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January 30, 2014

TTAB

VIA E-MAIL AND FIRST CLASS MAIL
gerard.rogers@uspto.gov

77864305

The Honorable Gerard Rogers
Chief Administrative Trademark Judge
Trademark Trial and Appeal Board
P.O. Box 1451
Alexandria, Virginia 22313-1451

RE: Promark Brands Inc. and H.J. Heinz Company v. GFA Brands, Inc.
Opposition No. 91194974

Dear Chief Judge Rogers:

Enclosed please find a courtesy copy of Applicant's Petition to the Director for Reconsideration.

Very truly yours,

QUARLES & BRADY LLP



David R. Cross

Enclosure

cc: Kevin C. Meacham (via e-mail and first class mail)
Timothy P. Fraelich (via e-mail and first class mail)
Angela R. Gott (via e-mail and first class mail)



02-04-2014

U.S. Patent and Trademark Office #72

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

PROMARK BRANDS INC. and H.J.
HEINZ COMPANY,

Opposers,

v.

GFA BRANDS, INC.,

Applicant.

**Opposition Nos. 91194974 (Parent)
and Opposition No. 91196358**

U.S. Trademark Application 77/864,305
For the Mark **SMART BALANCE**

U.S. Trademark Application 77/864,268
For the Mark **SMART BALANCE**

APPLICANT'S PETITION TO THE DIRECTOR FOR RECONSIDERATION

Pursuant to 37 C.F.R. § 2.146, Applicant GFA Brands, Inc. ("GFA") respectfully petitions the Director for reconsideration of the Board's decision mailed January 17, 2014, striking GFA's trial brief as untimely. This Petition is supported by the following brief:

SUMMARY OF ARGUMENT

The Board committed clear errors of fact and law when it struck Applicant's brief. The Board committed an error of fact when it incorrectly evaluated the Pioneer factor concerning delay -- there was no delay, yet the Board concluded there had been. The parties completed briefing the case on the date on which it was to be fully briefed, so there was no delay caused by Applicant's mistakenly late filing. The Board's decision striking Applicant's trial brief may itself cause delay and should be reversed because it will make the panel's review of the voluminous record more difficult, thereby impeding the just and efficient resolution of this case.

Additionally, the Board's decision should be reversed because it committed a clear error of law by collapsing the multi-factor Pioneer test into a single factor -- whether the error was within the control of the moving party -- despite the other three factors favoring Applicant. The

Supreme Court specifically held in Pioneer that the excusable neglect standard is not a “bright line” rule that turns solely on whether the mistake was caused by circumstances beyond Applicant’s control.

The four Pioneer factors are a recognition that lawyers are human, and that humans make mistakes. As the Supreme Court explained, most mistakes are, almost by definition, within human control. Pioneer Inv. Servs., Co. v. Brunswick Assocs. Ltd., 507 U.S. 380, 392 (1993). Turning the Pioneer standard into a single factor test, as the Board did here, eliminates the opportunity for relief precisely when it should be given: when there is human error, not made in bad faith, with no prejudice to the opposition, and no delay or other impediment to the fair and efficient resolution of the case.

STATEMENT OF RELEVANT FACTS

There is no dispute regarding the operative facts. Opposers’ trial brief was due and timely filed on August 12, 2013. Applicant’s brief was therefore due on September 11, 2013. Because counsel for Applicant mistakenly believed that the additional five days provided under Trademark Rule 2.119(c) governing service by mail applied to its trial brief, Applicant incorrectly calculated the due date, leading to Applicant filing its trial brief late. Opposer moved to strike Applicant’s trial brief on September 17, 2013. Applicant opposed the motion based on the excusable neglect standard articulated by the Supreme Court in Pioneer and adopted by the Board in Pumpkin Ltd. v. The Seed Corps., 43 U.S.P.Q.2d 1582 (T.T.A.B. 1997).

Applicant did not then and does not now contest the Pioneer factor concerning the error being within its counsel’s control. It was an embarrassing mistake that counsel could have avoided. Applicant explained, however, that the other three Pioneer factors weighed heavily in its favor: there would be no prejudice to Opposers; its error was not in bad faith; and there

would be no appreciable delay. Applicant cited four Board decisions refusing to strike trial briefs on similar facts, with three of the cases noting that striking the trial brief would actually impede the efficient resolution of the case by making the Board's review of the evidentiary record more difficult. While Opposers' motion to strike was pending, Opposers filed their reply trial brief on September 26, 2013, the date that it was originally due.

On January 17, 2014, in a decision authored by the Interlocutory Attorney, the Board granted Opposers' motion to strike Applicant's trial brief. In so ruling, the Board correctly concluded that two Pioneer factors favored Applicant: First, there "does not appear to be measurable prejudice to opposer;" and second "there is no evidence that applicant was acting in bad faith." (Order at 4.) Nevertheless, the Board focused on whether the error was in Applicant's control and concluded that factor weighed against Applicant. It also erroneously concluded that Applicant's error allegedly caused delay.

ARGUMENT

I. It was a clear error of fact to conclude Pioneer factor two, delay, weighs against Applicant.

Despite recognizing that Opposers had already filed their reply brief under the original deadline, the Board held, without explanation, that the Pioneer factor regarding delay weighed against Applicant. (Order at 4.) This conclusion is factually inaccurate, because Applicant's error did not cause delay. The Board did not explain what the delay was, nor can Applicant conceive of any delay that was its fault.

While it may not have been necessary for Opposers to do so, Opposers chose to respond to all issues in Applicant's trial brief and filed their reply trial brief on September 26, 2013, the date that it was originally due. The case was fully briefed under the original schedule, with no

delay. Applicant requests reconsideration of the Board's decision in light of this clear error of fact.

Delay, if any, in setting the hearing date for this matter while Opposers' motion was pending was proximately caused by Opposers' decision to move to strike, a decision entirely within its own control. Moreover, Applicant is not aware of any case holding that the time to decide a motion to strike counts as delay caused by the party opposing the motion. If that were true, the Pioneer delay factor would always count against the neglectful party, rendering the delay factor meaningless.

II. It was a clear error of law to collapse the four-factor Pioneer test into a one-factor test and in doing so ignore similar Board decisions refusing to strike trial briefs when all factors are considered.

The Board's own decisions reflect the correct and fair result of the Pioneer test when all four factors are properly applied. In four nearly identical cases, where all four factors were considered, the Board ruled the other way. By focusing on just one factor in striking Applicant's brief, the Board failed to follow the Pioneer precedent, which requires that excusable neglect be determined considering "all relevant circumstances" and not by using a "bright line" approach that turns solely upon whether the error was within the mistaken party's control. 507 U.S. at 392. The Supreme Court explicitly held in Pioneer that excusable neglect "is not limited strictly to omissions caused by circumstances beyond the control" of the neglectful party. Id. Nonetheless, the Board, contrary to Pioneer, improperly applied a bright line test, with the "bright line" being simply whether the error had been within Applicant's control.

The Board has repeatedly denied an opposer's motion to strike an applicant's trial brief under nearly identical circumstances. In Nestle Prepared Foods Co. v. V&V Enters., Inc., Opp. No. 91167465, 2011 WL 1060725 at *1 (T.T.A.B. Mar. 10, 2011), the opposer moved to strike

the applicant's brief because it was filed five days late. The applicant had done so because, as here, it was under the "misapprehension that the additional five days provided under Trademark Rule 2.119(c) was applicable to briefs on the case." Id.

The Board denied the opposer's motion to strike because the delay in filing was minimal and had no impact on the proceedings. Id. at *2. The Board further concluded that while "applicant's mistaken interpretation of the rules was within its control, it is also clear that its conduct did not fall within the realm of bad faith." Id. The Board rejected the opposer's claim that it was prejudiced because the opposer did not request an extension of time to file its reply brief and had, as here, filed its reply brief within the required time. Id.

Finally, the Board denied the motion to strike because striking the applicant's trial brief would make reaching a fair and efficient decision on the merits more difficult. Id. As the Board explained, "because it benefits the Board in its ability to make a just determination of the case in light of the specific issues raised in this proceeding to have the briefs of both parties of record, applicant's brief, including the objections maintained therein is accepted." Id.

The Board's decision in Nestle is in accord with its other decisions on motions to strike an applicant's trial brief where the delay was due to a good faith mistake. The Board denied motions to strike trial briefs in at least three other cases that properly apply all of the Pioneer factors, not just whether the error had been under the applicant's control.

(1) In NetIQ Corp. v. Egis Inc., the applicant filed its brief one day late due to a mistake in calculating its due date. Opp. No. 91187844, 2011 WL3828717, at *2 (T.T.A.B. Aug. 9, 2011). The opposer moved to strike. Id. Considering the *Pioneer* factors, the TTAB found "(1) there is no prejudice to opposer because of the late filing of applicant's brief, (2) applicant's one day delay created no impact on these proceedings,

(3) the delay was totally within the control of applicant, and (4) applicant acted in good faith.” *Id.* As in Nestle, the TTAB concluded, “we consider the fact that a brief on the case is often helpful to the Board in understanding the facts and analyzing the likelihood of confusion. In view of the foregoing, we find that applicant has met the standard of excusable neglect and, therefore, opposer’s motion to strike applicant’s brief is denied.”

Id.

(2) In Lockheed Martin Corp. v. Raytheon Co., Opp. No. 91167189, 2011 WL 5014027, at *2-3 (T.T.A.B. Sept. 27, 2011), the Board found excusable neglect where “Applicant’s explanation as to its mistaken interpretation of the rules clearly demonstrates that the delay was not willful; the two-day delay in filing applicant’s brief had a negligible impact on the proceedings; and there is no evidence that opposer has been harmed by the delay.” The applicant filed its brief two days late because of its mistaken interpretation of the weekend/Federal Holiday rule. *Id.* at *2.

(3) In Hot Stuff Foods, LLC v. Obsidian Group Inc., the applicant’s trial brief was two days late. Opp. No. 91169298, 2008 WL 902840, at *2 (T.T.A.B. Feb. 21, 2008). The TTAB noted that “[a]pplicant’s short delay could not have been particularly prejudicial to opposer’s effort to prepare a reply to such a brief. If the two-day delay had genuinely undercut opposer’s ability to prepare a reply brief, it could have sought an extension.” *Id.* As in Nestle, the Board noted that the applicant’s brief would help it in honoring its obligation to rule on the merits because it “benefits the Board’s attempt to reach a meritorious decision to have briefs from both parties; . . .” *Id.*

III. Considering both parties' trial briefs will assist the panel in reaching a fair and correct decision on the merits.

As in the foregoing cases, having both Applicant's and Opposers' trial briefs in hand during the panel's review of the voluminous trial record will assist that process by focusing the panel on what matters the most and by putting those disputed matters in the proper factual and legal context.

The parties' trial briefs here are particularly important because this is not a case that involves only the standard legal rules governing likelihood of confusion or dilution. Specifically, Applicant's 12 page Appendix to its trial brief, which addresses Opposers' objections to the admissibility of the Phillip Johnson confusion survey, contains information that the Board must consider to fairly resolve this issue in accordance with the law. This appendix to Applicant's trial brief sets the legal and factual record straight on this important issue and unravels Opposers' convoluted and erroneous procedural arguments.

Having Applicant's brief will help assure that the TTAB will come to the correct result on the facts and the law and do so efficiently. The Board's decision should be reversed because it did not address that consideration, nor did it even mention the foregoing Board decisions that denied motions to strike trial briefs that are closely on point and rely upon that concern.

IV. The cases cited by the Board are distinguishable.

The cases cited by the Board do not address situations where a party filed a trial brief late, with only one factor weighing against it, but instead are cases in which there had been significant delay and where multiple Pioneer factors weighed against the party claiming excusable neglect. In Baron Philippe de Rothschild S.A. v. Styl-Rite Optical Mfg. Co., 55 U.S.P.Q.2d 1848 (TTAB 2000), cited by the Board, the Board concluded that applicant's counsel

had not acted in good faith. In contrast, Applicant's counsel's error caused no delay and the Board correctly concluded there was no evidence of bad faith.

In the other decision cited by the Board, Atlanta-Fulton County Zoo, Inc. v. DePalma, 45 U.S.P.Q.2d 1858 (TTAB 1998), the issues involved a motion to re-set the opposer's testimony period. The Board in that case held that the opposer's prosecution of the case had been detrimental to the orderly administration of the opposition process. The failure of the opposer in that case to take testimony or otherwise present evidence necessarily implicated a substantial delay of at least the 30 day testimony period typically allotted as well as policy issues related to an opposer's obligation to move a case forward by presenting evidence to support its case. These are two key factors that are not present in this case.

