

UNITED STATES PATENT AND TRADEMARK OFFICE
Trademark Trial and Appeal Board
2900 Crystal Drive
Arlington, Virginia 22202-3513

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Mailed: April 8, 2003

Opposition No. 91124245

SAKATA RICE SNACKS AUSTRALIA
PTY LTD.

v.

SESMARK FOODS, INC.¹

Before Cissel, Hairston, and Bucher,
Administrative Trademark Judges.

By the Board

This case now comes up on the following motions:

1. applicant's August 26, 2002 "motion for dismissal and/or judgment on the pleadings for plaintiff's failure to take testimony" under Trademark Rule 2.132;
2. opposer's September 16, 2002 motion to reopen opposer's testimony period;
3. opposer's September 16, 2002 motion to compel; and
4. opposer's September 16, 2002 combined motion to strike, for leave to file an amended motion to compel, and reservation of rights to respond;
5. and opposer's November 27, 2002 motion for leave to file a sur-reply brief to applicant's motion for dismissal and/or judgment on the pleadings.²

As background we note that the Board issued a trial order in this case on October 26, 2001, pursuant to which the discovery period was set to close on May 14, 2002, and

¹ Applicant indicates that it is now known as Terra Harvest Foods, Incorporated. However, there is nothing in the USPTO assignment database that reflects this change. See TBMP § 512.03.

opposer's testimony period was set to close on August 12, 2002. We turn first to opposer's motion to strike applicant's following submissions:

Applicant's Reply to Response by Plaintiff/Opposer to Motion for Dismissal and/or Judgment on the Pleadings for Failure to Take Testimony, dated October 7, 2002;

Supplemental Declaration of George H. Kobayashi and Exhibits 1-4, dated October 7, 2002;

Declaration of Nancy E. Sasamoto and Exhibits 1-2, dated October 7, 2002;

Applicant's Response to Opposer's Motion to Reopen Testimony dated October 7, 2002; and

Applicant's Response to Plaintiff/Opposer's Motion to Compel Discovery and Memorandum in Support, dated October 7, 2002.

Opposer argues that it served its motion to reopen, motion to compel and response to applicant's motion to dismiss by Federal Express on September 13, 2002; that applicant's responses were due by October 3, 2002; that applicant served its responsive documents on October 3, 2002 and, therefore, the submissions noted above should be stricken. Opposer also argues that the Board generally discourages reply briefs. Opposer further requests that, if its motion to strike is denied, it be allowed time to file responses to the submissions noted above.

In response, applicant explains that it miscalculated its response date from the date of receipt rather than from

² Sur-replies are given no consideration by the Board. Opposer's motion is accordingly denied.

the date of service, resulting in a four-day delay that does not prejudice opposer. Applicant also states that the reply brief opposer seeks to strike is necessary to clarify new issues raised by opposer in its response to applicant's motion to dismiss. Applicant adds that if the Board strikes the reply brief, applicant notes that the arguments and supporting declarations and exhibits were incorporated by reference in applicant's response to opposer's motion to reopen.

Since the submissions were filed only four days late, and in view of applicant's explanation, we exercise our discretion and accept applicant's submissions. Accordingly, opposer's motion to strike is denied. Opposer's alternate request that the Board allow opposer time to file responses to the submissions noted above will be dealt with later in this decision.

We turn next to applicant's motion to dismiss and opposer's motion to reopen its testimony period. In support of its motion to dismiss, applicant states that opposer's testimony period closed on August 12, 2002; that opposer did not offer any evidence or take testimony of any witnesses; and that the parties never agreed to an extension of any of the testimony periods; and thus, pursuant to Trademark Rule 2.132, applicant is entitled to dismissal of the opposition proceeding and entry of judgment in its favor.

Opposer argues that its failure to present testimony during its assigned testimony period was the result of excusable neglect. Specifically, opposer alleges that it was opposer's understanding that the parties had agreed that applicant was to complete its discovery obligations before opposer was required to present its evidence in the case; that applicant had put opposer on notice that it intended to file a motion to restrict the issues for trial; that the parties were involved in ongoing bilateral settlement negotiations during the critical time period during which opposer's testimony period elapsed; and that during the critical period through the close of the discovery period, opposer was unable to discuss the case or its settlement with its counsel due to unforeseen circumstances beyond its control.

