

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

CIVIL MINUTES - GENERAL

Case No.	2:23-mc-00123-JLS-PD	Date	January 18, 2024
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Title	Waterdrop Microdrink GmbH v. Qingdao Ecopure Filter Co., Ltd
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Present: The Honorable	Patricia Donahue, United States Magistrate Judge
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Isabel Verduzco	N/A
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Deputy Clerk	Court Reporter / Recorder
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Attorneys Present for Movant:	Attorneys Present for Respondent:
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None Present	None Present
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Proceedings: Order Denying Plaintiff's Motion to Compel Compliance with Subpoena in Connection with Trademark Trial and Appeal Board Proceeding [Dkt. No. 1]

Before the Court is the Joint Stipulation pursuant to Local Rule 37-2 addressing the motion by Plaintiff Waterdrop Microdrink GmbH ("Plaintiff") to compel compliance with a subpoena issued in connection with a Trademark Trial and Appeal Board ("TTAB") Proceeding at the Patent and Trademark Office ("PTO") to third-party Ecolife Technologies, Inc. ("Ecolife"). The Court has considered the pleadings [Dkt. Nos. 1, 8] and the arguments of counsel at the hearing. For the reasons set forth below, the motion is denied.

I. Background

Plaintiff filed a petition before the TTAB to cancel two registrations owned by Defendant Qingdao Ecopure Filter Co., Ltd. ("Defendant") for the trademark WATERDROP (word and stylized), and Defendant raised counterclaims to cancel three of Plaintiff's registrations for the trademark WATERDROP (the "TTAB Action"). Defendant is located in China. Plaintiff contends that documents produced by Defendant in discovery in the TTAB Action show that Ecolife is a related party of Defendant and that Ecolife signed "Statement of Brand" documents

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related to the WATERDROP mark granting certain permission and prohibitions for U.S. distributors to use the WATERDROP mark. [Dkt. No. 1 at 7-8.]¹

Plaintiff states that on Defendant's website, Ecolife is identified as the U.S. business agent for Defendant for sales/support and as the entity responsible for the privacy policy. [Fraser Decl., Dkt. No. 1-1 at ¶ 3.] Ecolife is a California corporation with a registered agent listed at the company address in Ontario, California. [Dkt. Nos. 1-1 at ¶ 3, 1-3.]

On August 2, 2023, Plaintiff's counsel issued a Subpoena to the Fed. R. Civ P. 30(b)(6) representative of Ecolife (the "Subpoena"). [Dkt. Nos. 1-1 at ¶ 4, 1-4.] Plaintiff served Defendant with the Subpoena and asked Defendant's counsel whether he was authorized to accept service of the Subpoena on behalf of Ecolife. Defendant's counsel responded that he would not accept service of the Subpoena on behalf of Ecolife. [Dkt. Nos. 1-1 at ¶ 5, 1-5 at 3.] Defendant's counsel also stated that the Subpoena was not issued by the clerk as required by 35 U.S.C. § 24, and Fed. R. Civ. P. 45 does not apply because the proceeding is at the TTAB, not district court; the topics in the Rule 30(b)(6) Subpoena have no relation to the noticed party, Ecolife; and that Plaintiff is attempting to use Ecolife's affiliate relationship to Defendant to end-run the rules for testimony of foreign parties. [Dkt. No. 1-5 at 3.] Plaintiff replied that the Subpoena was properly issued under the Trademark Trial and Appeal Board Manual of Procedure ("TBMP"), which states that a subpoena may be issued by the clerk or judge of the court in the district where the deponent resides or by "an attorney authorized to practice in that jurisdiction." [*Id.* at 2 (citing TBMP § 404.03.(a)(2).]

Plaintiff subsequently served the Subpoena on an authorized representative for Ecolife at its California address. [Dkt. Nos. 1-1 at ¶ 7, 1-6.]

¹ The Court uses the page numbers placed on the pleadings by the electronic docketing system.

