

## NAVIGATING TRADEMARK PRACTICE BEFORE THE PTO: EX PARTE APPEALS

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### I. Introduction

The odds of an applicant prevailing in an ex parte appeal are, under the best of circumstances, very small. This article focuses on problems to avoid, and suggests strategies for improving the chances of success.<sup>2</sup>

The article addresses:

#### FOUR RULES TO REMEMBER FOR EX PARTE APPEALS...

1. Only strong cases need apply.
2. Timing is everything (almost).
3. Procedure is often as important as substance.
4. Argument is no substitute for evidence.

#### AND THE EXCEPTIONS TO THE RULES...

The first caveat is that not all ex parte appeals are created equal. Because of the wide variety of issues on which an ex parte appeal can be based (e.g., descriptiveness, likelihood of confusion, surname significance, functionality, etc.), there may be exceptions to the general comments in this article.

The second caveat is that while appeals that go all the way through to a decision on the merits have a relatively low rate of success, filing a notice of appeal along with a request for reconsideration in order to encourage an Examining Attorney to reconsider the rejection may have a high rate of success. If faced with the prospect of having to brief and argue the issues on appeal, the Examining Attorney may be more willing to withdraw the rejection. Thus, there may be some tactical advantage to filing an appeal.

### II. The Decision to Appeal

Although the statistics vary slightly depending upon the issue being appealed (e.g., likelihood of confusion, mere descriptiveness, etc.), about seventy to eighty percent of ex parte appeals result in an affirmance of the refusal to register the mark. Thus it is a rare case when an Examining Attorney is found to have committed reversible error. Given the stark reality that only about twenty to thirty percent of appeals are successful, the following questions should be answered before the appeal is filed:

1. Are you better off appealing and losing, or not filing an appeal at all?

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<sup>2</sup> The most comprehensive source of information on ex parte appeals is the *Trademark Trial & Appeal Board Manual of Procedure* (TBMP), which contains basic procedures and rules, together with supporting case citations. The TBMP is available on the USPTO website at [www.uspto.gov](http://www.uspto.gov). In many instances, instead of citing particular cases, I have cited the relevant section of the TBMP, which will contain a detailed discussion of the issue.

2. Are there acceptable alternatives to the appeal, such as:
  - A. Amending to a Section 2(f) claim of acquired distinctiveness;
  - B. Amending to the Supplemental Register;
  - C. Entering a disclaimer;
  - D. Re-Applying to register the mark in stylized form or with a design;
  - E. Obtaining a consent agreement;
  - F. Some combination of the above.
3. Is time on your side (i.e., will the acquire distinctiveness over time or will the 2(d) bar disappear if a mark is not renewed)?
4. Is it "now or never?" (No acceptable alternative; the mark is important enough to justify the expense of the appeal; time will not solve the problem; and/or obtaining a registration later will be too late.)
5. Do you expect to have to take the appeal all the way through on the merits, or do you think the Examining Attorney will change his or her mind when faced with an actual appeal brief deadline?

Of course, there will be a small number a cases in which the Examining Attorney is clearly and obviously wrong. In those instances, the risk of filing an ex parte appeal should not deter one from proceeding. However, those cases are few and far between, and the remainder need careful analysis to determine whether filing an ex parte appeal is the best way to go.

### III. Problems and Procedures

Rule 2. Timing is everything (almost).

Rule 3. Procedure is often as important as substance.

Knowing what must be filed when, and what will toll deadlines, is a basic, but essential feature of a successful ex parte appeal. Because there are exceptions, careful review of the rules before filing the appeal is necessary. Key rules/points to remember include:

1. An appeal can only be taken from a final refusal and/or a second refusal on the same ground. (TBMP 1201.05).
2. A timely notice of appeal must be filed within six months of the final refusal. (37 CFR 2.142(a))
3. Failure to pay the appeal fee by the deadline for the appeal will result in dismissal of the appeal. (TBMP 1202.01 and 1202.04)
4. Filing a request for reconsideration does not automatically toll the deadline for filing the Notice of Appeal. (37 CFR 2.64 and TBMP 1202.02, 1204)
5. Unless an extension is obtained, or a request for reconsideration has been filed, the Applicant's brief is due sixty days from receipt of the notice of appeal by the PTO. The TTAB is not required to send out a reminder of the deadline for the brief. See, e.g., *In re LiveEarth Products Inc.*, 49 USPQ2d 1063, 1064 (TTAB 1998) and 37 CFR 2.142(b).
6. Timely filing of a request for reconsideration will toll the time for filing a brief. See, e.g., *Live Earth, supra*, and TBMP 1203.02 (a).
7. The evidentiary record must be complete at the time the notice of appeal is filed, unless a request for reconsideration requesting that new evidence be considered is filed with the notice of appeal, or

during the time frame for filing the notice of appeal. (37 CFR 2.142(d)). Failure to follow this procedure may result in exclusion of evidence. See, e.g., *In re Volvo Cars of North America, Inc.*, 46 USPQ2d 1455, 1456, fn 2 (TTAB 1998).