We first turn to opposer's motion to reopen its testimony periods. The motion is governed by Fed. R. Civ. P. 6(b), made applicable to Board proceedings by Trademark Rule 2.116(a). Rule 6(b) provides as follows:

(b) Enlargement. When by these rules or by a notice given thereunder or by order of court an act is required or allowed to be done at or within a specified time, the court for cause shown may at any time in its discretion (1) with or without motion or notice order the period enlarged if request therefor is made before the expiration of the period originally prescribed or as extended by a previous order, or (2) upon motion made after the expiration of the specified period permit the act to be done where the failure to act was the result of excusable neglect; but it may not extend

the time for taking any action under Rules 50(b) and (c)(2), 52(b), 59(b), (d) and (e), 60(b), and 74(a), except to the extent and under the conditions stated in them.

Inasmuch as opposer's testimony periods already had lapsed by the time that opposer filed its motion, opposer is not entitled to have its testimony period reopened unless the Board, in its discretion, determines that opposer's failure to present testimony or other evidence during that previously-assigned testimony period was the result of excusable neglect. Fed. R. Civ. P. 6(b)(2). The question of what constitutes excusable neglect is within the sound discretion of the Board. See TBMP §§ 509.01 and 535.02.

As clarified by the Supreme Court in *Pioneer Investment Services Company v. Brunswick Associates Limited Partnership*, 507 U.S. 380 (1993) (hereinafter "*Pioneer*"), and followed by the Board in *Pumpkin. Ltd. v. The Seed Corps*, 43 USPQ2d 1582 (TTAB 1997), a determination of whether a party's neglect is excusable is an equitable one which takes into account all relevant circumstances surrounding the party's delay or omission, including (1) the danger of prejudice to the nonmovant, (2) the length of the delay and its potential impact on judicial proceedings, (3) the reason for the delay, including whether it was within the reasonable control of the movant, and (4) whether the movant acted in good faith. *Pioneer*, 507 U.S. at 395.

Applying these principles to the present case, we find that no bad faith can be attributed to opposer on this record, and it does not appear from this record that any legally cognizable prejudice to applicant would result from granting opposer's motion to reopen, that is, there has been no showing that any of applicant's witnesses and evidence have become unavailable as a result of the delay in proceedings. *See, e.g., Pratt v. Philbrook*, 109 F.3d 18 (1st Cir. 1997); *see also Paolo's Associates Ltd. Partnership v. Bodo*, 21 USPQ2d 1899, 1904 (Comm'r 1990). In view thereof, the Board finds that the first and fourth *Pioneer* factors weigh in favor of a finding of excusable neglect.

Turning to the third *Pioneer* factor, i.e., the reason for the delay, including whether it was within the reasonable control of the movant, the Board finds that opposer's failure to present evidence during its assigned discover and testimony periods was caused by circumstances wholly within opposer's reasonable control. In support of its motion to reopen, opposer has submitted the declaration of its counsel, Valerie du Laney. Opposer clearly was remiss in failing to request an extension of its testimony period or suspension of the proceeding. Indeed, opposer does not contend that it was unaware of the trial deadlines. As such, the critical inquiry is whether opposer's oversight

in filing a motion to extend is excused by its participation in other matters regarding this case.

As regards opposer's contention that the parties were continuing to explore settlement possibilities during opposer's testimony period, it is well established that the mere existence of settlement negotiations alone does not justify a party's inaction or delay. See *Cheney v. Anchor Glass Container Corp.*, 71 F.3d 848 (8th Cir. 1996). Parties engaged in proceedings before the Board frequently discuss settlement, but the existence of such negotiations or offers, without more, does not excuse them from complying with the deadlines set by the Board or imposed by the rules.

Opposer brought this case and, in so doing, took responsibility for moving forward on the established schedule. As required by the scheduling order, as reset, opposer had an obligation to take testimony or otherwise introduce evidence in furtherance of its claim by August 12, 2002 or, alternatively, to file, on or prior to that date, a motion to extend its testimony period.

Because the reason for opposer's failure to present evidence during its assigned testimony periods was wholly within the reasonable control of opposer, the third *Pioneer* factor weighs heavily against a finding of excusable neglect.