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Plaintiff and Ecolife met and conferred unsuccessfully, and Plaintiff filed the instant motion.² [See Dkt. Nos. 1-1 at ¶¶ 8 – 11, 1-7, 1-8.]

II. Discussion

The TTAB is an administrative tribunal of the PTO with jurisdiction over adversarial proceedings regarding the registrability of a trademark. *See* 15 U.S.C. §§ 1063, 1064, 1066, 1067(a). (West Supp. 2007). The TTAB does not have the authority to compel witnesses through the subpoena power to appear for testimony in its proceedings. *Rosenruist-Gestao E Servicos LDA v. Virgin Enterprises Ltd.* 511 F.3d 437, 444 (4th Cir. 2007). Accordingly, Congress granted district courts subpoena authority under 35 U.S.C.A. § 24 to command the appearance of witnesses in administrative proceedings before the PTO. *Id.* (citing *Frilette v. Kimberlin*, 508 F.2d 205, 207 (3d Cir. 1975) (en banc); *Vogel v. Jones*, 443 F.2d 257, 259 (3d Cir. 1971)).

Section 24 states:

The clerk of any United States court for the district wherein testimony is to be taken for use in any contested case in the Patent and Trademark Office, shall, upon the application of any party thereto, issue a subpoena for any witness residing or being within such district, commanding him to appear and testify before an officer in such district authorized to take depositions and affidavits, at the time and place stated in the subpoena. The provisions of the Federal Rules of Civil Procedure relating to the attendance of witnesses and to the production of documents and things shall apply to contested cases in the Patent and Trademark Office.

² Defendant and Ecolife are represented by the same attorney. [See Dkt. No. 1-7 at 2.]

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Every witness subpoenaed and in attendance shall be allowed the fees and traveling expenses allowed to witnesses attending the United States district courts.

A judge of a court whose clerk issued a subpoena may enforce obedience to the process or punish disobedience as in other like cases, on proof that a witness, served with such subpoena, neglected or refused to appear or to testify. No witness shall be deemed guilty of contempt for disobeying such subpoena unless his fees and traveling expenses in going to, and returning from, and one day's attendance at the place of examination, are paid or tendered him at the time of the service of the subpoena; nor for refusing to disclose any secret matter except upon appropriate order of the court which issued the subpoena.

35 U.S.C. § 24. This narrow jurisdictional grant assigns district courts the limited function in contested PTO matters of “issu[ing] and enforc[ing] subpoenas in connection with the preparation of evidence for submission” to the administrative tribunal. *Frilette*, 508 F.2d at 209.

Plaintiff emphasizes the language in Section 24 that “[t]he provisions of the Federal Rules of Civil Procedure relating to the attendance of witnesses . . . shall apply to contested cases in the Patent and Trademark Office.” [Dkt. No. 1 at 15 (quoting 35 U.S.C. § 24)]. Plaintiff explains that although the TTAB lacks the authority to compel witnesses through the subpoena power to appear for testimony, Section 24 grants that authority to district courts. *See El Encanto, Inc. v. Hatch Chile Co.*, 825 F.3d 1161, 1166 (10th Cir. 2016) (one reason Congress adopted Section 24 was to help the PTO “secure needed evidence from recalcitrant nonparties by giving parties to its proceedings the power to seek and obtain subpoenas enforceable in federal court.”); *Toni Brattin & Co., Inc. v. Mosaic International, LLC*, 2015 WL 1844056, at * 2 (N.D. Cal., Apr. 9, 2015) (“Although the Ninth Circuit has not yet considered this statute, other Circuits have held that ‘Congress granted district courts subpoena authority under 35 U.S.C.[] § 24 to

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command the appearance of witnesses in administrative proceedings before the PTO” (citations omitted); *Frilette*, 508 F.2d at 212 (holding that Section 24, in referring to “provisions of the Federal Rules of Civil Procedure relating to the attendance of witnesses and to the production of documents” refers to the matters encompassed by Rules 45(a), (b), (c), (d)(2), (e) and (f)).

