

ESTTA Tracking number: **ESTTA11697**

Filing date: **07/15/2004**

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	91158578
Party	Defendant ForeScout Technologies, Inc. ForeScout Technologies, Inc. 2755 Campus Drive Suite 115 San Mateo, CA 94403
Correspondence Address	Amanda Pecchoni Thompson Barnes & Thornburg 11 South Meridian Street Indianapolis, IN 46204
Submission	Opposition/Response to Motion
Filer's Name	Ronald D. Coleman
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Signature	/s/
Date	07/15/2004
Attachments	Applicant's Appearance and Motion.pdf (18 pages)

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

In the matter of trademark application Serial Nos.
78/126,968 and 78/126,971
For the marks ACTIVESCOUT and FORESCOUT
Published in the Official Gazette on November 12, 2002

NETSCOUT SYSTEMS, INC.,

Opposer,

v.

Opposition No.
91158575

FORESCOUT TECHNOLOGIES, INC.,

Applicant.

POWER OF ATTORNEY

Sir:

Applicant hereby appoints Ronald D. Coleman, Esq., a member of the Bar of the State of New York, with offices at 410 Park Avenue - 15th Floor, New York, New York 1002, its attorney herein, with full power of substitution and revocation, to transact all business in the Patent and Trademark Office and in the Courts in connection herewith.

Respectfully submitted,

ForeScout Technologies, Inc.
Applicant

By: 

T. KENT ELLIOTT
CHIEF EXECUTIVE OFFICER

Date: July 14, 2004

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FORESCOUT TECHNOLOGIES, INC.,

Applicant.

Box TTAB
Commissioner for Trademarks
2900 Crystal Drive
Arlington, VA 22202-3513

MOTION TO SET ASIDE DEFAULT, OPPOSITION TO
OPPOSER'S MOTION FOR A DEFAULT JUDGMENT
AND MOTION FOR LEAVE TO FILE A LATE ANSWER

Applicant ForeScout Technologies, Inc., by its undersigned attorneys, submits the herein pursuant to 37 C.F.R. § 2.116(a) and Fed. R. Civ. P. 6(b) and the Certification of T. Kent Elliottin opposition to Opposer's motion for default judgment and moves on the same grounds for leave to file a late Answer in the within Opposition proceeding.

MEMORANDUM OF LAW

I. STATEMENT OF FACTS AND PRELIMINARY STATEMENT

The facts as set forth in the Opposer's Motion for Default Judgment are accurate, but incomplete. As set forth in the

Certification of T. Kent Elliot, filed herewith¹, Applicant – a small company still in its early stages of development – experienced a daunting combination of factors hardly within its control, as well as mixed and confusing signals from the Opposer, in connection with this Opposition.

In February of 2002, ForeScout received correspondence from counsel for Opposer, demanding that ForeScout cease use of the FORESCOUT and ACTIVE SCOUT trademarks that are the subject of this Opposition. FORESCOUT is Applicant's name, and ACTIVE SCOUT is the name of one of its two products. Applicant's products are sold in the area of network security.

Applicant responded to Opposer's cease and desist letter by a letter dated March 14, 2002, rejecting Opposer's contentions. This March 14, 2002 letter is significant, because it carefully explained Applicant's reasoning to Opposer – and because there was no response to it. This silence reinforced Applicant's belief that Opposer had no valid grounds to object to our use of the marks, and that Opposer recognized this fact. Therefore, Applicant having heard no response to its March 14, 2002 letter, Applicant's prior outside counsel filed the subject Application on May 7, 2002. Significantly, in that entire time Applicant continued its use of the FORESCOUT and NETSCOUT marks in the market and received no objection from Opposer regarding that use.

¹All facts set forth in this brief are based on this Certification.

The mark was published for opposition on November 12, 2002 and the Opposition followed on March 14, 2003, but the first, and most significant, delay, the fault of neither party, intervened: After the March 14th filing by Opposer, it was not until November 25, 2003 that the Consolidated Notice of Opposition was mailed. Thus, as Opposer says, the first due date for an Answer in this Opposition was January 5, 2004. Ultimately a final due date of April 30, 2004, was established, but Applicant only learned of the pending default application by Opposer by a phone call, approximately one month after the due date for filing of an Answer, requesting, as Opposer says, “Applicant’s position on its default and the opposition.”

