

Considerations While Defending A Trademark Opposition

by Bruce Margulies

If your trademark application is being opposed, you should consider the following overview of issues.

How much is the opposition going to cost?

This depends on the strength of your case, how much your opponent can and is willing to spend, and how much you want to push back, during negotiations and during litigation.

If you reach a settlement promptly, it can cost less than \$1,000. If you go to trial, it can cost tens of thousands of dollars. You do have some control over costs, since you can determine strategically what actions (discovery, motions, depositions) you authorize your attorney to take. Information obtained during both negotiations and during the discovery process will refine any cost estimate.

How long will it take to resolve the opposition?

Litigation of an opposition through a decision at trial can take as long as 2-3 years, while a settlement

can potentially be reached in a matter of weeks.

As a party to the opposition, can I represent myself?

You likely are an accomplished business person and can negotiate a settlement, but if you are not familiar with trademark law, you may be at a decided disadvantage. See Trademark Trial and Appeal Board Manual of Procedure (TBMP) 114.01: “However, because the governing practices and procedures in proceedings before the Board are quite technical and highly specialized, it is strongly recommended that an attorney familiar with trademark law represent a party.”

What services can an attorney provide?

An attorney experienced in trademark matters can: (1) advise regarding the strengths and weaknesses of your case and your opponent’s case, (2) identify strategic opportunities and pitfalls, (3) manage expectations for settlement, and (4) guide you through the process.

What are some potential points of settlement?

Some examples: (1) a coexistence agreement, which can restrict the sales region or the type of store selling the goods, (2) modification of the mark's classification or identification of goods; (3) a cash settlement; (4) allowance for a phase-out period for use of the mark; (5) abandonment of the mark; and (6) removal of a mark from the federal registry while allowing common law use of the mark.

What factors can initiate a settlement?

During discovery, roughly 3-9 months into the process, parties may obtain from their opponent and determine the strengths and weaknesses of their case, as well as their opponent's case. Business and legal analysis at that point often dictate parameters for resolution.

Most trademark oppositions settle well before trial. Often, a small business is pressured by the associated costs and business uncertainty. A big plaintiff company can be influenced by a realization that a small business has a strong case and is not backing down, as well as by concern that losing to a small business at trial would empower other potential trademark applicants.

Why didn't the examiner identify this conflict before approving my mark?

There is a limit to the time an examiner can spend searching for potentially conflicting marks and such analysis is subjective (one examiner may note a conflict, while a different examiner may not). The application system takes this into account by setting up the publication period as an opportunity for third parties to police their marks, since the third parties are more knowledgeable regarding the use of their marks than the examiner.

What is my chance of winning?

That depends on your definition of "winning" and how hard you are willing to fight. Any outcome prediction should take into account the pleadings, the prosecution history of the respective marks, the conduct of business by the respective companies, among other evidence.

If you are unable to reach a timely and reasonable settlement, your litigation costs may outweigh the benefit of "winning" the opposition.

Should I just abandon the mark?

It may be difficult to give up, but abandoning could be a viable consideration. You might not know this answer at the start of the opposition. Some factors to consider will be: (1) how much you have invested in the mark (both fixed costs and sweat equity), (2) how difficult/expensive it would be to change your mark, and (3) your time and emotional attachment associated with the litigation.



What are the issues in the opposition?

The most common issue is “likelihood of confusion”. This can be highly subjective and is viewed from the perspective of a consumer in the relevant marketplace. For example, it is not necessarily a relevant argument that the goods at issue are in different classifications.

How does an opposition progress through trial?

Following allowance of a trademark application, the trademark is published for opposition in the Official Gazette of the Patent and Trademark Office for 30 days. Any person who believes that he would be damaged by the registration of a mark may file an opposition.

- The person alleging the damage files a notice of opposition with the Trademark Trial and Appeal Board. This filing suspends the application, pending resolution of the opposition.
- The defendant has 40 days from the filing of the notice of opposition to file an answer.
- At any time, the parties can negotiate to suspend the opposition to pursue a settlement.
- The next stage is a discovery conference to discuss the nature and basis of the claims and defenses, explore settlement opportunities, and address procedural matters.
- The discovery conference is followed by a discovery period, a period for pretrial disclosures, and a trial period in which the parties may submit their trial briefs.

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