Given the substantial differences in the cases relied upon by the Board to reach its decision, these cases do not control. The Board's decision to strike Applicant's responsive trial brief should be reversed in accordance with a fair application of the "all relevant circumstances" rule governing the excusable neglect standard of Pioneer. The proper application of the Pioneer factors is reflected in the four similar cases Applicant had cited, but which the Board did not even address in its decision.

CONCLUSION

Applicant GFA Brands, Inc. respectfully requests that the Board reconsider and reverse its January 17, 2014 decision and allow Applicant's trial brief to be considered.

Dated this 30th day of January, 2014.

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CERTIFICATE OF SERVICE

The undersigned certifies that a copy of the foregoing Applicant's Petition to the Director for Reconsideration was sent by First Class U.S. Mail, postage prepaid, with a courtesy copy via e-mail, on this 30th day of January, 2014, to Counsel for the Opposers listed below:

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APPENDIX A

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

PROMARK BRANDS INC. and H.J.
HEINZ COMPANY

**Opposition Nos. 91194974 (Parent)
and Opposition No. 91196358**

Opposers,

U.S. Trademark Application 77/864,305
For the Mark **SMART BALANCE**

v.

GFA BRANDS, INC.,

U.S. Trademark Application 77/864,268
For the Mark **SMART BALANCE**

Applicant.

APPENDIX OF AUTHORITIES THAT DO NOT APPEAR IN THE U.S.P.Q.

Cases:

Pioneer Inv. Servs., Co. v. Brunswick Assocs. Ltd., 507 U.S. 380, 392 (1993)

Nestle Prepared Foods Co. v. V&V Enters., Inc., Opp. No. 91167465, 2011 WL 1060725
(T.T.A.B. Mar. 10, 2011)

NetIQ Corp. v. Egis Inc., Opp. No. 91187844, 2011 WL 3828717 (T.T.A.B. Aug. 9, 2011)

Lockheed Martin Corp. v. Raytheon Co., Opp. No. 91167189, 2011 WL 5014027 (T.T.A.B.
Sept. 27, 2011)

Hot Stuff Foods, LLC v. Obsidian Grp. Inc., Opp. No. 91169298, 2008 WL 902840 (T.T.A.B.
Feb. 21, 2008).

Dated this 30th day of January, 2014.

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CERTIFICATE OF SERVICE

The undersigned certifies that a copy of the foregoing was sent by First Class U.S. Mail, postage prepaid, with a courtesy copy via e-mail, on this 30th day of January, 2014, to Counsel for the Opposers:

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/s/ David R. Cross
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KeyCite Yellow Flag - Negative Treatment

Declined to Extend by U.S. ex rel. King v. University of Texas Health Science Center-Houston, 5th Cir.(Tex.), November 4, 2013

113 S.Ct. 1489

Supreme Court of the United States

PIONEER INVESTMENT
SERVICES COMPANY, Petitioner

v.

BRUNSWICK ASSOCIATES
LIMITED PARTNERSHIP et al.

No. 91-1695. | Argued Nov. 30,
1992. | Decided March 24, 1993.

Creditors of Chapter 11 debtor sought extension of bar date for filing late proofs of claim, alleging excusable neglect. The Bankruptcy Court denied the motion and the United States District Court for the Eastern District of Tennessee, Robert Leon Jordan, J., affirmed. The Court of Appeals for the Sixth Circuit, 943 F.2d 673, reversed and remanded. On certiorari review, the Supreme Court, Justice White, held that rule authorizing bankruptcy court to accept late filings where failure to act is result of "excusable neglect," contemplates that courts are permitted, where appropriate, to accept late filings caused by inadvertence, mistake, or carelessness, as well as by intervening circumstances beyond party's control.

Affirmed.

Justice O'Connor dissented and filed opinion in which Scalia, Souter and Thomas, Justices, joined.

West Headnotes (7)

[1] Statutes

↪ Plain language: plain, ordinary, common, or literal meaning

361 Statutes

361III Construction

361III(M) Presumptions and Inferences as to Construction

361k1366 Language

361k1368 Plain language; plain, ordinary, common, or literal meaning

(Formerly 361k212.6)

Courts properly assume, absent sufficient indication to the contrary, that Congress intends words in its enactments to carry their ordinary, contemporary, common meaning.

139 Cases that cite this headnote

[2] Bankruptcy

↪ Extension of Time; Excuse for Delay

51 Bankruptcy

51VII Claims

51VII(D) Proof; Filing

51k2897 Time for Filing

51k2900 Extension of Time; Excuse for Delay

51k2900(1) In general

Rule authorizing bankruptcy court to accept late filings where failure to act is result of "excusable neglect," contemplates that courts are permitted, where appropriate, to accept late filings caused by inadvertence, mistake, or carelessness, as well as by intervening circumstances beyond party's control. Fed.Rules Bankr.Proc.Rule 9006(b)(1), 11 U.S.C.A.

1694 Cases that cite this headnote

[3] Bankruptcy

↪ Extension of Time; Excuse for Delay

51 Bankruptcy

51VII Claims

51VII(D) Proof; Filing

51k2897 Time for Filing

51k2900 Extension of Time; Excuse for Delay

51k2900(1) In general

Determination of whether neglect is "excusable," warranting allowing of late filing of claim, is at bottom an equitable one, taking account of all relevant circumstances surrounding party's omission; these include danger of prejudice to debtor, length of delay and its potential impact on judicial proceedings, reason for delay, including whether it was within reasonable control of movant, and whether movant acted in good faith. Fed.Rules Bankr.Proc.Rule 9006(b)(1), 11 U.S.C.A.

2949 Cases that cite this headnote

[4] **Attorney and Client**

↔ Scope of authority in general

45 Attorney and Client

45II Retainer and Authority

45k77 Scope of authority in general

Clients are held accountable for acts and omissions of their attorneys.

285 Cases that cite this headnote

[5] **Bankruptcy**

↔ Extension of Time; Excuse for Delay

51 Bankruptcy

51VII Claims

51VII(D) Proof; Filing

51k2897 Time for Filing

51k2900 Extension of Time; Excuse for Delay

51k2900(1) In general

In determining whether creditors' failure to file proofs of claim prior to bar date was excusable, proper focus is upon whether neglect of creditors and their counsel was excusable. Fed.Rules Bankr.Proc.Rule 9006(b)(1), 11 U.S.C.A.

665 Cases that cite this headnote

[6] **Bankruptcy**

↔ Time for Filing

51 Bankruptcy

51VII Claims

51VII(D) Proof; Filing

51k2897 Time for Filing

51k2897.1 In general

(Formerly 51k2897)

Claims bar date in bankruptcy case should be prominently announced and accompanied by explanation of its significance.

18 Cases that cite this headnote

[7] **Bankruptcy**

↔ Extension of Time; Excuse for Delay

Bankruptcy

↔ Lack or insufficiency of notice

51 Bankruptcy

51VII Claims

51VII(D) Proof; Filing

51k2897 Time for Filing

51k2900 Extension of Time; Excuse for Delay

51k2900(1) In general

51 Bankruptcy

51VII Claims

51VII(D) Proof; Filing

51k2897 Time for Filing

51k2900 Extension of Time; Excuse for Delay

51k2900(2) Lack or insufficiency of notice

Creditors' failure to timely file proof of claim was result of excusable neglect, warranting allowance of late claim; though upheaval in counsel's law practice at time of bar date was irrelevant, creditors acted in good faith, debtor was not prejudiced by delay, and notice of bar date was deficient. Fed.Rules Bankr.Proc.Rule 9006(b)(1), 11 U.S.C.A.

1044 Cases that cite this headnote

****1490 *380 Syllabus ***

As unsecured creditors of petitioner—a company seeking relief under Chapter 11 of the Bankruptcy Code—respondents were required to file proofs of claim with the Bankruptcy Court before the deadline, or bar date, established by that court. An August 3, 1989, bar date was included in a “Notice for Meeting of Creditors” received from the court by Mark Berlin, an official for respondents. Respondents' attorney was provided with a complete copy of the case file and, when asked, assertedly assured Berlin that no bar date had been set. On August 23, 1989, respondents asked the court to accept their proofs under Bankruptcy Rule 9006(b)(1), which allows a court to permit late filings where the movant's failure to comply with the deadline “was the result of excusable neglect.” The court refused, holding that a party may claim excusable neglect only if the failure to timely perform was due to circumstances beyond its reasonable control. The District Court remanded the case, ordering the Bankruptcy Court to evaluate respondents' conduct under a more liberal standard. The Bankruptcy Court applied that standard and again denied the motion, finding that several factors—the danger of prejudice to the debtor, the length of the delay and its potential impact on judicial proceedings, and whether the creditor acted in good faith—favored respondents, but that the delay was within their control and that they should be penalized for their counsel's mistake. The District Court affirmed, but the Court

of Appeals reversed. It found that the Bankruptcy Court had inappropriately penalized respondents for their counsel's error, since Berlin had asked the attorney about the impending deadlines and since the peculiar and inconspicuous placement of the bar date in a notice for a creditors' meeting without any indication of the date's significance left a dramatic ambiguity in the notification that would have confused even a person experienced in bankruptcy.

Held:

1. An attorney's inadvertent failure to file a proof of claim by the bar date can constitute "excusable neglect" within the meaning of Rule 9006(b)(1). Pp. 1494–1499.

381** a) Contrary to petitioner's suggestion, Congress plainly contemplated that the *1491** courts would be permitted to accept late filings caused by inadvertence, mistake, or carelessness, not just those caused by intervening circumstances beyond the party's control. This flexible understanding comports with the ordinary meaning of "neglect." It also accords with the underlying policies of Chapter 11 and the bankruptcy rules, which entrust broad equitable powers to the courts in order to ensure the success of a debtor's reorganization. In addition, this view is confirmed by the history of the present bankruptcy rules and is strongly supported by the fact that the phrase "excusable neglect," as used in several of the Federal Rules of Civil Procedure, is understood to be a somewhat "elastic concept." Pp. 1494–1498.

(b) The determination of what sorts of neglect will be considered "excusable" is an equitable one, taking account of all relevant circumstances. These include the first four factors applied in the instant case. However, the Court of Appeals erred in not attributing to respondents the fault of their counsel. Clients may be held accountable for their attorney's acts and omissions. See, e.g., *Link v. Wabash R. Co.*, 370 U.S. 626, 82 S.Ct. 1386, 8 L.Ed.2d 734. Thus, in determining whether respondents' failure to timely file was excusable, the proper focus is upon whether the neglect of respondents *and their counsel* was excusable. Pp. 1498–1499.

2. The neglect of respondents' counsel was, under all the circumstances, excusable. As the Court of Appeals found, the lack of any prejudice to the debtor or to the interest of efficient judicial administration, combined with the good faith of respondents and their counsel, weigh strongly in favor of permitting the tardy claim. As for the culpability

of respondents' counsel, it is significant that the notice of the bar date in this case was outside the ordinary course in bankruptcy cases. Normally, such a notice would be prominently announced and accompanied by an explanation of its significance, not inconspicuously placed in a notice regarding a creditors' meeting. P. 1499.

943 F.2d 673 (CA6 1991), affirmed.

WHITE, J., delivered the opinion of the Court, in which REHNQUIST, C.J., and BLACKMUN, STEVENS, and KENNEDY, JJ., joined. O'CONNOR, J., filed a dissenting opinion, in which SCALIA, SOUTER, and THOMAS, JJ., joined, *post*, p. 1500.

Attorneys and Law Firms

Craig J. Donaldson, Morristown, NJ, for petitioner.

***382** John A. Lucas, Knoxville, TN, for respondents.

Opinion

Justice WHITE delivered the opinion of the Court.

Rule 3003(c) of the Federal Rules of Bankruptcy Procedure sets out the requirements for filing proofs of claim in Chapter 9 Municipality and Chapter 11 Reorganization cases.¹ Rule 3003(c)(3) provides that the "court shall fix and for cause shown may extend the time within which proofs of claim or interest may be filed." Rule 9006 is a general rule governing the computation, enlargement, and reduction of periods of time prescribed in other bankruptcy rules. Rule 9006(b)(1) empowers a bankruptcy court to permit a late filing if the movant's failure to comply with an earlier deadline "was the result of excusable neglect."² ****1492** In this case, we are ***383** called upon to decide whether an attorney's inadvertent failure to file a proof of claim within the deadline set by the court can constitute "excusable neglect" within the meaning of the Rule. Finding that it can, we affirm.