Applicant’s ability to comply with the deadline is largely the result of the unilateral “withdrawal” of representation by its counsel of record. Indeed, until the appearance of this office – effected by the Power of Attorney filed simultaneously with this paper – previous counsel remained counsel of record in this matter and apparently forwarded critical papers and correspondence in this matter to an executive who no longer existed.

II. LEGAL ARGUMENT

In considering whether to open or set aside a default judgment, the TTAB has stated that “[t]he ‘good and sufficient cause’ standard, in the context of [37 C.F.R. § 2.132(a)], is

equivalent to the 'excusable neglect' standard which would have to be met by any motion under FRCP 6(b) to reopen the plaintiff's testimony period." *HKG Indus., Inc. v. Perma-Pipe Inc.*, 49 USPQ2d 1156, 1157 (T.T.A.B. 1998). Thus ForeScout's motion to reopen the opposition proceeding is made pursuant to that Rule. In analyzing excusable neglect, the TTAB has relied on the Supreme Court's discussion of excusable neglect in *Pioneer Investment Services Co. v. Brunswick Associates Limited Partnership*, 507 U.S. 380, 113 S.Ct. 1489, 123 L.Ed.2d 74 (1993). See, e.g., *Mattel, Inc. v. Henson*, 88 Fed. Appx. 401 (Fed. Cir. 2004) (confirming applicability of Pioneer factors to TTAB proceedings).

The Pioneer case dealt with a bankruptcy rule permitting a late filing if the movant's failure to comply with an earlier deadline 'was the result of excusable neglect.'" 507 U.S. at 382, 113 S.Ct. 1489. The Supreme Court defined the inquiry into excusable neglect as:

at bottom an equitable one, taking account of all relevant circumstances surrounding the party's omission. These include . . . the danger of prejudice to the [non-moving party], the length of the delay and its potential impact on judicial proceedings, the reason for the delay, including whether it was within the reasonable control of the movant, and whether the movant acted in good faith.

Id. at 395, 113 S.Ct. 1489. In practice before this Board in particular, the TTAB "is lenient in accepting late-filed answers"

when the delay is not excessive. See, *Mattel, Inc. v. Henson*, 88 Fed. Appx. at 401, n.1.

Under the circumstances, the Board has ample reason to employ its leniency and authorize the late filing of an Answer. It is hard to imagine how Opposer could have been prejudiced in the time between April 30, 2004 and now. For the last several years Applicant's common law marks and Opposer's registered trademark have coexisted, with no objection from Opposer. Applicant does not, however, urge estoppel on this motion (as to the substance of the Opposition). Applicant merely raises this issue to demonstrate that Opposer has not been harmed in any quantum greater than it had already been for the previous several years, by virtue of the delay since the April 30, 2004 deadline, and cannot demonstrate prejudice.

Indeed, the lack of prejudice is clear from Opposer's several communications seeking a definitive resolution of the Opposition – clearly Opposer did not believe it had been prejudiced by the delay between April 30th and its phone call a month later “to learn Applicant's position on its default and the opposition.” Opposer's Motion at 2. Similarly, Opposer's followup inquiry of June 15, 2004, Exhibit B to the Certification of T. Kent Elliott, seeking “ForeScout's plans with regard to this action,” do not suggest any urgency.

Nor is the length of the delay significant in this context. There is no impact on other pending judicial proceedings. The reason for the delay is fairly characterized as honest error largely out of Applicant's control, because the attorney of record simply abandoned its responsibility, never informed management, received no confirmation of or permission to withdraw from either Applicant or the Board, and indeed remained attorney of record as this deadline came and went without informing Applicant. Nor is there any issue of bad faith.

Default judgment is an extreme sanction, and "a weapon of last, not first, resort." *Martin v. Coughlin*, 895 F. Supp. 39 (N.D.N.Y. 1995). Ultimately, there is no reason in this situation to depart from the well-known preference in the federal courts that litigation disputes be resolved on their merits. See, *Richardson v. Nassau County*, 184 F.R.D. 497, 501 (E.D.N.Y. 1999).

III. CONCLUSION

For the foregoing reasons, Applicant respectfully requests that the default entered in this matter be set aside, that leave be granted to file a late Answer, and that Opposer's motion for a Default Judgment be denied.

