



E-Discovery In The Board: A Reasoned Approach

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The Trademark Trial and Appeal Board (the “Board”) generally follows the Federal Rules of Civil Procedure for purposes of its proceedings, including with respect to discovery. Thus, discovery of electronically stored information (“ESI”) has become as important in Board proceedings as in federal court litigation. Unlike a number of federal courts, which have struggled with these issues and sometimes ruled in ways that greatly increase the costs of litigation, the Board recently struck a reasonable balance for engaging in e-discovery in its proceedings. Specifically, the Board denied an applicant’s motion to compel an opposer to engage in extensive e-discovery in the precedential decision in *Frito-Lay North America, Inc. v. Princeton Vanguard, LLC*, Opposition No 91195552 and Cancellation No. 92053001 (T.T.A.B. Nov. 16, 2011).¹

The underlying dispute involves Frito-Lay’s opposition to Princeton’s application to register PRETZEL CRISPS for “pretzel crackers.”² During their mandatory discovery conference, the parties failed to agree on discovery of ESI. After both both parties served requests for documents, including ESI, Princeton extensively reviewed and produced its relevant ESI – costing Princeton approximately \$200,000, with an anticipated \$100,000 more to comply with its ongoing obligations under the Federal Rules. Frito-Lay was less forthcoming, so Princeton moved to compel Frito-Lay to produce ESI in the same manner as Princeton.

¹ Available at <http://ttabvue.uspto.gov/ttabvue/ttabvue-91195552-OPP-28.pdf>.

² For trademark practice aficionados, technically, Princeton owned a registration on the Supplemental Register for PRETZEL CRISPS and was now applying to register this designation on the Principle Register under Section 2(f) of the Lanham Act. Section 2(f) permits a descriptive term to be registered on the Principle Register (the only one that counts for purposes of asserting rights) upon a showing of secondary meaning, expressly stating that “proof of substantially exclusive and continuous use thereof as a mark...for the five years before the date on which the claim of distinctiveness is made” may be *prima facie* evidence that the mark has acquired secondary meaning. Frito-Lay opposed this application and petitioned to cancel the supplemental registration.



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At its heart, the dispute is best summed up in the words of the parties' attorneys (as quoted in the Board's Order):

- Princeton's counsel complained that Frito-lay had not conducted "attorney-managed electronic data retrieval and search" and this "failure to conduct an attorney-supervised ESI retrieval, search (using appropriate keywords) and review has substantially prejudiced [Princeton's] ability to defend." Moreover, "[n]o cost, burden or other reason allows [Frito-Lay] to rely on custodians to search their own files where the results of that policy are clearly insufficient. . .";
- Frito-Lay's counsel responded that Frito-Lay had conducted a "reasonable investigation to locate, gather and produce documents reasonably responsive" to Princeton's discovery requests, including by identifying document custodians and asking them to search their own files and computers. Further, attorney-supervised searches of ESI would cost Frito-Lay an additional \$70,000 - \$100,000, "an expense that would far outweigh the benefit of any information in determining the matters at issue in this proceeding," especially since the claims in the proceeding pertained solely to Princeton's mark and Frito-Lay.³

For the litigators among you, this dispute likely has a familiar ring.

Federal courts face such issues on an ever-increasing basis and they are inconsistent in their approach, often reaching results that greatly increase the cost of litigation. The Board, however, has not had many opportunities to address disputes over e-discovery, so it started its analysis from first principles. Specifically, it highlighted that:

- (a) the Board is empowered to determine only the right to register a mark;⁴
- (b) a party need not provide discovery of ESI from a source that is not reasonably accessible because of undue burden or cost (Fed. R. Civ. P. 26(b)(2)(B));
- (c) the party responding to discovery is best situated to determine the method through which documents are collected; and
- (d) the burden of e-discovery must be proportional to the circumstances of the case.

These principles are a very good place to start. In applying them to this case, the Board found that:

[T]he burden and expense of e-discovery will weigh heavily against requiring production in most cases. Parties are advised to be precise in their requests and to have as their first consideration how to significantly limit the expense of such production.

³ Princeton also made some arguments about the relative sizes of the parties, Frito-Lay obviously being larger than Princeton. Frito-Lay, for its part, complained about Princeton's "document dump" of 137,220 pages.

⁴ The author must note that, practically, a decision by the Board regarding registrability often will result in a resolution over any use issues and influences federal courts hearing subsequent lawsuits over the same marks. Although Board decisions are not binding on federal courts, the amount of deference offered Board decisions in subsequent lawsuits varies on the circumstances and jurisdiction.

Based on this finding, the Board denied the motion to compel the specific method of e-discovery requested by Princeton because Princeton had failed to show that Frito-Lay's method of searching for and producing documents was insufficient under the circumstances of this proceeding. Nevertheless, as the Board is wont to do, it then granted Princeton's motion to compel production of sample documents, including ESI, in response to a few of Princeton's document requests under threat that Frito-Lay would not be permitted to rely at trial upon documents not properly produced during discovery (as is always the case).⁵

Ultimately, this decision is good news for litigants before the Board. This ruling limits e-discovery, further recommending the Board as an efficient forum for resolving trademark disputes. That said, trademark owners must also be cognizant of the differences between Board practice and trademark litigation in federal court. The standards for evaluating likelihood of confusion differ and those differences can significantly impact the likelihood of success on a claim, regardless of the costs of discovery.

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⁵ The Board cannot issue monetary sanctions, but it can and does issue other types of sanctions (e.g., presumptions, uses of documents at trial, limiting objections, etc.).