I

On April 12, 1989, petitioner filed a voluntary petition for bankruptcy in the United States Bankruptcy Court for the Eastern District of Tennessee. The petition sought relief under Chapter 11 of the Bankruptcy Code. Petitioner also filed a list of its 20 largest unsecured creditors, including all but one

of respondents here. The following month, after obtaining extensions of time from the Bankruptcy Court, petitioner filed a statement of financial affairs and schedules of its assets and liabilities. The schedules, as amended, listed all of the respondents except Ft. Oglethorpe Associates Limited Partnership as creditors holding contingent, unliquidated, or disputed claims; the Ft. Oglethorpe partnership was not listed at all. Under § 1111 of the Bankruptcy Code, 11 U.S.C. § 1111(a), and Bankruptcy Rule 3003(c)(2), all such creditors are required to file a proof of claim with the bankruptcy court before the deadline, or “bar date,” established by the court.

On April 13, 1989, the day after petitioner filed its Chapter 11 petition, the Bankruptcy Court mailed a “Notice for Meeting of Creditors” to petitioner’s creditors. Along with the announcement of a May 5 meeting was the following passage:

***384** “You must file a proof of claim if your claim is scheduled as disputed, contingent or unliquidated, is unlisted or you do not agree with the amount. See 11 U.S.C. Sec. 1111 & Bankruptcy rule 3003. Bar date is August 3, 1989.” App. 29a.

The notice was received and read by Mark A. Berlin, president of the corporate general partners of each of the respondents. Berlin duly attended the creditors’ meeting on May 5. The following month, respondents retained an experienced bankruptcy attorney, Marc Richards, to represent them in the proceedings. Berlin stated in an affidavit that he provided Richards with a complete copy of the case file, including a copy of the court’s April 13, 1989, notice to creditors. Berlin also asserted that he inquired of Richards whether there was a deadline for filing claims and that Richards assured him that no bar date had been set and that there was no urgency in filing proofs of claim. *Id.*, at 121a. Richards and Berlin both attended a subsequent meeting of creditors on June 16, 1989.

Respondents failed to file any proofs of claim by the August 3, 1989, bar date. On August 23, 1989, respondents filed their proofs, along with a motion that the court permit the late filing under Rule 9006(b)(1). In particular, respondents’ counsel explained that the bar date, of which he was unaware, came at a time when he was experiencing “a major and significant disruption” in his professional life caused by his withdrawal from his former law firm on July 31, 1989. *Id.*, at 56a. Because of this disruption, counsel did ****1493** not have access to his copy of the case file in this matter until mid-August. *Ibid.*

The Bankruptcy Court refused the late filing. Following precedent from the Court of Appeals for the Eleventh Circuit, the court held that a party may claim “excusable neglect” only if its “ ‘failure to timely perform a duty was due to circumstances which were beyond [its] reasonable [c]ontrol.’ ” *Id.*, at 124a (quoting *In re South Atlantic Financial Corp.*, 767 F.2d 814, 817 (CA11 1985) (some internal quotation marks omitted), cert. denied *sub nom. Biscayne 21 Condominium Associates, Inc. v. South Atlantic Financial Corp.*, 475 U.S. 1015, 106 S.Ct. 1197, 89 L.Ed.2d 311 (1986)). Finding that respondents had received notice of the bar date and could have complied, the court ruled that they could not claim “excusable neglect.”

On appeal, the District Court affirmed in part and reversed in part. The court found “respectable authority for the narrow reading of ‘excusable neglect’ ” adopted by the Bankruptcy Court, but concluded that the Court of Appeals for the Sixth Circuit would follow “a more liberal approach.” App. 157a. Embracing a test announced by the Court of Appeals for the Ninth Circuit, the District Court remanded with instructions that the Bankruptcy Court evaluate respondents’ conduct against several factors, including: “ ‘(1) whether granting the delay will prejudice the debtor; (2) the length of the delay and its impact on efficient court administration; (3) whether the delay was beyond the reasonable control of the person whose duty it was to perform; (4) whether the creditor acted in good faith; and (5) whether clients should be penalized for their counsel’s mistake or neglect.’ ” *Id.*, at 158a–159a (quoting *In re Dix*, 95 B.R. 134, 138 (CA9 Bkrty. Appellate Panel 1988) (in turn quoting *In re Magouirk*, 693 F.2d 948, 951 (CA9 1982))). The District Court also suggested that the Bankruptcy Court consider whether the failure to comply with the bar date “resulted from negligence, indifference or culpable conduct on the part of a moving creditor or its counsel.” App. 159a.

On remand, the Bankruptcy Court applied the so-called *Dix* factors and again denied respondents’ motion. Specifically, the Bankruptcy Court found (1) that petitioner would not be prejudiced by the late filings; (2) that the 20–day delay in filing the proofs of claim would have no adverse impact on efficient court administration; (3) that the reason for the delay was not outside respondents’ control; (4) that respondents and their counsel acted in good faith; and (5) that, in ***386** light of Berlin’s business sophistication and his actual knowledge of the bar date, it would not be improper to penalize respondents for the neglect of their counsel. App. at 168a–172a. The court also found that respondents’ counsel was negligent in

missing the bar date and, “[t]o a degree,” indifferent to it. *Id.*, at 172a. In weighing these considerations, the Bankruptcy Court “attache[d] considerable importance to *Dix* factors 3 and 5,” and concluded that a ruling in respondents’ favor, notwithstanding their actual notice of the bar date, “would render nugatory the fixing of the claims’ bar date in this case.” *Id.*, at 173a. The District Court affirmed the ruling.

The Court of Appeals for the Sixth Circuit reversed. The Court of Appeals agreed with the District Court that “excusable neglect” was not limited to cases where the failure to act was due to circumstances beyond the movant’s control. The Court of Appeals also agreed with the District Court that the five “*Dix* factors” were helpful, although not necessarily exhaustive, guides. *In re Pioneer Investment Services Co.*, 943 F.2d 673, 677 (1991). The court found, however, that the Bankruptcy Court had misapplied the fifth *Dix* factor to this case. Because Berlin had inquired of counsel whether there were any impending filing deadlines and been told that none existed, the Court of Appeals ruled that the Bankruptcy Court had “inappropriately penalized the [respondents] for the errors of their counsel.” 943 F.2d, at 677.

****1494** The Court of Appeals also found “it significant that the notice containing the bar date was incorporated in a document entitled ‘Notice for Meeting of Creditors.’” *Id.*, at 678. “Such a designation,” the court explained, “would not have put those without extensive experience in bankruptcy on notice that the date appended to the end of this notice was intended to be the final date for filing proof of claims.” *Ibid.* Indeed, based on a comparison between the notice in this case and the model notice set out in Official Bankruptcy Form 16, the court concluded that the notice given respondents ***387** contained a “dramatic ambiguity,” which could well have confused “[e]ven persons experienced in bankruptcy.” *Ibid.* Having determined that the fifth *Dix* factor favored respondents rather than petitioner, the Court of Appeals found that the record demonstrated “excusable neglect.”

Because of the conflict in the Courts of Appeals over the meaning of “excusable neglect,”³ we granted certiorari, 504 U.S. 984, 112 S.Ct. 2963, 119 L.Ed.2d 585 (1992), and now affirm.

II

A

There is, of course, a range of possible explanations for a party’s failure to comply with a court-ordered filing deadline. At one end of the spectrum, a party may be prevented from complying by forces beyond its control, such as by an act of God or unforeseeable human intervention. At the other, a ***388** party simply may choose to flout a deadline. In between lie cases where a party may *choose* to miss a deadline although for a very good reason, such as to render first aid to an accident victim discovered on the way to the courthouse, as well as cases where a party misses a deadline through inadvertence, miscalculation, or negligence. Petitioner contends that the Bankruptcy Court was correct when it first interpreted Rule 9006(b)(1) to require a showing that the movant’s failure to comply with the court’s deadline was caused by circumstances beyond its reasonable control. Petitioner suggests that exacting enforcement of filing deadlines is essential to the Bankruptcy Code’s goals of certainty and finality in resolving disputed claims. Under petitioner’s view, any showing of fault on the part of the late filer would defeat a claim of “excusable neglect.”

[1] [2] We think that petitioner’s interpretation is not consonant with either the language of the Rule or the evident purposes underlying it. First, the Rule grants a reprieve to out-of-time filings that were delayed by “neglect.” The ordinary meaning of “neglect” is “to give little attention or respect” to a matter, or, closer to the point for our purposes, “to leave undone or unattended to *esp[ecially] through carelessness.*” Webster’s ****1495** Ninth New Collegiate Dictionary 791 (1983) (emphasis added). The word therefore encompasses both simple, faultless omissions to act and, more commonly, omissions caused by carelessness. Courts properly assume, absent sufficient indication to the contrary, that Congress intends the words in its enactments to carry “their ordinary, contemporary, common meaning.” *Perrin v. United States*, 444 U.S. 37, 42, 100 S.Ct. 311, 314, 62 L.Ed.2d 199 (1979). Hence, by empowering the courts to accept late filings “where the failure to act was the result of excusable neglect,” Rule 9006(b)(1), Congress plainly contemplated that the courts would be permitted, where appropriate, to accept late filings caused by inadvertence, mistake, or carelessness, as well as by intervening circumstances beyond the party’s control.

***389** Contrary to petitioner’s suggestion, this flexible understanding of “excusable neglect” accords with the

policies underlying Chapter 11 and the bankruptcy rules. The “excusable neglect” standard of Rule 9006(b)(1) governs late filings of proofs of claim in Chapter 11 cases but not in Chapter 7 cases.⁴ The rules’ differentiation between Chapter 7 and Chapter 11 filings corresponds with the differing policies of the two chapters. Whereas the aim of a Chapter 7 liquidation is the prompt closure and distribution of the debtor’s estate, Chapter 11 provides for reorganization with the aim of rehabilitating the debtor and avoiding forfeitures by creditors. See *United States v. Whiting Pools, Inc.*, 462 U.S. 198, 203, 103 S.Ct. 2309, 2312–2313, 76 L.Ed.2d 515 (1983). In overseeing this latter process, the bankruptcy courts are necessarily entrusted with broad equitable powers to balance the interests of the affected parties, guided by the overriding goal of ensuring the success of the reorganization. See *NLRB v. Bildisco & Bildisco*, 465 U.S. 513, 527–528, 104 S.Ct. 1188, 1197, 79 L.Ed.2d 482 (1984). This context suggests that Rule 9006’s allowance for late filings due to “excusable neglect” entails a correspondingly equitable inquiry.

The history of the present bankruptcy rules confirms this view. Rule 9006(b) is derived from Rule 906(b) of the former bankruptcy rules, which governed bankruptcy proceedings ***390** under the former Bankruptcy Act. Like Rule 9006(b) (1), former Rule 906(b) permitted courts to accept late filings “where the failure to act was the result of excusable neglect.” The forerunner of Rule 3003(c), which now establishes the requirements for filing claims in Chapter 11 cases, was former Rule 10–401(b), which established the filing requirements for proofs of claim in reorganization cases under Chapter X of the former Act, Chapter 11’s predecessor. The Advisory Committee’s Notes accompanying that former Rule make clear that courts were entrusted with the authority under Rules 10–401(b) and 906(b) to accept tardy filings “in accordance with the equities of the situation”:

“If the court has fixed a bar date for the filing of proofs of claim, it may still enlarge that time within the provisions of Bankruptcy Rule 906(b) which is made applicable in this subdivision. This policy is in accord with Chapter X generally which is to preserve rather than to forfeit rights. In § 102 it rejects the notion expressed in § 57n of the Act that claims must be filed within a six-month period to participate in ****1496** any distribution. Section 224(4) of Chapter X of the Act permits distribution to certain creditors even if they fail to file claims and § 204 fixes a minimum period of 5 years before distribution rights under a plan may be forfeited. This approach was intentional as

expressed in Senate Report 1916 (75th Cong., 3d Sess., April 20, 1938):

“ ‘Sections 204 and 205 insure participation in the benefits of the reorganization to those who, through inadvertence or otherwise, have failed to file their claims or otherwise evidence their interests during the pendency of the proceedings.’