Plaintiff further argues that the TBMP supports its position. The TBMP contains a section entitled “Person Residing in the United States –Non-party.” TBMP § 404.03(a)(2). Note 2 to this section states, “If the proposed deponent is not willing to appear voluntarily, the deposing party must secure the deponent’s attendance by subpoena, pursuant to 35 U.S.C. § 24 and Fed. Civ. P. 45.” TBMP § 404.03(a)(2) (Note 2). Note 4 provides in pertinent part:

A subpoena may be issued (signed) only by the clerk or a judge of such court or an attorney authorized to practice in that jurisdiction, and must be accompanied by the fees for one day’s attendance and mileage allowed by law, pursuant to Fed. R. Civ. P. 45 and 28 U.S.C. § 1821. . . . If a person named in a subpoena compelling attendance at a discovery deposition fails to attend the deposition, or refuses to answer a question propounded at the deposition, the deposing party must seek enforcement from the United States District Court that issued the subpoena; the Board has no jurisdiction to enforce the subpoena.

TBMP § 404.03(a)(2) (Note 4).

Both Section 24 and the applicable TBMP sections cite the Federal Rules of Civil Procedure as governing the attendance of deposition witnesses, and Rule 45(a)(3) authorizes issuance of a subpoena by an attorney authorized to practice in the issuing court. *See* Fed. R. Civ. P. 45(a)(3) (“The clerk must issue a subpoena, signed but otherwise in blank, to a party who requests it. That party must complete it before service. An attorney also may issue and sign a subpoena if the attorney is authorized to practice in the issuing court.”). Therefore, according to Plaintiff, the Subpoena was properly issued pursuant to 35 U.S.C. § 24 and Fed. Civ. P. 45.

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It is undisputed that Plaintiff did not apply to the Court for a subpoena and that the Subpoena was issued by Plaintiff's counsel, and not the Clerk of the Court. Ecolife's position is that the Subpoena is invalid and not enforceable because it fails to comply with 35 U.S.C. § 24. Ecolife argues that Section 24 on its face unequivocally requires that a subpoena be issued upon application and by the clerk of the court, and confines jurisdiction of enforcement to a judge of a court whose clerk issued the subpoena. Ecolife points out that none of the cases cited by Plaintiff states that a subpoena under Section 24 may be issued by an attorney without any pending civil litigation matter, and that the TBMP and the Federal Rules of Civil Procedure do not supersede the plain language of Section 24.

Regarding the TBMP, the parties do not cite, and the Court has not found Ninth Circuit caselaw addressing its authority. In *El Encanto, Inc.*, 825 F.3d at 1166, which concerned the application of Rule 45 after the issuance of a subpoena in compliance with Section 24, Justice Gorsuch (while he was on the Tenth Circuit) explained that the TBMP's guidance regarding Section 24 is not authoritative:

[T]he TBMP itself disavows any suggestion that it seeks to offer authoritative interpretive guidance about [35 U.S.C.] § 23 or § 24 that might possibly command our deference. The manual states quite plainly that it doesn't purport to "bind[]" the TTAB or the PTO or anyone else and doesn't purport to "have the force and effect of law." TBMP Introduction (June 2014). Instead the TBMP says it aspires only to serve as a sort of rough-and-ready handbook, supplying some "basic information" that may prove "generally useful" to TTAB practitioners. *Id.* And we are aware of nothing that might require a federal court to afford deference to such a self-effacing agency document, one that not only doesn't demand deference but actually disclaims it. Maybe especially when another circuit has already found this manual not "particularly persuasive."

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Id. (quoting *Rosenruist–Gestao E Servicos LDA v. Virgin Enters. Ltd.*, 511 F.3d at 448). In *Rosenruist-Gestao*, the Court explained that “[w]e are neither bound by the TBMP nor obligated to consider its statutory interpretation particularly persuasive.” *Id.*

The language in Note 4 to TBMP § 404.03(a)(2) that an attorney authorized to practice in the jurisdiction can issue a subpoena, apparently without the clerk, is inconsistent with Section 24, which specifies that the subpoena must be issued by the clerk. As noted above, the TBMP is not binding, and Plaintiff does not point to any caselaw or administrative history addressing how this language reconciles with that of Section 24.

