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Phone: +1 646 783 7100 | Fax: +1 646 783 7161 | customerservice@law360.com

Limiting E-Discovery In TTAB Proceedings

Law360, New York (January 20, 2012, 12:15 PM ET) -- The U.S. Patent and Trademark Office's Trademark Trial and Appeal Board recently held that expansive discovery of electronically stored information will normally not be necessary in registration proceedings. Although the scope of discovery in TTAB cases is defined by Rule 26, Fed. R. Civ. P and is technically identical to the scope of discovery in civil actions, the TTAB held that, due to the narrower scope of issues to be determined, "the burden and expense of e-discovery will weigh heavily against requiring production in most [trademark opposition and cancelation proceedings]," Frito-Lay North America Inc. v. Princeton Vanguard LLC, 100 U.S.P.Q.2d 1904 (TTAB 2011).

The TTAB did, however, note that ESI must be produced "where appropriate." The decision also highlights the importance of parties agreeing in advance on ESI-related issues rather than engaging in motion practice after the fact.

In this case, Frito-Lay opposes the application by Princeton Vanguard to register "pretzel crisps" for "pretzel crackers" on the grounds that the term is generic or merely descriptive. In responding to the opposer's discovery, the applicant initially identified more than 1.6 million electronic files of potential relevance and claimed that its attorneys manually reviewed more than 85,000 of these files, incurring attorneys' fees of approximately $200,000 in doing so. At the time of the motion, applicant had produced more than 137,000 pages of documents.

In turn, Princeton Vanguard sought documents from Frito-Lay regarding, inter alia, the internal communications of Frito-Lay's business staff to learn what terms they used when discussing the relevant products and market. Frito-Lay's production, in response, was much less robust.

Frito-Lay identified document custodians and asked them to search their own files and computers, but its ultimate production included no emails and few internal, nonpublic documents. In conferring prior to the filing of Princeton Vanguard's motion to compel, Frito-Lay claimed that a broad attorney-supervised search and retrieval of electronic data would have cost up to $100,000. In its response to Princeton Vanguard's motion to compel, Frito-Lay argued that the expense of this effort would far outweigh any benefit.

In its decision, the TTAB noted the parties' failure to reach an agreement on electronic discovery during their mandated initial discovery conference. "Having failed to reach agreement with opposer on many of the most crucial ESI-related issues in advance of parties' productions," said the TTAB, "applicant cannot fairly insist now, after the fact, that opposer must start its ESI search and production over, this time engaging in a process similar to applicant's, especially where opposer characterizes applicant's efforts as excessive rather than merely extensive." The mere fact that the applicant chose to engage in disproportionate document collection and review does not mandate that the opposer do the same.

The TTAB focused on the issue of “proportionality,” and cited to the Federal Circuit's recently issued e-discovery model order, which questions “the practice of gathering huge amounts of information at the front of a case and running broad key searches as the issues emerge” — precisely what the applicant was advocating. The model order also states that “email production requests shall only be propounded for specific issues, rather than general discovery of a product or business.”

The TTAB therefore held that due to “the narrowness of the issues” it must decide, and the concerns expressed by the Federal Circuit, the “burden and expense of e-discovery will weigh heavily against requiring production in most cases.” However, the TTAB went on to hold inadequate Frito-Lay's response to certain targeted requests, concerning how they internally referred to the product category and its decision to offer a product in that category. It ordered production of “representative samples” of such documents within 30 days.

The TTAB's decision in Frito-Lay offers some helpful guidance to parties perplexed about the TTAB's expectations concerning discovery of ESI. While it does not impose bright-line rules, it suggests that a party seeking massive and expensive ESI discovery will have an uphill fight in justifying that effort and expense.

The decision also cautions parties to take seriously their obligations to meet and confer on ESI issues during the mandatory initial discovery conference. A party is unlikely to compel an extensive ESI search after an initial production if it did not address that issue at the outset of the case. Where electronic discovery is needed, the TTAB makes clear that parties should “be precise in their requests and to have as their first consideration how to significantly limit the expense of such production.”

--By Andrew Baum and David A. Copland, Foley & Lardner LLP

Andrew Baum is a partner in Foley & Lardner's New York office. David Copland is a special counsel in the firm's Chicago office.