8. If a request for remand to submit new evidence is filed after the deadline for the notice of appeal, then unless the parties agree to submission of the new evidence, good cause must be shown as to why the evidence was not submitted earlier, and the request must be accompanied by additional evidence the party seeks to introduce. (37 CFR 2.142(d), TBMP 1207.02, and cases cited therein). Examples of good cause include:

- A. The evidence was not previously available.
- B. A new attorney (i.e., a new firm) is representing the applicant or a new Examining attorney has taken over the case.
- C. The applicant and the Examining Attorney have agreed to the remand.

(See, generally, *In re Pennzoil Products Co.*, 20 USPQ2d 1753 (TTAB 1991) and TBMP 1207.02.)

9. All other objections to the application must be resolved before the appeal is filed. (37 CFR 2.142(c) and TBMP 1201.04)

10. Make sure that an ex parte appeal to the TTAB is the proper forum for the appeal and not a Petition to the Commissioner. (TBMP 1201.05) Failure to distinguish between a rejection of an application on a procedural ground versus a substantive ground can result in dismissal of the appeal on the ground that a Petition to the Commissioner should have been filed. See, e.g., *In re Sambado & Son Inc.*, 45 USPQ2d 1313 (TTAB 1997). (Generally, appeals to the TTAB on substantive grounds arise under Sections 2, 3, 4, 5, 6 and 23 of the Lanham Act.)

11. Make sure evidence is properly introduced into the record (e.g., submit copies of 3d party registrations, or copies taken from the official USPTO database, rather than listing them in the brief or providing a copy of an unofficial search report.) See *In re Volvo Cars of North America*, 46 USPQ2d 1455, 1456 n.2 (TTAB 1998), *In re Hayes*, 62 USPQ2d 1443, 1445 n. 3 (TTAB 2002) and *In re Broyhill Furniture Industries, Inc.*, 60 USPQ2d 1511, 1513, n. 3 (TTAB 2001) for discussion of procedures – and exceptions - for making 3d party registrations of record.

12. Respond fully to all objections. If Examining Attorney asks for information on use, provide it. See *In re Planalytics, Inc.*, 70 USPQ2d 1453 (TTAB 2004) wherein the Applicant failed to provide evidence requested by PTO and instead told Examining Attorney to review its website. The Board upheld refusal to register mark on descriptiveness grounds, and found that the applicant has an obligation to produce the requested information, not send an Examining Attorney on “a scavenger hunt through a website in search of relevant information.”

#### IV. The Record on Appeal

##### Rule 4. Argument is no substitute for evidence.

Aside from making sure that the evidentiary record is completed in a timely manner, usually before the notice of appeal is filed, or as a result of a request for reconsideration filed with a notice of appeal, it is important to assess early on what evidence is needed to prove your case. Even the most convincing argument will have difficulty if there is no evidence to back it up. Further, in some cases, it may take time to generate the necessary evidentiary record, such as the preparation of a survey, so one needs to figure out what is needed to make the case for the appeal as soon as possible.

The type of evidence needed for the appeal will vary depending on the nature of the rejection. The following are a few examples dealing with some of the most common issues.

1. Section 2(d) issues:

A. Put in evidence of third party uses and registrations. (And make sure to use records from official PTO database, or copies of records from PTO, not an outside search report.)

B. If the subject matter is technical (such as computer related goods), provide affidavits or explanatory materials (e.g., technical brochures, patents, etc.) to explain what the goods are and/or why the channels of trade are different. Often, the Board may not be familiar with the particular field of technology, and will appreciate the assistance.

C. If there is no evidence of actual confusion, put in evidence, such as affidavit, attesting to this.

D. If the goods or channels of trade are different, put in evidence to support this.

E. Do not just recite the *Du Pont* factors you think are relevant; give evidence to support *why* they are relevant.

2. Section 2(e) issues:

A. Do not accept Nexis evidence, or other evidence supporting a 2(e) refusal (descriptiveness, surname, etc.), without further investigation. Look at the context in which the mark is used, look at the number of entries (e.g., number of surnames compared to the overall population), etc. Sometimes such evidence turns out not to be as strong as it first seemed.

B. Educate the Board if it is a case in which the Examining Attorney has misunderstood an industry and mistakenly concluded that a term which is actually a trademark is a descriptive term in a particular industry.

