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Submitted via email
(TTAB_Settlement_comments@USPTO.gov)

The Honorable Karen Kuhlke
Administrative Law Judge
United States Patent and Trademark Office
Mail Stop Comments – TTAB
Post Office Box 1451
Alexandria, Virginia 22313-1451

Re: Settlement Intervention and the TTAB
Docket Number PTO-C-2011-0011

Dear Judge Kuhlke:

I write in response to the notice of inquiry issued on April 22, 2011 (the "Notice") concerning possible intervention to try to induce settlement of inter partes cases proceeding in the Trademark Trial and Appeal Board ("TTAB").

I recently concluded a three-year term as chairman of the USPTO's Trademark Public Advisory Committee ("TPAC"). The views I express in this letter are my own. I believe TPAC will separately be giving you its view on the issues posed in the Notice.

I have been in private practice and have practiced intellectual property law for almost 20 years. During that time, I have been both a federal court intellectual property litigator and a litigator in matters before the TTAB. Prior to entering private practice, I served in three judicial clerkships, including one for Judge Donald S. Russell of the United States Court of Appeals for the Fourth Circuit, and one for Judge James C. Cacheris of the United States District Court for the Eastern District of Virginia. My trademarks non-litigation practice has included counseling, clearance, registration, policing, and licensing.

I am aware of the skepticism and perhaps derision expressed by some prominent

trademark bloggers for the idea that the TTAB can be materially successful in settlement intervention. I write primarily to address that sentiment. I believe their comments were made in good faith and with the best interests of our U.S. trademarks systems at heart, but their comments overlook problems.

Specifically, some critics of potential TTAB settlement intervention assert that they cannot think of instances in their practices where such settlement intervention would have been effective. These commentators point to the differences between, on one hand, settlement discussions that can be held by a federal magistrate in a case pending in federal court and, on the other hand, what can be done in TTAB matters. Also, there is an air of tough independence in these comments – something that implies that "I know how to settle a TTAB case when I'm so inclined, and I do not need or want the TTAB to get involved in settlement."

I believe these comments overlook a couple of problems:

First, many TTAB cases drift for long periods of time without material activity by either litigant. Extensions of time to file answers, and stays of cases in which answers have been filed, commonly subsist for long periods of time without real activity occurring during those time outs. Often the client decision-makers put off taking action on a case for long stretches of time because the case schedule does not demand that they move forward. Requiring settlement intervention at specific points in the case process could help to limit or stop such unproductive delays by requiring clients and their counsel to focus on the merits of the case and its path to resolution.

Second, some may say it's nobody else's concern if a TTAB case is pending for a long time if the cause is the mutual inactivity of the parties. That is not so. The public has an interest in having disputes over the registerability of marks resolved expediently so the Principal Register can be an effective record and notice of trademark rights. Among other public interests, the decisions of other parties on whether to adopt certain marks may hang upon what they see happening in an opposition or cancellation proceeding. For example, anyone who has found an ongoing opposition or cancellation proceeding concerning a mark of interest during clearance research knows the cost of this uncertainty.

In addition to these problems, settlement intervention provides a prime opportunity for exploring whether Accelerated Case Resolution ("ACR") can be used to reduce the scope of litigation when a case they cannot be settled at the time of intervention. The TTAB is in the process of refining "plug-and-play" ACR options – ACR options in which essentially all the parties have to do is select a particular ACR option and request that it be implemented by the TTAB through the entry of a standard order embodying that option. Requiring that parties consider ACR options at specified settlement intervention junctures could speed up matters before the TTAB and reduce the workload of the parties and the TTAB.

Beyond these general comments, I submit my suggestions for settlement intervention by responding to the questions posed by the Notice:

A. Should the Board be routinely involved in settlement discussions of parties, or instead, be involved only in particular cases on an ‘‘as needed’’ basis?

1. Settlement intervention should be routine. They should occur at specific junctures in all cases that reach those junctures. Those junctures are specified below.

2. Whether it is the TTAB itself that conducts the settlement intervention is answered below.

B. 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 Administrative Trial Judge (“ATJ”), (b) an Interlocutory Attorney (“IA”), (c) a USPTO employee trained as a mediator but who is not an ATJ or IA, or (d) a third-party mediator?

