to the United States Patent and Trademark Office's (the "Office") invitation for public comment on the *Notice of Inquiry re: Trademark Trial and Appeal Board Participation in Settlement Discussions*, 76 Fed. Reg. 22678 (PTO-C-2011-0011, April 22, 2011). The American Bar Association is the largest voluntary professional association in the world, the Section of Intellectual Property Law is the largest intellectual property association with over 25,000 members, and the Section of Alternative Dispute Resolution is the largest alternative dispute resolution association with over 17,000 members. The views expressed in this letter are those of the Sections. These comments have not been approved by the American Bar Association House of Delegates or Board of Governors and should not be considered as views of the American Bar Association.

The Sections appreciate the Trademark Trial and Appeal Board's (the "Board") request for comment from stakeholders on whether and to what extent Board judges, interlocutory attorneys or outside mediators should become more directly involved with settlement discussions between parties to *inter partes* proceedings.

In general, the Sections support the Board's present, limited involvement in settlement discussions and are not of the view that the Board needs to take a more active mandatory role. Nevertheless, it may be helpful to evaluate the potential benefit of more active Board involvement by conducting a pilot program to demonstrate proof of concept, the efficacy of Board involvement and whether it is a wise use of the Board's resources. The Sections recommend direct Board involvement only if: (i) it is mutually agreed upon by the parties; (ii) the Board members or interlocutory attorneys participating in such settlement discussions have been properly trained to provide support; and (iii) Board personnel participating in settlement discussions are recused from deciding the case on the merits or in interim rulings. The Sections' responses to the Board's specific questions follow.

Responses To The Board's Questions

1) Should the Board be routinely involved in settlement discussions of parties [on a mandatory basis] or instead, be involved only in particular cases on an ''as needed'' basis?

The Sections support the Board's involvement in settlement discussions on an "as needed" basis as requested and mutually agreed upon by the parties, provided that Board personnel have received appropriate training and the Board member or interlocutory attorney participating in the settlement discussions is recused from working on the case. The Sections oppose the institution of mandatory participation of Board personnel or third-party mediators in *inter partes* proceedings before the Board. The Sections do not believe that it would be the best use of the Board's limited resources to have Board members involved in settlement discussions on a mandatory basis.

2) If you believe parties would benefit from involvement of a non-party, would it be preferable for settlement discussions to be handled by (a) an ATJ, (b) an IA, (c) a USPTO employee trained as a mediator but who is not an ATJ or IA, or (d) a third-party mediator?

The Sections support the use of Board judges and/or interlocutory attorneys to mediate settlement between the parties on an "as needed" basis, provided the Board members have been trained as mediators. The Sections further support the parties' ability to select a third-party mediator should they so desire, but do not believe that the use of such mediators should be mandatory. At this time, the Sections do not believe that Office personnel other than Board judges or interlocutory attorneys should be involved in settlement discussions between the parties.

3) How would the involvement be triggered? For example, by stipulation of the parties, by unilateral request or by some other trigger? Examples of situations that might be used as triggers for required settlement discussions involving a non-party could include the use by the parties of multiple suspensions for settlement discussions which proved unsuccessful, or events such as the filing of an answer, the exchange of disclosures, the completion of some discovery, or the close of the discovery period.

The Sections suggest that mutual consent by the parties be the only trigger for direct Board involvement in settlement discussions. The request for Board involvement could happen at any stage during the *inter partes* proceeding after the close of pleadings and before trial. The Sections do not foresee any instance that would require mandatory direct Board involvement in settlement discussions at any stage in the proceedings. Such involvement should be at the request of the parties by mutual consent.

Repeated requests for extensions or suspension for settlement discussions should not be a trigger for mandatory Board involvement, but might be an appropriate trigger for the Board to remind parties of the availability of Board personnel to participate in the settlement discussions and of the alternative possibility of using mediation.

4) How many triggers should there be that would prompt Board or mediator involvement in settlement talks? For example, apart from the initial discovery conference, should there be a follow-up inquiry from the Board in the middle of discovery, at the end of discovery, or before pre-trial disclosures are made and commencement of trial is imminent? Should there be a required phone conference after the second or any subsequent request to extend or suspend discovery for settlement?

The Sections do not believe that Board involvement in settlement discussions should be triggered except by a joint request of the parties. However, the Sections see no harm in an inquiry being made by the Board encouraging the parties to consider settling the case before pre-trial disclosures are made and commencement of trial is imminent. As indicated above, a request for an extension or suspension to pursue settlement should not trigger direct Board involvement in settlement discussions but might be an appropriate trigger for the Board to remind parties of the availability of Board personnel to participate in the settlement discussions and of the alternative possibility of using mediation.

5) To what extent should Board personnel involved in settlement discussions be recused from working on the case?

The Sections believe that any Board personnel involved in settlement discussions should be recused from working on that case. Recusal is important under these circumstances to insure objectivity and freedom from any appearance in bias when the case is decided on the merits, or in interim rulings, and to give the parties confidence in the settlement process involving the Board.

6) Should motions for summary judgment, the vast majority of which are denied and do not result in judgment, be barred unless the parties have been involved in at least one detailed settlement conference? Should an exception to such a rule be made for motions based on jurisdictional issues or claim or issue preclusion?

The Sections do not believe that motions for summary judgment should be contingent upon the parties participating in a settlement conference.

7) Should the parties be accorded only limited discovery until they have had a detailed settlement discussion with a Board judge, attorney or mediator, with the need for subsequent discovery dependent on the results of the discussion?

The Sections do not believe that full discovery should be contingent upon the parties participating in a settlement conference. The Sections note that in many proceedings discovery is required before the parties can determine whether settlement is possible.

8) Should the Board amend its rules to require that a motion for summary judgment be filed before a plaintiff's pre-trial disclosures are due, and that the parties be required to engage in a settlement conference in conjunction with a discussion of plaintiff's pre-trial disclosures?

The Sections support consideration of an amendment to the rules to require the filing of a motion for summary judgment before a plaintiff's pre-trial disclosures are due. The Sections agree that participation by the parties in a pre-trial conference prior to the due date for plaintiff's pre-trial disclosures to discuss settlement and alternate means of introducing evidence could be beneficial. The Sections believe that to the extent the Board participates in such conferences, direct participation by the Board in settlement discussions should occur only upon a joint request by the parties.

Possible Pilot Program

The Sections suggest that, before a change in the Board's rules or policy is made, the Board considers a pilot program regarding its participation in settlement conferences before implementing such participation on a broader basis. The Sections suggest a pilot program whereby a small number of judges or interlocutory attorneys are trained to mediate disputes and are selected to participate in settlement discussions in response to a joint request by the parties, and that such pilot program be used to evaluate the effectiveness of Board participation in settlement discussions.

Conclusion

The Sections commend the Office for taking on this important project and appreciate the opportunity to offer comment.

Very truly yours,

Marylee Jenkins
Section Chairperson
American Bar Association
Section of Intellectual Property Law

Wayne Thorpe
Section Chairperson
American Bar Association
Section of Alternative Dispute Resolution