“This attitude is carried forward in the rules, first by dispensing with the need to file proofs of claims and stock interests in most instances and, secondly, by permitting enlargement of the fixed bar date in a particular ***391** case with leave of court and for cause shown in accordance with the equities of the situation.” Advisory Committee’s Note accompanying Rule 10–401(b), reprinted in 13A J. Moore & L. King, *Collier on Bankruptcy* ¶ 10–401.01, p. 10–401–4 (14th ed. 1977).

This history supports our conclusion that the enlargement of prescribed time periods under the “excusable neglect” standard of Rule 9006(b)(1) is not limited to situations where the failure to timely file is due to circumstances beyond the control of the filer.

Our view that the phrase “excusable neglect” found in Bankruptcy Rule 9006(b)(1) is not limited as petitioner would have it is also strongly supported by the Federal Rules of Civil Procedure, which use that phrase in several places. Indeed, Rule 9006(b)(1) was patterned after Rule 6(b) of those Rules.⁵ Under Rule 6(b), where the specified period for the performance of an act has elapsed, a district court may enlarge the period and permit the tardy act where the omission is the “result of excusable neglect.”⁶ As with Rule 9006(b)(1), there is no indication that anything other than the commonly accepted meaning of the phrase was intended by its drafters. It is not surprising, then, that in applying Rule 6(b), the Courts of Appeals have generally recognized that ***392** “excusable neglect” may extend to inadvertent delays.⁷ Although inadvertence, ignorance of the rules, or mistakes construing the rules do not usually constitute “excusable” neglect, it is clear that “excusable neglect” under Rule 6(b) is a somewhat “elastic concept”⁸ and is not limited strictly to omissions caused by circumstances beyond the control of the movant.⁹

****1497** The “excusable neglect” standard for allowing late filings is also used elsewhere in the Federal Rules of Civil Procedure. When a party should have asserted a counterclaim

but did not, Rule 13(f) permits the counterclaim to be set up by amendment where the omission is due to “oversight, inadvertence, or excusable neglect, or when justice requires.” In the context of such a provision, it is difficult indeed to imagine that “excusable neglect” was intended to be limited as petitioner insists it should be.¹⁰

***393** The same is true of Rule 60(b)(1), which permits courts to reopen judgments for reasons of “mistake, inadvertence, surprise, or excusable neglect,” but only on motion made within one year of the judgment. Rule 60(b)(6) goes further, however, and empowers the court to reopen a judgment even after one year has passed for “any other reason justifying relief from the operation of the judgment.” These provisions are mutually exclusive, and thus a party who failed to take timely action due to “excusable neglect” may not seek relief more than a year after the judgment by resorting to subsection (6). *Liljeberg v. Health Services Acquisition Corp.*, 486 U.S. 847, 863, and n. 11, 108 S.Ct. 2194, 2205 n. 11, 100 L.Ed.2d 855 (1988). To justify relief under subsection (6), a party must show “extraordinary circumstances” suggesting that the party is faultless in the delay. See *ibid.*; *Ackerman v. United States*, 340 U.S. 193, 197–200, 71 S.Ct. 209, 211–213, 95 L.Ed. 207 (1950); *Klapprott v. United States*, 335 U.S. 601, 613–614, 69 S.Ct. 384, 390, 93 L.Ed. 266 (1949). If a party is partly to blame for the delay, relief must be sought within one year under subsection (1) and the party's neglect must be excusable. In *Klapprott*, for example, the petitioner had been effectively prevented from taking a timely appeal of a judgment by incarceration, ill health, and other factors beyond his reasonable control. Four years after a default judgment had been entered against him, he sought to reopen the matter under Rule 60(b) and was permitted to do so. As explained by Justice Black:

“It is contended that the one-year limitation [of subsection (1)] bars petitioner on the premise that the petition to set aside the judgment showed, at most, nothing but ‘excusable neglect.’ And of course, the one-year limitation would control if no more than ‘neglect’ was disclosed by the petition. In that event the petitioner could not avail himself of the broad ‘any other reason’ clause of ***394** 60(b). But petitioner's allegations set up an extraordinary situation which cannot fairly or logically be classified as mere ‘neglect’ on his part. The undenied facts set out in the petition reveal far more than a failure to defend ... due to inadvertence, indifference, or careless disregard of consequences.” *Id.*, at 613, 69 S.Ct., at 389.

Justice Frankfurter, although dissenting on other grounds, agreed that Klapprott's allegations of *inability* to comply with earlier deadlines took his case outside the scope of “excusable neglect” “because ‘neglect’ in the context of its subject matter carries the idea of negligence and not merely of non-action.” *Id.*, at 630, 69 S.Ct., at 398.

Thus, at least for purposes of Rule 60(b), “excusable neglect” is understood to encompass situations in which the failure to comply with a filing deadline is attributable to negligence. Because of the language and structure of Rule 60(b), a party's failure ****1498** to file on time for reasons beyond his or her control is not considered to constitute “neglect.” See *Klapprott, supra*.¹¹ This latter result, however, would not obtain under Bankruptcy Rule 9006(b)(1). Had respondents here been prevented from complying with the bar date by an act of God or some other circumstance beyond their control, the Bankruptcy Court plainly would have been permitted to find “excusable neglect.” At the same time, reading Rule 9006(b)(1) inflexibly to exclude every instance of an inadvertent or negligent omission would ignore the most natural ***395** meaning of the word “neglect” and would be at odds with the accepted meaning of that word in analogous contexts.¹²

B

[3] This leaves, of course, the Rule's requirement that the party's neglect of the bar date be “excusable.” It is this requirement that we believe will deter creditors or other parties from freely ignoring court-ordered deadlines in the hopes of winning a permissive reprieve under Rule 9006(b)(1). With regard to determining whether a party's neglect of a deadline is excusable, we are in substantial agreement with the factors identified by the Court of Appeals. Because Congress has provided no other guideposts for determining what sorts of neglect will be considered “excusable,” we conclude that the determination is at bottom an equitable one, taking account of all relevant circumstances surrounding the party's omission.¹³ These include, as the Court of Appeals found, the danger of prejudice to the debtor, 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. See 943 F.2d, at 677.¹⁴

****1499 *396** There is one aspect of the Court of Appeals' analysis, however, with which we disagree. The Court of Appeals suggested that it would be inappropriate to penalize respondents for the omissions of their attorney, reasoning that "the ultimate responsibility of filing the ... proof[s] of clai [m] rested with [respondents'] counsel." *Ibid.* The court also appeared to focus its analysis on whether respondents did all they reasonably could in policing the conduct of their attorney, rather than on whether their attorney, as respondents' agent, did all he reasonably could to comply with the court-ordered bar date. In this, the court erred.

[4] [5] In other contexts, we have held that clients must be held accountable for the acts and omissions of their attorneys. In *Link v. Wabash R. Co.*, 370 U.S. 626, 82 S.Ct. 1386, 8 L.Ed.2d 734 (1962), we held that a client may be made to suffer the consequence of dismissal of its lawsuit because of its attorney's failure to attend a scheduled pretrial conference. In so concluding, we found "no merit to the contention that dismissal of petitioner's claim because of his counsel's unexcused conduct imposes an unjust penalty on the client." *Id.*, at 633, 82 S.Ct., at 1390. To the contrary, the Court wrote:

***397** "Petitioner voluntarily chose this attorney as his representative in the action, and he cannot now avoid the consequences of the acts or omissions of this freely selected agent. Any other notion would be wholly inconsistent with our system of representative litigation, in which each party is deemed bound by the acts of his lawyer-agent and is considered to have 'notice of all facts, notice of which can be charged upon the attorney.'" *Id.*, at 633-634, 82 S.Ct., at 1390 (quoting *Smith v. Ayer*, 101 U.S. 320, 326, 25 L.Ed. 955 (1880)).

This principle also underlies our decision in *United States v. Boyle*, 469 U.S. 241, 105 S.Ct. 687, 83 L.Ed.2d 622 (1985), that a client could be penalized for counsel's tardy filing of a tax return. This principle applies with equal force here and requires that respondents be held accountable for the acts and omissions of their chosen counsel. Consequently, in determining whether respondents' failure to file their proofs of claim prior to the bar date was excusable, the proper focus is upon whether the neglect of respondents *and their counsel* was excusable.

III

[6] [7] Although the Court of Appeals in this case erred in not attributing to respondents the fault of their

counsel, we conclude that its result was correct nonetheless. First, petitioner does not challenge the findings made below concerning the respondents' good faith and the absence of any danger of prejudice to the debtor or of disruption to efficient judicial administration posed by the late filings. Nor would we be inclined in any event to unsettle factual findings entered by a Bankruptcy Court and affirmed by both the District Court and Court of Appeals. See *Goodman v. Lukens Steel Co.*, 482 U.S. 656, 665, 107 S.Ct. 2617, 2623, 96 L.Ed.2d 572 (1987). Indeed, in this case, the Bankruptcy Court took judicial notice of the fact that the debtor's second amended plan of reorganization, offered after this litigation was well underway, takes account of respondents' claims. App. 168a-169a. As the Court of Appeals found, ***398** the lack of any prejudice to the debtor or to the interests of efficient judicial administration, combined with the good faith of respondents and their counsel, weigh strongly in favor of permitting the tardy claim.

In assessing the culpability of respondents' counsel, we give little weight to the fact that counsel was experiencing upheaval in his law practice at the time of the bar date. We do, however, consider significant that the notice of the bar date provided by the Bankruptcy Court in this case was outside the ordinary course in bankruptcy cases. As the Court of Appeals noted, ordinarily the bar date in a bankruptcy case should be prominently announced ****1500** and accompanied by an explanation of its significance. See 943 F.2d at 678. We agree with the court that the "peculiar and inconspicuous placement of the bar date in a notice regarding a creditors['] meeting," without any indication of the significance of the bar date, left a "dramatic ambiguity" in the notification. *Ibid.*¹⁵ This is not to say, of course, that respondents' counsel was not remiss in failing to apprehend the notice. To be sure, were there any evidence of prejudice to petitioner or to judicial administration in this case, or any indication at all of bad faith, we could not say that the Bankruptcy Court abused its discretion in declining to find the neglect to be "excusable." In the absence of such a showing, however, we ***399** conclude that the unusual form of notice employed in this case requires a finding that the neglect of respondents' counsel was, under all the circumstances, "excusable."

For these reasons, the judgment of the Court of Appeals is

Affirmed.

Justice O'CONNOR, with whom Justice SCALIA, Justice SOUTER, and Justice THOMAS join, dissenting.

Today the Court replaces the straightforward analysis commended by the language of Bankruptcy Rule 9006(b) (1) with a balancing test. Because the Court's approach is inconsistent with the Rule's plain language and unduly complicates the task of courts called upon to apply it, I respectfully dissent.

I

Bankruptcy Rule 9006(b)(1) provides that, if a party moves for permission to act after having missed a deadline, the court "may at any time in its discretion ... permit the act to be done where the failure to act was the result of excusable neglect." This language establishes two requirements that must be met before untimely action will be permitted. First, no relief is available unless the failure to comply with the deadline "was the result of excusable neglect." Bkrcty.Rule 9006(b) (1). Second, the court may withhold relief if it believes forbearance inappropriate; the statute does not *require* the court to forgive every omission caused by excusable neglect, but states that the court "*may*" grant relief "in its discretion." *Ibid.* (emphasis added). Thus, the court must at the threshold determine its authority to allow untimely action by asking whether the failure to meet the deadline resulted from excusable neglect; if the answer is yes, *then* the court should consider the equities and decide whether to excuse the error.

Instead of following the plain meaning of the Rule and examining this case in these two steps, the Court employs a *400 multifactor balancing test covering numerous equitable considerations, including (and perhaps not limited to) "the danger of prejudice to the debtor, the length of the delay and its potential impact on judicial proceedings, the reason for the delay, ... and whether the movant acted in good faith." *Ante*, at 1498. But Rule 9006(b) does not simply command courts to permit late filing whenever it would be "equitable" in light of all the circumstances. Rather, it establishes that the courts may exercise their discretion in accord with the equities *only* if the failure to meet the deadline resulted from excusable neglect in the first place. Whether the failure resulted **1501 from excusable neglect depends on the nature of the omission itself, both in terms of cause and culpability. Consequently, until the reason for the omission is determined to be sufficiently blameless, the consequences of the failure, such as the effect on the parties or the impact on

the judicial system, are not relevant. *In re Vertientes, Ltd.*, 845 F.2d 57, 60 (CA3 1988) ("The court has no discretion to grant an extension simply because no prejudice would result, or for any other equitable reason"); *In re South Atlantic Financial Corp.*, 767 F.2d 814, 819 (CA11 1985) (The focus of the Rule is on the omission and the reasons therefor rather than on the effect on others), cert. denied, 475 U.S. 1015, 106 S.Ct. 1197, 89 L.Ed.2d 311 (1986); see also *Maressa v. A.H. Robins Co.*, 839 F.2d 220, 221 (CA4 1988) (no exception to claim filing deadlines based on general equitable principles).

