

UNITED STATES PATENT AND TRADEMARK OFFICE
Trademark Trial and Appeal Board
P.O. Box 1451
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Mailed: July 9, 2007

Opposition No. 91162370
Opposition No. 91162469
Opposition No. 91164615
Opposition No. 91165285
Opposition No. 91165465

DE BOULLE DIAMOND & JEWELRY, INC.

v.

DE BEERS LV LTD.

Cheryl Butler, Attorney, Trademark Trial and Appeal Board:

In an order dated July 26, 2006, the Board granted applicant's motion to compel, filed May 31, 2006, as conceded.¹ By its motion, applicant only sought production of documents responsive to its first request for production of documents and things.² Opposer was allowed time to serve responsive documents. In addition, the Board reset the discovery and trial schedule with the discovery period to close on September 25, 2006; opposer's first testimony period to close on December 24, 2006; applicant's testimony period to close on February 22, 2007; and opposer's rebuttal testimony period to close on April 8, 2007.

This case now comes up on applicant's fully briefed motion, filed January 9, 2007, for discovery sanctions; opposer's fully

¹ Applicant filed its motion to compel one day before discovery was set to close (June 1, 2006) in accordance with the schedule set forth in the Board's April 11, 2006 order.

² Responses to interrogatory and/or admissions requests were not in dispute.

briefed motion, filed February 9, 2007, to reopen discovery and testimony periods, and opposer' motion, filed February 12, 2007, to compel discovery responses from applicant. Applicant objected to opposer's motion to compel on the basis that the motion is untimely.

Opposer's motion to compel is untimely

A motion to compel must be filed prior to the commencement of the first testimony period as originally set or reset. See Trademark Rule 2.120(e)(1); and TBMP §523.03 (2d ed. rev. 2004). Cf. TBMP §528.02 for an explanation of "as originally set or reset."

Accordingly, opposer's motion to compel, having been filed after the commencement of the first testimony period as reset by the Board's July 26, 2006 order, is denied as untimely.

Applicant's motion for discovery sanctions; opposer's motion to reopen the discovery and testimony periods

In support of its motion for discovery sanctions, applicant argues that opposer has not produced documents as ordered by the Board on July 26, 2006. Applicant seeks entry of judgment against opposer and dismissal of each opposition that is part of this consolidated proceeding.

In response and in its cross-motion to reopen the expired periods, opposer argues that excusable neglect exists for its failure to act in that it was unaware of the Board's July 26, 2006 order until it received a copy of applicant's motion for

discovery sanctions from its prior counsel of record. According to opposer, upon realizing its prior counsel had failed to communicate on this matter, it retained new counsel and took immediate steps to supplement its responses to applicant's document requests and contacted applicant in an attempt to resolve the matter. Opposer notes that its prior counsel informed opposer that he had no record of any communication from applicant between applicant's filing of its May 31, 2006 motion to compel and the present motion for discovery sanctions. Opposer surmises that applicant purposefully waited several months without contacting opposer before filing its motion for sanctions. Opposer contends that the sanctions sought by applicant are extreme; that its failure to comply with the Board's July 26, 2006 order was not willful or the result of bad faith, but due its reliance on the vigilance of prior counsel and the failure of said counsel to communicate, a situation opposer has now remedied by appointing new counsel; that applicant is not prejudiced by the delay, noting that over five months passed between the issuance of the Board's order compelling production of documents and the filing of applicant's motion for discovery sanctions; and that, now being aware of the order compelling discovery, opposer has taken steps to comply with the order.

In response to opposer's cross-motion and in reply to its own motion, applicant argues that, as a matter of law, the omissions of opposer's prior counsel do not establish excusable neglect for opposer's failure to comply with the Board's July 26,

2006 order. Applicant argues that reopening discovery "would set these proceedings back two years," causing a burden on applicant. Applicant contends that, in addition to representation by prior counsel of record, opposer was represented by an individual attorney who took the lead on discovery matters and communicated with applicant on such matters. Applicant expresses its belief that this individual attorney "... must have received the Board's order and relayed it ..." to opposer.

As a preliminary matter, the Board does not undertake double correspondence (*i.e.*, sending correspondence to two addresses for a single party.) See TBMP §117.02 (2d ed. rev. 2004). Correspondence is sent to the address of record. In this case, for opposer, that was Mr. Harlow at Nelson Mullins Rily & Scarborough LLP. Thus, there is no presumption that the individual attorney referenced by applicant received a copy of the Board's July 26, 2006 order from the Board.

