

UNITED STATES PATENT AND TRADEMARK OFFICE
Trademark Trial and Appeal Board
P.O. Box 1451
Alexandria, VA 22313-1451

COHEN

Mailed: August 7, 2013

Opposition Nos. **91185261**
91186841

American Cigarette Company, Inc.
and Smoker's Best Group, LLC

v.

N.V. Sumatra Tobacco Trading
Company

Cancellation No. **92052621**

N.V. Sumatra Tobacco Trading
Company

v.

American Cigarette Company, Inc.
and Smoker's Best Group, LLC

Before Cataldo, Bergsman, and Shaw,
Administrative Trademark Judges,

By the Board:

On December 1, 2011, N.V. Sumatra Tobacco Trading Company ("Sumatra") filed a motion for summary judgment to cancel Registration No. 2972594 in the above-captioned cancellation proceeding. As last set by the Board, American Cigarette Company, Inc. and Smoker's Best Group, LLC's ("SBG") deadline to file a brief in response to the motion for summary judgment was January 3, 2013. Because neither a

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brief in response nor a motion to further extend time to respond to the motion for summary judgment was received by the Board, the motion for summary judgment was granted as conceded in a January 17, 2013 Board order pursuant to Trademark Rule 2.127(a) and Fed. R. Civ. P. 56. Thereafter, Registration No. 2972594 was cancelled.

On January 22, 2013, Sumatra filed a motion for summary judgment to dismiss the oppositions in the above-captioned opposition proceedings. Because neither a brief in response nor a motion to extend time to respond to the motion for summary judgment was received, the motion for summary judgment was granted as conceded in a March 29, 2013 Board order pursuant to Trademark Rule 2.127(a) and Fed. R. Civ. P. 56. Thereafter, the oppositions were dismissed with prejudice.¹

This case now comes before the Board on Heritage Tobacco, LLC's ("Heritage")² combined motion (filed April 3, 2013) to set aside the final judgments pursuant to Fed. R. Civ. P. 60(b), to reopen proceedings and extend its time to respond to the motions for summary judgment. See Trademark

¹ Opposition No. 91185261 involves application Serial No. 76415303. Opposition No. 91186841 involves application Serial No. 76415305.

² Heritage recorded an assignment of Registration No. 2972594 from SBG to Heritage on March 13, 2013 with the Office. Heritage has also filed a motion (filed May 2, 2013) to substitute Heritage for SBG in these proceedings.

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Rule 2.116(a); TBMP § 544 (3d ed. rev.2 2013). The motion has been fully briefed.

Pursuant to Fed. R. Civ. P. 60(b)(1) a party may be relieved from final judgment based on various grounds including "mistake, inadvertence, surprise, or excusable neglect." Relief from a final judgment is an extraordinary remedy to be granted only in exceptional circumstances. The determination of whether a motion under Fed. R. Civ. P. 60(b) should be granted is a matter that lies within the sound discretion of the Board. See *Djeredjian v. Kashi Co.*, 21 USPA2d 1613, 1615 (TTAB 1991). A motion for relief from judgment, made without the consent of the adverse party, must persuasively show, preferably by affidavits, declarations, or documentary evidence, as may be appropriate, that the relief requested is warranted for one or more of the reasons specified in Fed. R. Civ. P. 60(b). TBMP § 544; see *Artmatic USA Cosmetics v. Maybelline Co.*, 906 F.Supp. 850, 853-54 (E.D.N.Y. 1995) (on a motion to vacate a default judgment, the defaulting party bears the burden of proof).

The issue presented in this case is whether Heritage's failure to respond to the motions for summary judgment resulted from excusable neglect. In determining excusable neglect, the Board considers the following factors as set forth in *Pioneer Investment Services Company v. Brunswick Associates Ltd. Partnership*, 507 U.S. 380 (1993), and

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adopted by the Board in *Pumpkin Ltd. v. The Seed Corps*, 43 USPQ2d 1582 (TTAB 1997): (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. In subsequent applications of this test, several courts have stated that the third *Pioneer* factor, namely the reason for the delay and whether it was within the reasonable control of the movant, might be considered the most important factor in a particular case. See *Pumpkin, Ltd. v. The Seed Corps*, 43 USPQ2d at 1586, n.7 and cases cited therein.