Although the Court pays lipservice to the existence of a threshold determination regarding excusable neglect, see *ante*, at 1492 ("Rule 9006(b)(1) empowers a bankruptcy court to permit a late filing if the movant's failure to comply with an earlier deadline 'was the result of excusable neglect'"), it holds that the threshold question is "at bottom an equitable one." *Ante*, at 1498. Our case law is to the contrary.

In *Lujan v. National Wildlife Federation*, 497 U.S. 871, 110 S.Ct. 3177, 111 L.Ed.2d 695 (1990), we applied the virtually identical language of Federal Rule of Civil Procedure 6(b). Under that Rule, as under *401 this one, a court may not permit untimely filing unless it "find[s] as a substantive matter ... that the failure to file on time 'was the result of excusable neglect.'" 497 U.S., at 897, 110 S.Ct., at 3193. Characterizing that "obstacle" as "the greatest of all," *ibid.*, we examined the reasons for the movant's failure to make a timely filing. Nowhere in our discussion did we mention the equities or the consequences of the movant's failure to file. Instead, we concentrated exclusively on the asserted cause of the failure and the movant's culpability. See *ibid.*

The Court concedes that Federal Rule of Civil Procedure 6(b) and Bankruptcy Rule 9006(b) have virtually identical language; indeed, it even relies on the former to support its interpretation of the latter. *Ante*, at 1496–1497. Yet the majority provides no reason why we should depart from the analysis we so recently employed in *Lujan*, except to say it reads that case differently. See *ante*, at 1498, n. 13. While it is true that we did not "define" the phrase "excusable neglect" in *Lujan*, *ante*, at 1498, n. 13, there is no denying that we applied that phrase to the facts before us: There is simply no other explanation for the opinion's discussion of whether the movant had overcome that "greatest" of "substantive obstacle[s]," 497 U.S., at 897, 110 S.Ct., at 3193. But even if *Lujan* might be read differently, the majority offers no affirmative reason to believe that the equities *should* bear on whether neglect is "excusable." Instead it states:

“Because Congress has provided no other guideposts for determining what sorts of neglect will be considered ‘excusable,’ we conclude that the determination is at bottom an equitable one, taking account of all relevant circumstances surrounding the party’s omission.” *Ante*, at 1498.

In my view, Congress *has* provided “guideposts” as to how courts should determine whether “neglect will be considered ‘excusable.’ ” The majority simply fails to follow them. *402 First is the remaining language of Rule 9006(b)(1) itself, a good portion of which the majority fails to consult. The Rule, read in its entirety, establishes that the excusable neglect determination requires inquiry into causation rather than consequences: Unless “the *failure* to act was the *result* ” of the excusable neglect, relief is unavailable. “It is clear from this language that the focus of [the Rule] is on the movant’s actions and the reasons for those actions, not on the effect that an extension might have on the other **1502 parties’ positions.” *In re South Atlantic Financial Corp.*, *supra*, at 819. Moreover, Rule 9006(b)(1) indicates that the court must determine whether the neglect was “excusable” as of the moment it occurred rather than in light of facts known when untimely action is proposed. The Rule authorizes relief in cases where the failure “*was* ” the result of excusable neglect, not as to incidents where the neglect *is* excusable in light of current knowledge.

The majority also overlooks a second and dispositive guidepost—the accepted dictionary definition of “excusable neglect.” That definition does not incorporate the results or consequences of a failure to take appropriate and timely action; to the contrary, it turns on the cause or reasons for the failure and the culpability involved. According to Black’s Law Dictionary 566 (6th ed. 1990), “excusable neglect” is:

“[A] failure to take the proper steps at the proper time, not in consequence of the party’s own carelessness, inattention, or willful disregard of the process of the court, but in consequence of some unexpected or unavoidable hindrance or accident, or reliance on the care and vigilance of his counsel or on promises made by the adverse party. As used in rule (e.g. Fed.R.Civil P. 6(b)) authorizing court to permit an act to be done after expiration of the time within which

under the rules such act was required to be done, where failure to act was the result of ‘excusable neglect’, quoted phrase is ordinarily *403 understood to be the act of a reasonably prudent person under the same circumstances.”

Cf. 4A C. Wright & A. Miller, *Federal Practice and Procedure* § 1165, pp. 480, 482 (2d ed. 1987) (“Excusable neglect [in Fed.Rule Civ.Proc. 6(b)] seems to require a demonstration of good faith on the part of the party seeking an enlargement and some reasonable basis for noncompliance.... Absent a showing along these lines, relief will be denied”). Of course, we are not bound to accept Black’s Law Dictionary as the authoritative expositor of American law. But if Congress had intended to depart from the accepted meaning of excusable neglect—supplementing its exclusive focus on the *reason* for the error with an emphasis on its *effect*—surely it would have so indicated.

In any event, it is quite unnatural to read the term “excusable neglect” to mean a variety of neglect that, in light of subsequent events and all the equities, turns out to be excusable. Not only does such an interpretation suffer from circularity—excusable neglect becomes the neglect that the court in its equitable discretion chooses to excuse—but it also renders critical language in the Rule superfluous. After all, the majority’s interpretation would be no different if Rule 9006(b) afforded courts discretion to give relief in cases of “neglect” rather than “excusable neglect.” The term “neglect” would describe the acceptable level of culpability, see *ante*, at 1494–1498, and the equities still would move the court’s discretionary decision on whether it in fact would excuse the error once “neglect” was shown. The Court’s interpretation thus reads the word “excusable” right out of the Rule. In my view, Congress included the word “excusable” to convey the notion that some types of neglect—at a minimum, the highly culpable and the willful—cannot be forgiven, regardless of the consequences.

The Court does recognize one guidepost. It states that the requirement of “excusable neglect” should be construed so as to “deter creditors or other parties from freely ignoring *404 court-ordered deadlines in the hopes of winning a permissive reprieve under Rule 9006(b)(1).” *Ante*, at 1498. But rather than concentrating on the types of culpable neglect that ought to be deterred, the majority immediately shifts its focus to considerations such as the *effect* of the failure to take timely action, including prejudice to the debtor and the effect on judicial proceedings. *Ibid*. If the goal of requiring neglect

to be “excusable” is to deter culpable noncompliance, the consequences of such noncompliance should be irrelevant. To hold otherwise not only ****1503** undermines deterrence but excuses the inexcusable.

II

The Court's approach also undermines the interests the Bankruptcy Rules seek to promote. Because the majority's balancing test is indeterminate, its results frequently will be called into question. Reasonable minds often differ greatly on what the equities require. This case is a prime example. Applying much the same test the Court applies today, two courts below held that respondents' neglect was inexcusable. Then the Court of Appeals substituted its view and held otherwise. Today the Court evens the score at two to two. We ought not unnecessarily introduce so much uncertainty into a routine matter like an “excusable neglect” determination. Nor should we unhesitatingly endorse an approach that invites litigants to seek redetermination of their procedural disputes from four different courts.

Direct application of Rule 9006(b)(1)'s plain language to this case, in contrast, is straightforward. First, we must examine the failure to act itself and ask if it resulted from excusable neglect. If it did, then the lower court may, in its discretion, permit untimely action in accord with the equities. But if the failure did not result from excusable neglect, there is no reason to consider the effects of the failure.

That, of course, brings us to the question to which the majority devotes the bulk of its discussion: whether mere ***405** negligence can qualify as excusable neglect. *Ante*, at 1494–1498. As the majority points out, *ante*, at 1494, the Courts of Appeals have disagreed on this matter. Some require the omission to result from circumstances beyond counsel's reasonable control. See, e.g., *In re South Atlantic Financial Corp.*, 767 F.2d, at 819, and cases cited *ante*, at 1494, n. 3. Others hold that negligence may constitute excusable neglect but distinguish among different types of negligence. Cf. *Consolidated Freightways Corp. of Delaware v. Larson*, 827 F.2d 916, 919 (CA3 1987) (“Excusable neglect” inquiry entails a “qualitative distinction between inadvertence which occurs despite counsel's affirmative efforts to comply and inadvertence which results from counsel's lack of diligence”) (Fed.Rule App.Proc. 4(a)), cert. denied *sub nom. Consolidated Freightways Corp. of Delaware v. Secretary of Transp. of Pennsylvania*, 484 U.S.

1032, 108 S.Ct. 762, 98 L.Ed.2d 775 (1988). In my view, we need not resolve that dispute in this case. Once we properly clarify the factors that are *relevant* to the excusable neglect determination, the Bankruptcy Court's findings compel the conclusion that respondents' neglect was inexcusable under any standard.

The Bankruptcy Court expressly found that respondents' former counsel's failure to file a timely proof of claim resulted from negligence and, to some degree, an attitude of “indifference” toward the deadline. App. 172a. In addition, the court noted that the client, a sophisticated business person and an active participant in the bankruptcy proceedings, had received actual notice of, and was aware of, the deadline. *Id.*, at 171a. Thus, this is not a case of a clerical or other minor error yielding an untoward result despite counsel's best efforts; it is a case in which counsel simply failed to look after his business properly, even if that failure was not the result of bad faith.

The Court of Appeals held the neglect excusable nonetheless for two reasons. First, it thought it inequitable to saddle the client with the mistakes of its attorney. The Court ***406** today properly rejects that rationale. *Ante*, at 1499. The second reason offered by the Court of Appeals was that the notice containing the deadline was incorporated in a document entitled “Notice for Meeting of Creditors.” That designation, the court explained, was not enough to put those without extensive bankruptcy experience on notice that the “bar date” at the end of the notice was the final date for filing proofs of claims. ****1504** *In re Pioneer Investment Services Co.*, 943 F.2d 673, 678 (CA6 1991). In addition, the court noted that use of the term “bar date” to designate the deadline for filing a proof of claim was “dramatic[ally] ambigu[ous]” since there are many bar dates in bankruptcy, not all of them for the filing of proofs of claims. *Ibid.* The Court today signals its agreement. *Ante*, at 1499, and n. 15. The majority and the Court of Appeals may be correct that the form of notice was unorthodox; they also may be correct in asserting that, if the inadequacy of notice caused respondents to miss the deadline, respondents' failure was the result of “excusable neglect.” But they are not correct in asserting that respondents' former lawyer overlooked the deadline “as a result of” the unorthodox form of notice. The Bankruptcy Court made no such finding. Nor did it find that the notice's ambiguity somehow led counsel astray. On the contrary, the Bankruptcy Court found that both counsel and client had actual notice of the deadline and that the cause of their failure to file on time was indifference and negligence. App. 172a.

To be sure, we would not be obligated to accept those findings if they were not supported by the record. But they are supported by the record. Indeed, in a commendable display of candor, respondents' former counsel admitted that the "foul-up" was "particularly" his own. *Id.*, at 72a. Accord, *id.*, at 112a ("[T]he foul-up I can't lay to the clients' shoes because it really is probably mine"). There is no indication that he blamed his error on petitioner's form of notice. Rather, he appealed to the Bankruptcy Court's sense of fairness, *407 arguing that it would be inequitable to penalize his client so greatly where the "delay was occasioned not by [the client], but by its counsel." *Id.*, at 73a. Accord, *id.*, at 102(a) ("[U]nder all the circumstances, we think it would be unfair and inequitable to visit the sins of the lawyer on the client"); *id.*, at 112a (Although the foul-up was respondents' attorney's, given "the lack of prejudice [and] the totality of all the circumstances, [it would be] inherently inequitable to visit the sins on the client for this situation").

Perhaps it would have been desirable for the Bankruptcy Court to make a specific factual finding on whether the unorthodox form of notice actually caused respondents' former counsel to miss the deadline. Given that respondents' lawyer offered no reason why he overlooked the bar date, it is not inconceivable that the notice's unorthodoxy led him astray. *Id.*, at 57a (no recollection of seeing the order setting the deadline); *id.*, at 103a (same). But if there is uncertainty, the answer is to remand to the Bankruptcy Court for appropriate factual findings. Based on the current state of the record and the findings the Bankruptcy Court did make, I cannot accept the majority's finding that counsel's failure in fact resulted from the inadequacy of notice.