Pursuant to Fed. R. Civ. P. 6(b)(2), the requisite showing for reopening an expired period is that of excusable neglect. In *Pioneer Investment Services Company v. Brunswick Associates Limited Partnership*, 507 U.S. 380, 395 (1993), the Supreme Court set forth four factors to be considered, within the context of all the relevant circumstances, to determine whether a party's neglect of a matter is excusable. Those factors are: (1) the danger of prejudice to the non-moving party; (2) the length of delay and its potential impact on judicial proceedings; (3) the reason for the delay, including whether it was within the

reasonable control of the moving party; and, (4) whether the moving party has acted in good faith. It is true that in subsequent applications of this test by the Circuit Courts of Appeal, several courts have stated that the third factor must be considered the most important factor in a particular case. See *Pumpkin Ltd. v. The Seed Corps*, 43 USPQ2d 1582, 1586 at fn.7 (TTAB 1997).

There is no doubt that the client and the attorney share the duty to remain diligent in prosecuting or defending the client's case; that communication between the client and attorney is a two-way affair; and that action, inaction or even neglect by the client's chosen attorney will not excuse the inattention of the client so as to yield the client another day in court. See *CTRL Systems Inc. v. Ultraphonics of North American Inc.*, 52 USPQ2d 1300, 1302 (TTAB 1999). It is not required, though, that the movant's conduct be faultless. See *Wright & Miller*, 4B Fed. Prac. & Pro. Civ.3d §1165 (2007). Excusable neglect requires a demonstration of good faith on the part of the party seeking an enlargement of time and some reasonable basis for noncompliance with the time specified. *Id.* Thus, for example, the courts have found no excusable neglect when there has been consistent disregard for set deadlines, *Meyer v. Qualex, Inc.*, 426 F.Supp.2d 344, 345 (DCNC 2006); the initiating party takes no action for a lengthy period of time, *Seabrook v. City of New York*, 236 F.R.D. 123 (DCNY 2006); and the party seeking additional time acted in a dilatory manner by amending its complaint and seeking

enlargements of time repeatedly and showing little respect for the court with its filings, *Maldonado-Denis v. Castillo-Rodriguez*, 23F.3d 576 (1st Cir. 1994). The Board's cases are consistent. In *CTRL Systems, supra*, the Board also considered the procedural history of the case and the length of time the case had been pending, as well as the inaction by counsel. This included the circumstances that summary judgment had been granted in applicant's favor; opposer appealed to the Federal Circuit Court; and the Court reversed and remanded the Board's decision. In *Baron Philippe de Rothchild S.A. v. Styl-Rite Optical Mfg. Co.*, 55 USPQ2d 1848, 1854 (TTAB 2000), relied upon by applicant, a pattern of dilatory conduct over the course of the proceeding indicating a willful disregard of the Board's orders, as well as other improper conduct, was found.

Here, opposer was unaware of the Board's July 26, 2006 order compelling production of documents; does not appear to have been in any collusion with its prior counsel to avoid complying with the order; and acted quickly to substitute counsel and comply with the Board's order once it became aware of a problem. There is no pattern of dilatory conduct or willful disregard of Board orders. Thus, opposer was not acting willfully or in bad faith. Both parties contributed to the delay occasioned herein: opposer by virtue of the failure of communications with its prior attorney and applicant by waiting until four months after opposer's production was due to file its motion for sanctions.

As to prejudice to applicant, no showing of lost evidence or unavailable witnesses has been made.

Applicant's request for sanctions in the nature of entry of judgment against opposer is simply not warranted. Accordingly, applicant's motion for discovery sanctions is denied.³

Insofar as the parties have exchanged discovery requests and responses, the Board is disinclined to reopen discovery. Opposer's request to do so is thus denied.⁴ However, opposer's motion to reopen testimony is granted. Trial dates are reset as follows:

THE PERIOD FOR DISCOVERY TO CLOSE:	CLOSED
30-day testimony period for party in position of plaintiff to close	September 15, 2007
30-day testimony period for party in position of defendant to close:	November 14, 2007
15-day rebuttal testimony period to close:	December 29, 2007

In each instance, a copy of the transcript of testimony together with copies of documentary exhibits, must be served on the adverse party within thirty days after completion of the taking of testimony. Trademark Rule 2.125.

³ It is suggested that both parties use the Board's on-line database (TTABVUE) to check the status of this proceeding on a regular basis.

⁴ The parties are reminded that, if a party provides an incomplete response to a discovery request, such party may be precluded from relying at trial on information from its records which was properly sought in the discovery request, but which was not included in the response thereto, unless the response is supplemented in a timely fashion pursuant to Fed. R. Civ. P. 26(e). See *Bison Corp. v. Perfecta Chemie B.V.*, 4 USPQ2d 1718 (TTAB 1987); and TBMP §408.02 (2d ed. rev. 2004).

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Briefs shall be filed in accordance with Trademark Rules 2.128(a) and (b). An oral hearing will be set only upon request filed as provided by Trademark Rule 2.129.

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