In support of its motion, Heritage alleges, *inter alia*, that it "only recently obtained control over the trademark" and that before the assignment from SBG took place "Heritage could not have sought an extension of time or submitted a motion under Rule 60(b);" and that it "can only guess as to why its predecessor in interest did not inform the Board or opposing counsel of the reasons behind its inability to comply with the time frame to respond to the motions for summary judgment."

Sumatra alleges, *inter alia*, that SBG and Heritage were granted ample opportunity to respond to the motions for summary judgment; that Heritage is bound by the actions of

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its predecessor in interest, SBG; that Heritage has provided "no reason" why SBG did not file any responses; that the facts of this case show a "complete lack of interest or diligence" on the part of SBG; that the "potential unavailability of [certain previously identified witnesses] could" have a prejudicial impact on Sumatra; and that therefore, Heritage's motion should be denied.

After consideration of the facts of this case and the relevant *Pioneer* factors, the first and fourth *Pioneer* factors are either neutral or slightly weigh in Heritage and SBG's favor. Although Sumatra alleges potential unavailability of witnesses, we find no specific prejudice to Sumatra beyond mere delay, and there is also no indication of bad faith on Heritage's part in filing its 60(b) motion. The delay in filing the motion for setting aside judgment is well under a year. Accordingly, the second *Pioneer* factor weighs in Heritage and SBG's favor because the length of delay in filing the 60(b) motion was not unduly long.³

However, the third *Pioneer* factor weighs heavily against a finding of excusable neglect. With regard to the

³ With regard to the length of the delay, the December 1, 2011 motion for summary judgment, was filed over a year and half ago. While the time frame between the Board's granting of the motion for summary judgment and Heritage's motion to set aside judgment is approximately three months, it is clear from the record that SBG and Heritage, parties that initiated these proceedings, have had ample time to respond.

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reason for delay, it is apparent that SBG and Heritage's failure to respond to the motions for summary judgment were solely within their own control.

Neither SBG nor Heritage has stated that it was unaware of the pending deadlines to respond to the motions for summary judgment or that it did not receive the motions for summary judgment or the numerous Board orders related to the motions. Heritage and SBG have failed to provide any excuse as to why SBG did not respond to the motions for summary judgment or did not seek further extensions of time to respond. Rather, Heritage alleges that it cannot explain SBG's failure to act and explains that Heritage could not act until it became a successor-in-interest.

Pursuant to Trademark Rules 3.71(d) and 3.73(b), Heritage could not properly file a motion in this proceeding until it established its ownership of the trademark at issue and provided proof of ownership with the Office.

Nonetheless, Heritage, as the successor in interest, is bound by the actions of its predecessor in interest, SBG. See Fed. R. Civ. P. 25(c) ("If an interest is transferred, the action may be continued by or against the original party unless the court, on motion, orders the transferee to be substituted in the action or joined with the original party."); Wright and Miller, *7C Fed. Prac. & Proc. Civ.* § 1958 (3d ed. 2013) (a transfer of interest in a pending

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action will bind the successor in interest even though the successor in interest is not named. An order of joinder is a merely discretionary determination by the court.); see also *Minnesota Mining & Manufacturing Company v. Eco Chem, Inc., et al*, 225 USPQ 350, 355 (Fed. Cir. 1985) (“when the successor in interest voluntarily steps into the shoes of its predecessor, it assumes the obligations of the predecessor’s pending litigation”). Because no reason, excusable or otherwise, has been provided for SBG’s neglect in responding to the motions for summary judgment, Heritage has failed to establish that the failure to respond to the motions for summary judgment was a result of excusable neglect.

In view thereof, Heritage’s motion to set aside the final judgments is **DENIED**.⁴ The final judgments stand.

⁴ In view of the Board’s order, Heritage’s motions to reopen proceedings and extend its time to respond to the motions for summary judgment are moot. Likewise, the motion to substitute Heritage for SBG filed May 2, 2013 is moot.