3. Section 2(f) issues:

A. Make your 2(f) record as strong as possible. Put in multiple affidavits supporting advertising expenditures, sales, etc. whenever possible. (If only one affidavit is used, make it very detailed and strong.)

B. If consumer letters are used, unsolicited, original letters are best. If form letters are used, it is preferable to have some variation in them.

C. Put in substantial examples of use of the mark, advertising and promotion over as many years as are available (or at least which are representative of the lengthy of use).

D. Consider whether a survey is appropriate. Surveys are not generally required, and are not commonly used in ex parte appeals. However, in some cases a survey could be a decisive factor, and the absence of a survey may leave the Board with no alternative but to find that a mark has not acquired distinctiveness. (See, e.g., *Volvo, supra*, in which the Board noted that there was no evidence in the record that consumers perceived the phrase "Drive Safely" as an indicator of source, and consider whether a survey might have been an effective way to deal with this issue.)

E. Remember that when it comes to 2(f) evidence, "more" is always better than "less." A perfunctory presentation of 2(f) evidence may result in a perfunctory affirmance of the Examining Attorney.

4. Non-traditional trademark issues (e.g., configurations, trade dress, etc.):

A. Assume that any non-traditional trademark automatically will face a higher standard of scrutiny, and prepare your evidentiary record accordingly.

B. Focus evidence on demonstrating that the public recognizes that the mark being registered is, in fact, a "mark." Surveys and widespread use of promotional materials may be very important in such a case. However, the quality of the evidence presented is more important than quantity. As a general rule, "more" is always better when building an evidentiary record. However, quantity should not be given precedence over the quality of the evidence presented.

#### V. Strategies for Winning

Many of the points made above fall into the category of strategic planning. For example, the decision whether to file an appeal is a strategic decision. However, some points bear further consideration, and should be emphasized if an ex parte appeal is to succeed. For example:

1. Requests for Reconsideration: whether you should file one may depend upon whether there is really a possibility of convincing the Examining Attorney to change his or her mind if further legal arguments or evidence is submitted with a Request for Reconsideration. If there is such a possibility, a Request for Reconsideration should be filed. If not, then a Request for Reconsideration should only be used to place new evidence in the record to get ready for your appeal. Otherwise, you are simply giving the Examining Attorney another opportunity to strengthen the refusal.

2. For 2(e) cases, do not be afraid to plead in the alternative. That is, do not hesitate to argue first that a mark is inherently distinctive, but that in the alternative it has either acquired distinctiveness under Section 2(f) or it is registrable on the Supplemental Register.

3. Throughout the appeal process, continue to look for opportunities to resolve the issues in the case with the Examining Attorney. Remember, appeals are time-consuming for Examining Attorneys, too, and they may be more amenable to resolving the issues as the time for filing a brief or preparing for oral argument gets closer. Thus, if new evidence becomes available, do not hesitate to use it to resolve the case. Sometimes, even if the evidence is technically not admissible (i.e., not timely), it may be welcomed by the Examining Attorney as a way to end the case.

4. Look for procedural opportunities. If you try to put in evidence after the appeal is filed, and the Examining Attorney does not object, or addresses it substantively in his brief, then it may be considered even if it was not timely filed. (TBMP 1207.03) While this tactic is not without risk, sometimes it is worth it.

5. Do not waste time on arguments that are weak. This will only detract from your stronger arguments. (Remember Rule 4: Argument is no substitute for evidence.) For example, in a 2(d) case, do not argue that the channels of trade between your goods and the goods in the cited registration are different if there is no restriction of trade in the cited registration.

6. Do not waste time presenting arguments based on evidence that is not in the record. (Rule 4: Argument is no substitute for evidence.) The Board will not consider arguments based on evidence not in the record, and you may lose credibility.

7. Do not wear out the Board's patience by ignoring its orders. For example, if the Board denies a motion to remand to submit additional evidence, do not then attach the evidence to your brief. If the Board refuses to grant an extension of the page limit on a brief, do not try to circumvent this by filing an "appendix." No good can come from such blatant disregard of the Board's rulings, but plenty of harm can occur.

8. Do not resort to invective and name-calling in your brief and oral argument. It will not be well received by the Board, and may be very harmful to your case.

9. Oral argument is important if you have something to add to what is in the brief (within the bounds of the record), or if the goods or channels of trade are complicated and you can help the Board understand them. Remember that if you do not timely request oral argument, there will not be a hearing.

#### VI. Conclusion

There is no substitute for a compelling case on the merits in an ex parte appeal. However, even a compelling case can be lost if the rules for the appeal are not followed. For a less than perfect case, understanding and following the rules discussed in this article may mean the difference between success and failure on appeal.