COLEMAN & WEINSTEIN
A Professional Corporation



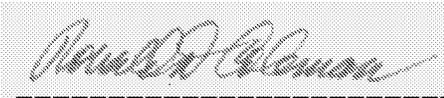
Ronald D. Coleman

410 Park Avenue – 15th Floor
New York, NY 10022
(212) 752-9500

Dated: July 15, 2004

CERTIFICATION OF SERVICE

I hereby certify that on this date, a true and correct copy of the foregoing Motion to Set Aside Default, Opposition to Opposer's Motion for a Default Judgment and Motion for Leave to File a Late Answer as well as the Certification of T. Kent Elliott is being deposited with the U.S. Postal Service as first class mail, postage prepaid, to counsel for Opposer, and that courtesy service is being made by facsimile as well.



Ronald D. Coleman

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

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91158575

FORESCOUT TECHNOLOGIES, INC.,

Applicant.

CERTIFICATION OF T. KENT ELLIOTT

T. Kent Elliott, of full age, certifies and says as follows:

1. I am the Chief Executive Officer of ForeScout Technologies, Inc. ("ForeScout"). I have been CEO for 18 months and have first hand knowledge of the following, or by virtue of my investigation into the events recounted here I can speak on behalf of ForeScout in this Certification.

2. My tenure began as part of a substantial change of management at ForeScout, which was founded in 2000. It is a relatively small technology company, essentially one or two steps away from a startup.

3. When I arrived, the acting CEO immediately returned to his home overseas. During my predecessor's tenure, and before the Application was filed, ForeScout received correspondence from counsel for Opposer, demanding that ForeScout cease use of the FORESCOUT and ACTIVESCOUT trademarks.

4. FORESCOUT is the name of our company, and ACTIVESCOUT is the name of one of our two products in the area of network security.

5. ForeScout responded to Opposer's cease and desist letter by a letter dated March 14, 2002, rejecting Opposer's contentions. Our letter is attached hereto as Exhibit A and is incorporated herein.

6. Our March 14, 2002 letter is significant, in part because we believed that Opposer's trademark claims were baseless and that it carefully explained our reasoning to Opposer.

7. Upon information and belief there was no further correspondence from Opposer. This apparent silence reinforced our belief that Opposer had no valid grounds to object to our use of the marks, and that Opposer recognized this fact.

8. Therefore, having heard no response to our March 14, 2002 letter, ForeScout's prior outside counsel filed

the Application on May 7, 2002. In that entire time we have continued our extensive use of the FORESECOUT and NETSCOUT marks and have heard no objection from Opposer regarding that use.

9. Trademark matters were handled at ForeScout by the Vice President for Marketing, who supervised the Application that is the subject of this Opposition, which took place about six months before I arrived. This individual left in early 2003 and we are no longer in touch with her.

10. Consequently, the present management of ForeScout has had no involvement with this issue until a few weeks ago.

11. We learned recently that one of our junior employees, who used to work for the former Vice President for Marketing, was responsible for the correspondence concerning this matter that came from our former law firm. We have learned that she received numerous annoying sales contacts from the law firm that filed our trademark application, urging ForeScout to engage the firm for additional services. After each such call an invoice arrived, purporting to bill ForeScout for its own attorneys' time spent marketing to ForeScout.

12. After a number of those episodes this junior employee began to ignore "stuff" from the firm, which presumably included some notice of an additional complicating factor - the fact that the attorney with primary responsibility for this Application had left the firm, and that essentially we were being left unrepresented on this file. In fact, on July 13, 2004, we located - for the first time - an unopened FedEx box from previous counsel sent to us, quite unceremoniously, on April 29, 2004 with all of their files relating to our account.

13. We have not been able to find any documents left behind by these employees that relate to these matters.

14. We learned of the pending default application by Opposer in the manner described by Opposer in its Motion for Default Judgment - by a phone call, approximately one month after the April 30, 2004 due date for filing of an Answer, requesting, as Opposer says, "Applicant's position on its default and the opposition."

15. The phrasing of this question led us to believe that Opposer would, under the circumstances, consider stipulating to an additional, final extension of time while ForeScout got up to speed on this matter.