Respondents' former counsel's error may represent a relatively unaggravated instance of negligence. He did not miss deadlines repeatedly despite clear warnings. Nor did he act in bad faith. But respondents, their former lawyer, the Court of Appeals, and the majority today have all failed to produce a reasonable explanation for this rather major error. More important still, the Bankruptcy Court *did* explain the error. It found that respondents' failure to meet the deadline resulted at least in part from counsel's "indifference." The majority offers no reason for ignoring that finding. Even accepting the conclusion that excusable neglect may cover some instances of negligence, indifference falls outside the range of the "excusable." Because the failure to act in this case did not result from excusable neglect, there is no *408 occasion to consider whether the Bankruptcy Court properly

exercised its discretion in light of the equities; respondents were ineligible for relief in any event.

The Court's only response is that, even if one focuses exclusively on the nature of the error and why it occurred, the parties can still litigate the Rule's application. *Ante*, at 1498, n. 14. But that objection can be made **1505 to any approach; courts always must apply law to facts. The point is that following the plain language of Rule 9006(b) (1) renders the law's application both easier and more certain. A determination that a party missed the filing deadline on account of "indifference" or some other reason is not as "susceptible of litigation," *ibid.*, as the result of multifactor balancing. The determination is factual and, as such, may be overturned on review only if clearly erroneous. In fact, no one—neither the parties nor any of the many courts that have reviewed this case—has suggested that there was clear error here. Rather, in this case, as in most others like it, the Bankruptcy Court's findings are more than adequately supported by the record.

Indeed, the majority succeeds in circumventing the finding of "indifference" only by ignoring it, concentrating instead on other considerations in the multifactor test. The Court's technique will no doubt prove instructive to anyone appealing an excusable neglect determination in the future, for it highlights the indeterminacy of the test: A simple shift in focus from one factor to another—here, from cause to effects—shifts the balance and the result. The approach required by the Rule itself, in contrast, precludes that slippery tactic. At the threshold, there is but one question on which to focus: the reason the deadline was missed. Contrary to the Court's assertion, *ibid.*, that singular focus does not require us to hold today that all incidents of negligence are inexcusable. We need hold only that *indifference* is inexcusable. That, I would have thought, goes without saying.

*409 III

When courts depart from the language of a congressional command, they often create unintended difficulties in the process. This case, I fear, may prove no exception. The majority's single-step, multifactor, equitable balancing approach to "excusable neglect" is contrary to the language of Rule 9006(b) and inconsistent with sensible notions of judicial economy. Its indeterminacy not only renders consistent application unlikely but also invites unproductive recourse to appeal. Such consequences are especially

unfortunate in the Rules of *Bankruptcy* Procedure. An entity in bankruptcy can ill afford to waste resources on litigation; every dollar spent on lawyers is a dollar creditors will never see. Congress established in Rule 9006(b) the inquiry that should be made when courts contemplate permitting untimely action. Under the approach commended by that Rule, respondents are barred from filing an untimely proof of claim because its omission resulted from a neglect that, on this record, was simply inexcusable; the equities, no matter

how compelling, cannot propel respondents over that hurdle. I therefore respectfully dissent.

Parallel Citations

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Footnotes

- * The syllabus constitutes no part of the opinion of the Court but has been prepared by the Reporter of Decisions for the convenience of the reader. See *United States v. Detroit Lumber Co.*, 200 U.S. 321, 337, 26 S.Ct. 282, 287, 50 L.Ed. 499.
- 1 Bankruptcy Rule 3003(c), in relevant part, provides:
“(c) Filing Proof of Claim.
“(1) *Who May File*. Any creditor or indenture trustee may file a proof of claim within the time prescribed by subdivision (c)(3) of this rule.
“(2) *Who Must File*. Any creditor or equity security holder whose claim or interest is not scheduled or scheduled as disputed, contingent, or unliquidated shall file a proof of claim or interest within the time prescribed by subdivision (c)(3) of this rule; any creditor who fails to do so shall not be treated as a creditor with respect to such claim for the purposes of voting and distribution.
“(3) *Time for Filing*. The court shall fix and for cause shown may extend the time within which proofs of claim or interest may be filed. Notwithstanding the expiration of such time, a proof of claim may be filed to the extent and under the conditions stated in Rule 3002(c)(2), (c)(3), and (c)(4).”
- 2 Bankruptcy Rule 9006(b) provides:
“(b) Enlargement.
“(1) *In General*. Except as provided in paragraphs (2) and (3) of this subdivision, when an act is required or allowed to be done at or within a specified period by these rules or by a notice given thereunder or by order of court, the court for cause shown may at any time in its discretion (1) with or without motion or notice order the period enlarged if the request therefor is made before the expiration of the period originally prescribed or as extended by a previous order or (2) on 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.
“(2) *Enlargement Not Permitted*. The court may not enlarge the time for taking action under Rules 1007(d), 1017(b)(3), 2003(a) and (d), 7052, 9023, and 9024.
“(3) *Enlargement Limited*. The court may enlarge the time for taking action under Rules 1006(b)(2), 1017(e), 3002(c), 4003(b), 4004(a), 4007(c), 8002, and 9033, only to the extent and under the conditions stated in those rules.”
- 3 The Courts of Appeals for the Fourth, Seventh, Eighth, and Eleventh Circuits have taken a narrow view of “excusable neglect” under Rule 9006(b)(1), requiring a showing that the delay was caused by circumstances beyond the movant's control. See *In re Davis*, 936 F.2d 771, 774 (CA4 1991); *In re Danielson*, 981 F.2d 296, 298 (CA7 1992); *Hanson v. First Bank of South Dakota, N.A.*, 828 F.2d 1310, 1314–1315 (CA8 1987); *In re Analytical Systems, Inc.*, 933 F.2d 939, 942 (CA11 1991). The Court of Appeals for the Tenth Circuit, by contrast, has applied a more flexible analysis similar to that employed by the Court of Appeals in the present case. *In re Centric Corp.*, 901 F.2d 1514, 1517–1518, cert. denied *sub nom. Trustees of Centennial State Carpenters Pension Trust Fund v. Centric Corp.*, 498 U.S. 852, 111 S.Ct. 145, 112 L.Ed.2d 112 (1990). The Courts of Appeals similarly have divided in their interpretations of “excusable neglect” as found in Rule 4(a)(5) of the Federal Rules of Appellate Procedure. Some courts have required a showing that the movant's failure to meet the deadline was beyond its control, see, e.g., *650 Park Ave. Corp. v. McRae*, 836 F.2d 764, 767 (CA2 1988); *Pratt v. McCarthy*, 850 F.2d 590, 592 (CA9 1988), while others have adopted a more flexible approach similar to that employed by the Court of Appeals in this case, see, e.g., *Consolidated Freightways Corp. of Delaware v. Larson*, 827 F.2d 916 (CA3 1987), cert. denied *sub nom. Consolidated Freightways Corp. v. Secretary of Transp. of Pennsylvania*, 484 U.S. 1032, 108 S.Ct. 762, 98 L.Ed.2d 775 (1988); *Lorenzen v. Employees Retirement Plan of Sperry-Hutchinson Co.*, 896 F.2d 228, 232–233 (CA7 1990).
- 4 The time-computation and time-extension provisions of Rule 9006, like those of Federal Rule of Civil Procedure 6, are generally applicable to any time requirement found elsewhere in the rules unless expressly excepted. Subsections (b)(2) and (b)(3) of Rule 9006 enumerate those time requirements excluded from the operation of the “excusable neglect” standard. One of the time requirements listed as excepted in Rule 9006(b)(3) is that governing the filing of proofs of claim in Chapter 7 cases. Such filings are governed

exclusively by Rule 3002(c). See Rule 9006(b)(3); *In re Coastal Alaska Lines, Inc.*, 920 F.2d 1428, 1432 (CA9 1990). By contrast, Rule 9006(b) does not make a similar exception for Rule 3003(c), which, as noted earlier, establishes the time requirements for proofs of claim in Chapter 11 cases. Consequently, Rule 9006(b)(1) must be construed to govern the permissibility of late filings in Chapter 11 bankruptcies. See Advisory Committee's Note accompanying Rule 9006(b)(1).

5 See Advisory Committee's Note accompanying Rule 9006(b).

6 Federal Rule of Civil Procedure 6(b) provides:

“(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.”

7 See, e.g., *United States v. Borromeo*, 945 F.2d 750, 753–754 (CA4 1991); *Hill v. Marshall*, No. 86–3987, 1988 WL 117163, at *2, 1988 U.S.App. LEXIS 14742, *4 (CA6, Nov. 4, 1988); *Dominic v. Hess Oil V.I. Corp.*, 841 F.2d 513, 517 (CA3 1988); *Sony Corp. v. Elm State Electronics, Inc.*, 800 F.2d 317, 319 (CA2 1986); *United States ex rel. Robinson v. Bar Assn. of District of Columbia*, 89 U.S.App.D.C. 185, 186, 190 F.2d 664, 665 (1951). But see *Hewlett-Packard Co. v. Olympus Corp.*, 931 F.2d 1551, 1552–1553 (CA Fed.1991).

8 4A C. Wright & A. Miller, *Federal Practice and Procedure* § 1165, p. 479 (2d ed. 1987).

9 The Courts of Appeals generally have given a similar interpretation to “excusable neglect” in the context of Rule 45(b) of the Federal Rules of Criminal Procedure, which, like Rule 9006(b), was modeled after Rule 6(b). See, e.g., *United States v. Roberts*, 978 F.2d 17, 21–24 (CA1 1992); *Warren v. United States*, 123 U.S.App.D.C. 160, 163, 358 F.2d 527, 530 (1965); *Calland v. United States*, 323 F.2d 405, 407–408 (CA7 1963).

10 In assessing what constitutes “excusable neglect” under Rule 13(f), the lower courts have looked, *inter alia*, to the good faith of the claimant, the extent of the delay, and the danger of prejudice to the opposing party. See, e.g., *New York Petroleum Corp. v. Ashland Oil, Inc.*, 757 F.2d 288, 291 (Temp.Emerg.Ct.App.1985); *Gaines v. Farese*, No. 87–5567, 1990 WL 153937, *3, 1990 U.S.App. LEXIS 18086, *9 (CA6, Oct. 11, 1990); *Barrett v. United States Banknote Corp.*, 1992–2 Trade Cases ¶ 69,956, p. 68,607, 1992 WL 232055 (SDNY 1992); *Technographics, Inc. v. Mercer Corp.*, 142 F.R.D. 429, 430 (MD Pa.1992). Federal Rule of Bankruptcy Procedure 7013 contains a similar allowance for late counterclaims brought by a trustee or debtor in possession.

11 A similar, but even more explicit, dichotomy can be found in a former Rule of the Court of Appeals for the Second Circuit governing the late filing of appeals. That Rule permitted late filings “ ‘upon a showing ... (a) that the delay has been due to cause beyond the control of the moving party or (b) that the delay has been due to circumstances which shall be deemed to be merely excusable neglect....’ ” Rule 15(2), U.S.C.C.A., Second Circuit, quoted in *Pyramid Motor Freight Corp. v. Ispass*, 330 U.S. 695, 703, n. 10, 67 S.Ct. 954, 958, n. 10, 91 L.Ed. 1184 (1947). Although the meaning given “excusable neglect” for purposes of this Rule obviously is not controlling for purposes of Rule 9006(b)(1), it does suggest that the meaning of “excusable neglect” urged by petitioner is far from natural.

12 See also *United States v. Boyle*, 469 U.S. 241, 245, n. 3, 105 S.Ct. 687, 690, n. 3, 83 L.Ed.2d 622 (1985) (“neglect” as used in statute governing late filing of tax returns “impl[ies] carelessness”).

13 The dissent discerns in *Lujan v. National Wildlife Federation*, 497 U.S. 871, 110 S.Ct. 3177, 111 L.Ed.2d 695 (1990), an indication that the factors relevant to this inquiry extend no further than the movant's culpability and the reason for the delay, see *post*, at 1501. We cannot agree. *Lujan* held that a District Court did not abuse its discretion in declining to permit a late filing under Rule 6(b) of the Civil Rules on grounds of excusable neglect. 497 U.S., at 897–898, 110 S.Ct., at 3193. The Court did not, however, define “excusable neglect” or even decide whether that standard could have been met on the facts of that case.