As for the second *Pioneer* factor, i.e., the length of the delay and its potential impact on judicial proceedings, the Board notes that discovery closed on May 14, 2002, and opposer's testimony period closed on August 12, 2002 and that opposer did not file its motion to reopen until September 16, 2002, four months after discovery closed and one month after opposer's testimony period closed. However, in addition to the time between the expiration of the time for taking action and the filing of the motion to reopen, the calculation of the length of the delay in proceedings also must take into account the additional, unavoidable delay arising from the time required for briefing and deciding the motion to reopen.

The impact of such delays on this proceeding, and on Board proceedings generally, is not inconsiderable. Proceedings before the Board already are quite lengthy because they must be conducted on the written record rather than by live testimony. The Board, and parties to Board proceedings generally, clearly have an interest in minimizing the amount of the Board's time and resources that must be expended on matters, such as most contested motions to reopen time, which come before the Board solely as a result of sloppy practice or inattention to deadlines on the part of litigants or their counsel. The Board's interest in deterring such sloppy practice weighs heavily against a

finding of excusable neglect, under the second *Pioneer* factor. Additionally, we find that opposer's lack of diligence in this case has had an adverse impact on judicial proceedings, both in this case and with respect to the Board's ability to effectively use its time and resources.

In the Board's considered opinion, the dominant factors in the "excusable neglect" analysis in this case are the second and third *Pioneer* factors. The absence of prejudice and bad faith in this case, under the first and fourth *Pioneer* factors, is outweighed by the combination of circumstances under the second and third *Pioneer* factors which are present in this case: opposer's failure, caused solely by opposer's negligence and inattention, to present evidence during its testimony period; and the unnecessary and otherwise avoidable delay of this proceeding and expenditure of the Board's resources, which are direct results of opposer's negligence; and the Board's clear interest in deterring such negligence in proceedings before it, an interest which is shared generally by all litigants with cases pending before the Board.

In short, after consideration of all of the circumstances in this case and of the relevant authorities, and in the exercise of its discretion after a careful balancing of the *Pioneer* factors, the Board finds that opposer has not demonstrated that its failure to present

evidence during its assigned testimony period was the result of excusable neglect. Accordingly, opposer's motion to reopen its testimony period is denied. Fed. R. Civ. P. 6(b)(2).

We turn now to applicant's motion to dismiss pursuant to Trademark Rule 2.132 based on opposer's failure to take testimony. Trademark Rule 2.132(a) states that if the time for taking testimony by the plaintiff has expired and the plaintiff has not taken testimony or offered any other evidence, the defendant may move for dismissal on the ground of failure to prosecute, and that in the absence of a showing of good and sufficient cause by plaintiff, judgment may be rendered against plaintiff. The "good and sufficient cause" standard, in the context of this rule, is the equivalent of the "excusable neglect" standard.

In view of our denial of opposer's motion to reopen its testimony period based on opposer's failure to demonstrate excusable neglect, and inasmuch as opposer failed to offer any evidence whatsoever in support of its claims during the period assigned to opposer for presentation of its case-in-chief, we find that opposer has failed to carry its burden of proof in this case, and that opposer therefore cannot prevail herein. See *Hewlett-Packard Co. v. Olympus Corp.*, 931 F.2d 1551, 18 USPQ2d 1710 (Fed. Cir. 1991) (applicant entitled to dismissal where opposer failed to submit any

evidence during its testimonial period); *Sanyo Watch co, Inc. v. Sanyo Electric Co., Ltd.*, 691 F.2d 1019, 215 USPQ 833 (Fed. Cir. 1982) (same). Applicant's motion to dismiss is granted.

Opposer's motion to compel is dismissed as moot and untimely inasmuch as the Board has decided that opposer's testimony period has expired and a motion to compel must be filed before the opening of opposer's testimony period.

As to opposer's request that we allow time for opposer to respond to various submissions of applicant's for which opposer filed, and the Board denied, a motion to strike, the Board denies this request, inasmuch as opposer had ample opportunity to show why its failure to present testimony in this case was the result of excusable neglect.

Accordingly, the opposition is dismissed with prejudice.