1. Yes, the parties would benefit from settlement intervention by a non-party.

2. Don’t use ATJ’s.

a. It will take time that they should devote to deciding cases. The TTAB should get faster, so we don’t want to add duties to ATJ’s, which addition would detract from deciding cases.

b. Whether to use IA’s depends on whether doing so would slow down TTAB production. IA’s should not be used if their involvement would slow down the TTAB or prevent it from doing its work faster.

c. Retired TTAB judges would be ideal individuals to handle settlement discussions.

C. 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.

1. I suggest that settlement intervention should be triggered by each of these three milestones, meaning that the mediator should be on a call with a representative of each party at each of these junctures:

    a. The telephonic discovery conference (the one that is required to occur before discovery commences):

        i. In addition to trying to facilitate a settlement, to expressly explore with the parties whether any ACR options are appropriate to the case and should be agreed to.

    b. If no answer has been filed, 90 days after the petition to oppose/cancel is filed, unless the defendant is in default.

        i. Many parties keep asking for or consenting to extensions in time to file answers while not seriously working on trying to resolve the case. It's easy to just kick the can down the road. Having a required settlement conference at some specific point in time is a way to force the parties to engage.

    c. 25 days after the close of discovery.

        i. Per the standard TTAB scheduling order, there is a 45-day gap between the close of discovery and when the plaintiff must file its pretrial disclosures. The idea is to have this conference late enough after discovery such that the parties should have assessed what discovery they have received but early enough before the date when the plaintiff's pretrial disclosures are due, so the discovery conference is not put off so long that it does not help save work by counsel.

2. Of course, there would be settlement intervention whenever the parties both want it.

3. A party should be able to unilaterally request settlement intervention at other times, which intervention could be provided if

the decision maker at the TTAB deems the situation to be appropriate.

D. How many triggers should there be that would prompt Board or mediator involvement in settlement talks? For example, apart from the 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?

1. These questions are answered above.

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

1. Board personnel involved in settlement should be fully and permanently recused from working on the case.

F. 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?

1. There should have been at least two settlement interventions by this time. As described above, one should have occurred at the discovery conference and another at the close of discovery (if discovery has closed). There should not be additional settlement participation required to file a motion for summary judgment. On the flip side, the settlement conference required to occur 25 days after the close of discovery should not be canceled because of the pendency of a motion for summary judgment.

G. 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?

1. As noted above, there should be a settlement intervention at the discovery conference, and this intervention should include discussion of ACR options, which, if deployed, may limit discovery by agreement.

H. 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?

1. Whether or not to require that a summary judgment motion be filed before a plaintiff's pretrial disclosures are due is an interesting question but one that does not have to be decided in order to implement a settlement regime. Thus, I recommend not getting into this issue when issuing a notice of proposed rulemaking because that may generate some opposition that is irrelevant to the goal of instituting required settlement conferences.

2. As discussed above, mandatory settlement intervention should occur 25 days after discovery closes, which would be a few weeks before the plaintiff files its pretrial disclosures.

II. An additional comment -- What settlement intervention should occur?

A. Things that could be strived for:

1. Push toward ACR plug-and-play options in the settlement intervention that occurs in conjunction with the discovery conference.

2. Try to agree on a goods/services ID that will pass muster.

3. Try to agree on restrictions on use of a mark.

4. Give feedback to each party on the strength of its position.

B. The settlement intervention procedure should be shaped by individuals trained and experienced in conducting effective mediations. Magistrate judges in the United States District Court for the Eastern District of Virginia have a lot of mixed experience here, so please consider consulting with them.

C. In my experience, mediation is most effective when the mediator engages in shuttle diplomacy between the parties rather than having the parties state their positions in the presence of each other. Sometimes it is worthwhile to start with the parties in one room (or on the same telephone conference) but, because parties feel the need to argue their positions tenaciously in front of each other, separating them and using shuttle diplomacy usually follows.

D. Also, usually the mediator eventually will talk frankly and separately with each of the parties about the mediator's view of the strengths of the case for that party. Sometimes a party just needs to be told that its position is not likely to win on the merits. Because this is only mediation and not arbitration, that commentary occurring shouldn't be a problem.

1. In addition, in such shuttle diplomacy, the mediator will be freer to make suggestions to each party regarding appropriate ACR options, possible amendments to the goods/services identification, and possible restrictions on the use of a mark.

Thank you to the TTAB for its interest in and work on this important topic.

Respectfully submitted,

/John B. Farmer/

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