14 The dissent would permit judges to take account of the full range of equitable considerations only if they have first made a threshold determination that the movant is “sufficiently blameless” in the delay, see *post*, at 1501. The dissent believes that this formulation of the Rule's requirements would bring needed clarity to the Rule's application and save judicial resources. See *post*, at 1504–1505. But narrowing the range of factors to be considered in making the “excusable neglect” determination will not eliminate disputes over how the remaining factors should be applied in any given case. For purposes of the present case at least, the dissent appears willing to draw a line between ordinary negligence and partial “indifference” to deadlines, see *post*, at 1504, but parties with valuable interests at stake will no doubt find this distinction susceptible of litigation. The only reliable means of eliminating the “indeterminacy” the dissent finds so troubling would be to adopt a bright-line rule of the sort embraced by some Courts of Appeals, erecting a rigid barrier against late filings attributable in any degree to the movant's negligence. As we have suggested, however, such a construction

is irreconcilable with our cases assigning a more flexible meaning to “excusable *neglect*.” Faced with a choice between our own precedent and Black’s Law Dictionary, we adhere to the former.

- 15 Indeed, one commentator has warned expressly of the deficiency in the method of notification employed by the Bankruptcy Court here: “Prior to the adoption of the present bankruptcy rules some bankruptcy courts placed a time to close the receipt of claims in chapter 11 in the notice sent to the listed creditors for the first meeting of creditors. This practice should be strongly discouraged. It conflicts with some of the factual circumstances giving rise to a claim in chapter 11 and can ambush unwitting creditors. Since creditors are notorious for failing to read all of the boilerplate language in the xeroxed form distributed as the notice of the first meeting of creditors, counsel for creditors will be wise to double check and ask for a prompt receipt of the notice from the client or examine the notice on file in the particular bankruptcy case.” R. Aaron, *Bankruptcy Law Fundamentals* § 8.02[7], p. 8–21 (rev. ed. 1991).

2011 WL 1060725 (Trademark Tr. & App. Bd.)

THIS OPINION IS NOT A PRECEDENT OF THE T.T.A.B.

Trademark Trial and Appeal Board

Patent and Trademark Office (P.T.O.)

Nestle Prepared Foods Company

v.

V & V Enterprises Incorporated

Opposition No. 91167465 to application Serial No. 76590414 filed on May 4, 2004

October 21, 2010

March 10, 2011

*1 Virginia S. Taylor, Michael W. Rafter, Charlene R. Marino, and Christopher P. Bussert of Kilpatrick Stockton LLP for Nestle Prepared Foods Company

Michael S. Culver of Millen, White, Zelano & Branigan, P.C. for V & V Enterprises Incorporated

Before Grendel, Zervas and Kuhlke

Administrative Trademark Judges

Opinion by Kuhlke

Administrative Trademark Judge:

Applicant, V & V Enterprises Incorporated, seeks registration of the mark shown below for goods identified in the application as "pocket sandwiches" in International Class 30.



The application was filed on May 4, 2004, alleging May 3, 2004, as the date of first use in commerce under Section 1(a), 15 U.S.C. §1051(a). The wording "POCKET FOODS CORPORATION" is disclaimed.

Opposer, Nestle Prepared Foods Company, as pleaded in its amended notice of opposition, opposed registration of applicant's mark, on the grounds that, as used with applicant's goods, the mark so resembles "each of opposer's HOT POCKETS Marks as to be likely to cause confusion, mistake, and deception, particularly in view of the competitive nature of the parties' goods."¹ Amended Notice of Opp. Spec. ¶10. Applicant filed an answer by which it denied the salient allegations and asserted that opposer "is not the owner of the pleaded registrations." Answer to Amended Notice of Opposition.

Briefs were filed and an oral hearing was held on October 21, 2010. As a preliminary matter, in its reply brief opposer moves to strike applicant's brief as untimely. Opposer filed its main brief on the case on February 24, 2010 and applicant filed its brief on March 31, 2010. Trademark Rule 2.128(a)(1) provides that the "brief of the party in the position of defendant, if filed, shall be due not later than thirty days after the due date of the first brief." Thus, applicant's brief was due on March 26, 2010. At oral hearing it became evident that applicant was under the misapprehension that the additional five days provided under Trademark Rule 2.119(c) was applicable to briefs on the case. However, Trademark Rule 2.119(c) provides that "[w]henver a party is

required to take some action within a prescribed period after the service of a paper upon the party by another party and the paper is served by firstclass mail...5 days shall be added to the prescribed period.” (emphasis added). Trademark Rule 2.119(c) only applies when the time for taking action is triggered by the service of a paper. The Rule is not applicable to circumstances where the time for taking action is triggered by a set due date such as that prescribed in Trademark Rule 2.128(a)(1). Opposer argues that applicant has not shown excusable neglect and because of applicant's delay it had five fewer days in which to prepare and file its reply brief. At a minimum, opposer argues, applicant's evidentiary objections should be waived due to the untimely filing of the brief.

*2 Here, the five day delay in filing is minimal and has had no impact on the proceedings. As to any prejudice to opposer, opposer did not request an extension of time in which to file its reply brief and, in fact, filed a reply brief within the required timeframe addressing all of applicant's arguments and objections. While applicant's mistaken interpretation of the rules was within its control, it is also clear that its conduct did not fall within the realm of bad faith. Fed. R. Civ. P. 6(b)(1)(B). Under the circumstances, and because it benefits the Board in its ability to make a just determination of the case in light of the specific issues raised in this proceeding to have the briefs of both parties of record, applicant's brief, including the objections maintained therein is accepted.²

Before considering opposer's claim of priority and likelihood of confusion, we must first address which mark(s) are at issue in this proceeding. The amended notice of opposition refers to “HOT POCKETS” generally and “related ‘POCKETS’ marks” in certain paragraphs, it also contains allegations that two registrations will be “collectively referred to as “Opposer's HOT POCKETS Marks” and then refers to “Opposer's HOT POCKETS Marks” in the paragraph alleging likelihood of confusion. The pleading also lists three registrations for marks that contain the wording HOT POCKETS. Plaintiff is not the owner of these registrations. They are owned by plaintiff's parent company Societe Des Produits Nestle S.A. (Societe), a Switzerland Corporation. Thus, plaintiff may not rely on the registrations for the presumptions afforded by Section 7(b) of the Trademark Act, 15 U.S.C. §1057, as opposer acknowledged at the oral hearing, and must prove priority through establishing prior use.³ See *Chemical New York Corp. v. Conmar Form Systems, Inc.*, 1 USPQ2d 1139, 1144 (TTAB 1986) (wholly-owned subsidiary of owner of registrations may not rely on registrations to prove priority); *Yamaha International Corp. v. Stevenson*, 196 USPQ 701, 702 (TTAB 1979) (opposer could not rely on 7(b) presumptions where registration is owned by its parent company); *Fuld Brothers, Inc. v. Carpet Technical Service Institute, Inc.*, 174 USPQ473, 475-76 (TTAB 1972)⁴ (although petitioner can rely on its wholly-owned subsidiary's use of a mark, petitioner cannot rely on the registrations owned by its wholly-owned subsidiary for statutory presumptions); and *Joseph S. Finch & Co. v. E. Martinoni Co.*, 157 USPQ 394, 395 (TTAB 1968) (opposer cannot rely on registrations owned by its parent or its parent's subsidiaries). See also TBMP 704.03(b)(1)(B) (2d ed. rev. 2004).⁵

Turning to opposer's common law marks, applicant argues that opposer may not rely on the LEAN POCKETS and CROISSANT POCKETS marks inasmuch it did not plead use of those marks. At trial, opposer clearly asserted its use of the marks HOT POCKETS, LEAN POCKETS and CROISSANT POCKETS in connection with stuffed sandwiches. During opposer's testimony, applicant did not object to testimony about such use and in fact conducted cross-examination on these marks. Implied consent to the trial of an unpleaded issue can be found only where the nonoffering party (1) raised no objection to the introduction of the evidence on the issue, and (2) was fairly apprised that the evidence was being offered in support of the issue. *Morgan Creek Productions Inc. v. Foria International Inc.*, 91 USPQ2d 1134, 1138 (TTAB 2009); *H.D. Lee Co. v. Maidenform Inc.*, 87 USPQ2d 1715, 1720-1721 (TTAB 2008). There is no question that applicant was apprised of opposer's intent to try the issue of its use and reliance on the asserted LEAN POCKETS and CROISSANT POCKETS marks. Thus, despite applicant's objection to the testimony and accompanying exhibits pertaining to these marks presented for the first time in its brief, applicant has implicitly consented to trial of the issue of priority and likelihood of confusion with respect to opposer's use of LEAN POCKETS and CROISSANT POCKETS and there is no prejudice to applicant in so holding. In view thereof, the pleadings are amended by implied consent to assert opposer's use of LEAN POCKETS and CROISSANT POCKETS in connection with stuffed sandwiches, and to the extent there was any ambiguity, the pleadings are clarified to allege likelihood of confusion with opposer's asserted common law HOT POCKETS mark. Fed. R. Civ. P. 15(b). We note that opposer only discussed the HOT

POCKETS and LEAN POCKETS marks in its brief. Thus, opposer's asserted marks at issue before us are the asserted common law marks HOT POCKETS and LEAN POCKETS. We focus our decision on its HOT POCKETS mark.

*3 In view of the above, the evidence of record consists of the pleadings herein; the file of applicant's subject application; the testimony deposition (with exhibits) submitted by opposer of Michael Raymond Niethammer,⁶ opposer's Group Marketing Manager for the Hot Pockets brand; opposer's notices of reliance on registrations, official records and the discovery deposition of applicant's 30(b)(6) witness Carl Vennitti; and defendant's notices of reliance on various documents, including online dictionary definitions, third party registrations and a cookbook.⁷

STANDING

As discussed below, opposer has shown that it uses the marks HOT POCKETS and LEAN POCKETS in connection with frozen stuffed sandwiches and has demonstrated a real interest in preventing registration of applicant's mark. See *Ritchie v. Simpson*, 170 F.3d 1092, 50 USPQ2d 1023 (Fed. Cir. 1999); *Jewelers Vigilance Committee, Inc. v. Ullenberg Corp.*, 823 F.2d 490, 2 USPQ2d 2021 (Fed. Cir. 1987); *Lipton Industries, Inc. v. Ralston Purina Co.*, 670 F.2d 1024, 213 USPQ 185 (CCPA 1982). Thus, opposer has established its standing.

PRIORITY

As noted above, because opposer is not the owner of the pleaded registrations, opposer must prove its common law rights prior to applicant's priority date. *Hydro-Dynamics Inc. v. George Putnum and Company Inc.*, 811 F.2d 1470, 1 USPQ2d 1772, 1773 (Fed. Cir. 1987). "Under the rule of *Otto Roth*, a party opposing registration of a trademark due to a likelihood of confusion with his own unregistered term cannot prevail unless he shows by a preponderance of the evidence that his term is distinctive of his goods, whether inherently or through the acquisition of secondary meaning or through 'whatever other type of use may have developed a trade identity.'" *Towers v. Advent Software Inc.*, 913 F.2d 942, 16 USPQ2d 1039, 1041 (Fed. Cir. 1990), citing *Otto Roth & Co. v. Universal Food Corp.*, 640 F.2d 1317, 209 USPQ 40, 43 (CCPA 1981).

Thus, in order to prevail, opposer must establish that it acquired trademark rights in the HOT POCKETS mark, that it is distinctive, either inherently or through acquired distinctiveness, and that its use predates applicant's first actual or constructive use. Applicant relies on its filing date of May 4, 2004, thus, opposer must establish use prior to applicant's constructive use date, May 4, 2004, the filing date of the pending application.

Because opposer tried this case under the mistaken belief that it could rely on Societe's registrations, the evidence of use is limited to 2003-2008. However, this does predate applicant's filing date. Mr. Niethammer testified to opposer's sales and advertising for the HOT POCKETS brands for frozen stuffed sandwiches beginning in 2003. While the data for 2003 includes sales and advertising expenses for all three brands, HOT POCKETS, LEAN POCKETS and CROISSANT POCKETS, it is substantial and taken in the context of the other testimony and exhibits it is clear that the HOT POCKETS brand comprises a large portion of opposer's sales and advertising. Niethammer Test. p. 8-12 Exh. 1 (profit and loss statement covering 2003-2008). This evidence of sales is for the "retail side of the business" which covers grocery stores (e.g., Safeway); warehouse club stores (e.g., Costco) and super centers (e.g., Walmart). *Id.*

*4 Applicant argues that opposer's mark, HOT POCKETS, is merely descriptive and the evidence of record is not sufficient to establish that it has acquired distinctiveness.