Both the TBMP and Section 24 cite the Federal Rules of Civil Procedure as governing the attendance of deposition witnesses and more broadly, in enforcing the subpoena. However, the disputed language in this case pertains to the issuance of the subpoena, not the attendance of the witnesses or the enforcement of the subpoena. As to the former, the language of Section 24 is unequivocal and does not authorize an attorney to issue a subpoena.

At least two courts in this district have addressed the issuance of subpoenas under Section 24. In *Tribe of Two, LLC v. Tod’s S.P.A.*, 2:21-mc-00024-JAK-JC, 2021 WL 5277447 (C.D. Cal. Feb. 16, 2021), the court stated:

Although it does not appear that the Ninth Circuit has yet considered 35 U.S.C. § 24 (see *Toni Brattin & Co. v. Mosaic International, LLC*, 2015 WL 1844056, *2 (N.D. Cal. Apr. 9, 2015), other Circuits have held that the statute affords district courts jurisdiction in contested Patent and Trademark Office proceedings to issue and enforce subpoenas in connection with the preparation of evidence for submission to the administrative tribunal. *Rosenruist-Gestao E Servicos LDA v. Virgin Enters. Ltd.*, 511 F.3d 437, 444 (4th Cir. 2007) (citing *Friette v. Kimberlin*, 508 F.2d 205, 207, 209 (3d Cir.) (en banc), *cert. denied*, 421 U.S. 979 (1975)), *cert. denied*, 553 U.S. 1065

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(2008). Thus, 35 U.S.C. § 24 assigns a supportive role to the district courts to ensure the smooth functioning of the procedures adopted by the PTO. *See Frilette*, 508 F.2d at 210 (describing the function of the district court as “co-operatively complementing” the PTO) (internal quotation marks omitted).

As noted in the statute, courts apply the Federal Rules of Civil Procedure in enforcing the Court's subpoena power. *See* 35 U.S.C. § 24 (“A judge of a court whose clerk issued a subpoena may enforce obedience to the process or punish disobedience as in other like cases, on proof that a witness, served with such subpoena, neglected or refused to appear or to testify.”)

2021 WL 5277447, at 1; *see also In Re Application of Bullshine Distillery, LLC*, 2:21-mc-01067-PA-AS, Dkt. No. 8. In this District, a party to a TTAB action can file an application with the Court for the Clerk to issue the subpoena under 35 U.S.C. § 24 using the mechanism on the Court's website for this purpose. *See* <https://www.cacd.uscourts.gov/e-filing/electronic-case-opening> –“Request for Administrative Deposition Subpoena.” In fact, Waterdrop filed a motion for issuance of subpoenas to third parties pursuant to 35 U.S.C. § 24 in the United States District Court for the Eastern District of Virginia in *Waterdrop Microdrink GmbH v. Qingdao Ecopure Filter Co.*, 1:23-mc-00025-RDA-WEF.

Finally, Ecolife argued at the hearing that there was no district court case number on the Subpoena and no judge assigned to oversee the case and, therefore, no procedural mechanism to file a motion to quash the Subpoena. Plaintiff responded that there is an enforcement mechanism, as reflected by the instant proceedings, and that requiring the clerk of the court to issue the subpoena is merely form over substance. Regardless of whether the requirement elevates form over substance, however, Section 34 sets forth the procedure by which a party can obtain issuance of a subpoena, and Plaintiff did not follow that procedure.

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For the foregoing reasons, Plaintiff's motion to compel compliance with subpoena to third-party Ecolife is DENIED.³

³ Since the Court finds the Subpoena is invalid because it was not issued by the clerk under 35 U.S.C. § 24, it declines to address Ecolife's other arguments.