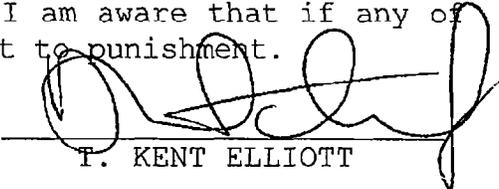
16. Shortly thereafter, we sought appropriate advice and representation in connection with this Opposition proceeding.

17. Attached hereto as Exhibit B is a June 15, 2004 letter by counsel for Opposer, requesting "ForeScout's plans with regard to this action," which again suggested to us that Opposer would allow ForeScout to ask this Board to adjudicate the Opposition on the merits, rather than by default.

18. The marks in question are of great significance to ForeScout. One is the name of our company. Another is the name of an important product. Both have acquired, in a very short time, significant goodwill in our industry and our target market, as well as a reputation for excellence and a distinct consumer association with our company.

19. Our new counsel contacted counsel for Opposer, by letter and by telephone, with a request that it stipulate to the filing of a late answer on July 12, 2004. We have received no response to this request.

I certify that all of the foregoing statements made by me are true and that statements made on information and belief are true to the best of my knowledge. I am aware that if any of same is willfully false, I am subject to punishment.


T. KENT ELLIOTT

Dated: July 14, 2005

EXHIBIT A



March 14, 2002

Todd E. Johnson, Esq.
Director of Contracts Management
NetScout Sytems, Inc.
310 Littleton Road
Westford, MA 01886-4105

Re: Trademark Matters

Dear Mr. Johnson:

We are writing in response to your letter dated February 25, 2002, regarding trademark matters. As a preliminary matter, at ForeScout Technologies, Inc. we value our own intellectual property and respect the intellectual property rights of others. Having said that, we find NetScout's allegations of trademark infringement to be baseless.

As you are undoubtedly aware, our products are not competitive and are marketed to entirely different consumers. ForeScout's product, "ActiveScout", is an innovative security product for actively protecting networks from attack. Conversely, from even a cursory review of your web site, it is apparent that NetScout's "nGenius" product line is aimed at network management, monitoring and capacity planning – not network security. Further, we have no intention of entering the network management/monitoring business.

In addition, the targeted audience for both of our businesses consists of well-educated, sophisticated consumers, unlikely to be confused as to the source or sponsorship of the goods and services offered by our respective companies. More specifically, our customers' contacts are security officers, while, presumably, yours are network administrators or CIOs.

Finally and most importantly, the marks at issue are simply not confusingly similar. ForeScout and ActiveScout, especially when coupled with further differentiating design logos, make a very different commercial impression than NetScout and its design logo. Your company also apparently uses the mark

"nGenius" on its product line rather than, or at least in addition to, your house mark, thereby further diminishing any remote chances of confusion. Indeed, we are not aware of even a single instance of actual confusion in the market place.

We trust that this both addresses your concerns and resolves the matter.

Very truly yours,

A handwritten signature in black ink, appearing to be 'H. Yeshurun', written in a cursive style.

Hezy Yeshurun
Executive Chairman of the Board

EXHIBIT B

TESTA, HURWITZ & THIBEAULT, LLP

ATTORNEYS AT LAW

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June 15, 2004

Via First Class Mail

T. Kent Elliott
Chief Executive Officer
ForeScout Technologies, Inc.
10001 N. De Anza Boulevard, Suite 220
Cupertino, CA 95014

RE: NetScout Systems, Inc. v. ForeScout Technologies, Inc.
Opposition No. 91158578

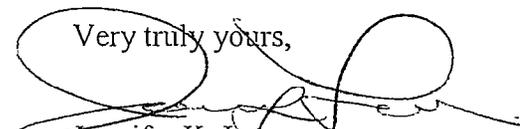
Dear Kent:

I have enclosed courtesy copies of the following documents in the above-referenced opposition proceeding:

1. Motion For Default Judgment;
2. Motion To Suspend All Discovery And Testimony Deadlines, And If Necessary, To Extend The Discovery Period And Reset All Other Dates;
3. Opposer's First Set of Interrogatories To Applicant; and
4. Opposer's First Requests For Production Of Documents And Things To Applicant.

I will wait to hear from you on ForeScout's plans with regard to this action. If you have any questions regarding this matter, please do not hesitate to contact me.

Very truly yours,



Jennifer K. Lawson

Enclosures