To the extent applicant has shown that opposer's mark is not inherently distinctive,⁸ opposer has submitted the results of a PERT survey showing extensive brand awareness for the HOT POCKETS brand for the years 2004 - 2009, including a breakout for the first quarter of 2004. Niethammer Test., Exh. 3. Mr. Niethammer testified that PERT tracks brand awareness measures by surveying consumers and opposer receives quarterly reports from PERT. Niethammer Test. p. 26-27. Based on this survey in the first quarter of 2004 the HOT POCKETS brand commanded 96 percent brand awareness, meaning that when asked if a

consumer had heard of the HOT POCKETS brand 96 percent responded yes. See Niethammer Test. p. 28, Exh. 3. The HOT POCKETS brand commanded 30 percent brand awareness in the unaided survey, meaning a consumer responded with the HOT POCKETS name when asked to name a brand of frozen food. Niethammer Test. p. 59. This evidence is sufficient to establish, at a minimum that HOT POCKETS had acquired distinctiveness for frozen stuffed sandwiches by the first quarter of 2004, prior to applicant's filing date.

In view of the above, opposer has shown rights in the mark HOT POCKETS prior to applicant's filing date and, thus, has established priority.

We turn then to consider whether there is a likelihood of confusion.

LIKELIHOOD OF CONFUSION

Our likelihood of confusion determination under Section 2(d) is based on an analysis of all of the probative facts in evidence that are relevant to the factors set forth in *In re E. I. du Pont de Nemours and Co.*, 476 F.2d 1357, 177 USPQ 563 (CCPA 1973). See also, *In re Majestic Distilling Co., Inc.*, 315 F.3d 1311, 65 USPQ2d 1201 (Fed. Cir. 2003).

The parties have presented evidence and argument on the factors of the similarity of the marks, the relatedness of the goods, channels of trade, classes of purchasers, the strength of opposer's marks, and bad faith.

With regard to the goods, applicant's "pocket sandwiches," encompass opposer's frozen stuffed sandwiches. As to channels of trade, because applicant has no limitations in its identification of goods we must consider all channels of trade appropriate for the goods of this type. See *Octocom Systems Inc. v. Houston Computers Services, Inc.*, 918 F.2d 937, 16 USPQ2d 1783, 1787 (Fed. Cir. 1990) ("The authority is legion that the question of registrability of an applicant's mark must be decided on the basis of the identification of goods set forth in the application regardless of what the record may reveal as to the particular nature of an applicant's goods, the particular channels of trade or the class of purchasers to which sales of the goods are directed."); *In re Elbaum*, 211 USPQ 636 (TTAB 1981). Applicant's goods are of a type that would travel in the same channels of trade established by opposer, i.e., retail grocery stores, warehouse club stores and super centers. Therefore, we must presume that applicant's and opposer's goods travel in the same channels of trade and are purchased by the same classes of consumers. *In re Smith and Mehaffey*, 31 USPQ2d 1531 (TTAB 1994).

*5 In view of the above, we find that, the goods are legally identical and the parties' trade channels and customers overlap.

As to the conditions of sale, these are relatively inexpensive goods and are subject to a lower level of purchaser care. *In re Martin's Famous Pastry Shoppe, Inc.*, 223 USPQ 1289, 1290 (Fed. Cir. 1984) ("Bread and cheese are staple, relatively inexpensive comestibles, subject to frequent replacement. Purchasers of such products have long been held to a lesser standard of purchasing care.").

Opposer argues that the element of "bad faith" or "intent to trade off the goodwill" (categorized under du Pont factor 13) weighs in its favor because applicant knew of opposer's HOT POCKETS Mark. To put it simply, without more we cannot make such findings as to applicant's intent, good or bad. This is not a record where an inference of bad faith may be made. Accordingly, we find no bad faith in applicant's adoption of its mark.

The main question in this case is whether opposer's mark HOT POCKETS is sufficiently similar to applicant's mark



such that when used on nearly identical goods, there is likely confusion. We examine the similarities and dissimilarities of the marks in their appearance, sound, meaning, and commercial impression. *Palm Bay Imports Inc. v. Veuve Clicquot Ponsardin Maison Fondée En 1772*, 396 F.3d 1369, 73 USPQ2d 1689, 1692 (Fed. Cir. 2005). The test is not whether the marks can be distinguished when subjected to a side-by-side comparison, but rather whether the marks are sufficiently similar in their entirety that confusion as to the source of the goods offered under the respective marks is likely to result. In making this determination we recognize that that “when marks would appear on virtually identical goods or services, the degree of similarity necessary to support a conclusion of likely confusion declines.” *Century 21 Real Estate Corp. v. Century Life of America*, 970 F.2d 874, 32 USPQ2d 1698 (Fed. Cir. 1992). However, where the matter common to the marks is not likely to be perceived by purchasers as distinguishing source, similarity may not be found. See *Citigroup Inc. v. Capital City Bank Group, Inc.*, 94 USPQ2d 1645 (TTAB 2010); *Safer, Inc. v. OMS Inv., Inc.*, 94 USPQ2d 1031 (TTAB 2010) and *In re Shawnee Milling Co.*, 225 USPQ 747 (TTAB 1985).

Central to the analysis in this case is the impact of the common term “pocket” to a potential consumer and whether use of that word is enough to create a likelihood of confusion.

Opposer asserts that its marks are very strong based on their inherent distinctiveness and “opposer’s extensive use and promotion of the POCKETS Marks, as well as sales of goods under the marks for over 25 years, and thus are entitled to a broad scope of protection.” Br. p. 14. In response, applicant argues that there is not sufficient evidence upon which to make a determination that the marks are well known and, in fact, the common term “pocket” is not only weak but descriptive of the parties’ respective goods.

*6 The evidence does show that the mark HOT POCKETS, in its entirety, has strong commercial strength. The commercial strength “of a mark may be measured indirectly, among other things, by the volume of sales and advertising expenditures of the goods traveling under the mark, and by the length of time those indicia of commercial awareness have been evident.” *Bose Corp. v. QSC Audio Products, Inc.*, 293 F.3d 1367, 63 USPQ2d 1303, 1305 (Fed. Cir. 2002). It is also important to place such numbers in the context of the relevant marketplace and the extent of consumer exposure. The un rebutted evidence establishes that the HOT POCKETS brand is a market leader in the stuffed sandwich category. Niethammer Test. p. 22-25, Exhs. 2 and 3. Further, the brand awareness study shows consistently high aided and unaided awareness for the years 2003-2009. Niethammer Test. Exh. No. 3.

However, “[b]ecause of the extreme deference that we accord a famous mark in terms of the wide latitude of legal protection it receives, and the dominant role fame plays in the likelihood of confusion analysis, it is the duty of the party asserting that its mark is famous to clearly prove it.” *Lacoste Alligator S.A. v. Maxoly Inc.*, 91 USPQ2d 1594, 1597 (TTAB 2009); *Leading Jewelers Guild Inc. v. LJOH Holdings LLC*, 82 USPQ2d 1901 (TTAB 2007). As noted above, there is no evidence of long term use and the 2003 - 2009 data is not separated by brand, i.e., HOT POCKETS, LEAN POCKETS and CROISSANT POCKETS, which diminishes somewhat the weight of that evidence in that it is unclear which brand is strongest, while unlikely, it is possible that CROISSANT POCKETS is the strongest one and opposer has not presented argument on that mark. In addition, the evidence of “widespread renown within popular culture” is somewhat vague and not supported by documentary evidence. For example, Mr. Niethammer testifies that “people that are aware of HOT POCKETS ... can recite that jingle to you as well.” Niethammer Test. p. 38. But this statement is not supported by evidence. Similarly, Mr. Niethammer testifies that:

So there are several hundred Facebook pages of people who have created, like, a HOT POCKETS club for people to join. There are several hundred of those. And then You Tube, there are several thousand videos

that people have made with HOT POCKETS sandwiches in them, the jingle, the packaging. So they will do a number of - make their own commercials, make a song. And there's, you know, like 5,000 videos on You Tube with consumers and advocates of the brands doing this.

Niethammer Test. p. 40.

Again there is no evidence to substantiate this statement. No examples were given and no specific data as to consumer exposure to these social media sites were provided. Thus, we do not give much weight to the testimony regarding use of the HOT POCKETS within "popular culture."

*7 Overall, we find that the record evidence relevant to the strength of opposer's mark is not sufficient to reach the level where the renown of the mark plays "a 'dominant' role in the process of balancing the du Pont factors." *Recot Inc. v. Becton*, 214 F.3d 1322, 54 USPQ2d 1894, 1897 (Fed. Cir. 2000). See also *Packard Press Inc. v. Hewlett-Packard Co.*, 227 F.3d 1352, 56 USPQ2d 1351, 1356 (Fed. Cir. 2000); and *Hard Rock Cafe*, 48 USPQ2d at 1409.

Moreover, the record also shows that the word "pocket," used in connection with stuffed sandwiches or snacks is, at a minimum, highly suggestive. The term "pocket bread" refers to "pita" which is defined as "a round flat bread of Middle Eastern origin that can be opened to form a pocket for filling." App. NOR Exh. A. The use of the term "pocket" to refer to a filled sandwich or snack is demonstrated by the cookbook titled Edible Pockets for Every Meal (2003). App. NOR Exh. H. An excerpt from the preface is set forth below:

Whether they are called dumplings, turnovers, pasties, calzones, empanadas, piroshki boreks, quesadillas, knishes, pot stickers or any other name, edible pockets are enjoyed all over the world. ... Pockets make wonderful appetizers, picnic fare or light entrees ... The basis for pocket wrappers depended on what was grown in the region ... There are some traditional pockets that use a specific filling...

Applicant also submitted third-party registrations which include the term POCKET or POCKETS in the marks and have the term disclaimed, are on the Supplemental Register and/or use the term "pocket" or "pockets" in the identification of goods.⁹ See, e.g., Reg. No. 3309541 for the mark FILLO POCKET SINGLES and design "fillo pocket singles" disclaimed for "fillo dough-based pockets with or without filling"; Supp. Reg. No. 3006772 for the mark STIRFRIES RICE POCKETS "rice pockets" disclaimed for "frozen and refrigerated food entrees comprised primarily of rice, with an outer cooked rice grain shell component encompassing various non-grain fillings";¹⁰ Supp. Reg. No. 2626936 for the mark SALAD POCKETS for "pita pocket bread"; Reg. No. 1542783 for the mark PARTY POCKETS "pockets" disclaimed for "pocket bread"; Supp. Reg. No. 1513234 for the mark TEENY POCKETS for "bread, namely pita bread"; Reg. No. 1377467 for the mark LEAN POCKETS "pockets" disclaimed for "pre-cooked, ready to eat, frozen bread having a fruit, meat, cheese and/or vegetable filling";¹¹ Reg. No. 3703153 for the mark BABU'S and design for "prepared foods, namely frozen pocket sandwiches with vegetable and/or meat filing"; Reg. No. 3700429 for the mark SPICE VICE for, inter alia, "doughbased pockets with filling consisting primarily of meats, poultry, fish, fruits and vegetables and cheese"; and Reg. No. 3682826 for the mark KASHI for, inter alia, "pocket sandwiches." While these registrations do not serve as evidence of the sixth du Pont factor, inasmuch as they are not evidence of third-party use, they do serve in the nature of a dictionary definition to support a finding that the term "pocket" may be descriptive or highly suggestive of the subject goods. *AMF Inc. v. American Leisure Products, Inc.*, 474 F.2d 1403, 177 USPQ 268, 269 (CCPA 1973). See also *Olde Tyme Foods, v. Roundy's Inc.*, 961 F.2d 200, 22 USPQ2d 1542, 1545 (Fed. Cir. 1992).

*8 In addition, all of opposer's evidence to show strength is for the marks HOT POCKETS and LEAN POCKETS in their entireties and not for the term POCKETS by itself. These circumstances are distinguished from *Bose*, 63 USPQ2d at 1303, where the record included evidence of fame for the common term WAVE apart from the house mark BOSE. To the contrary,

here, the evidence of record points to the opposite conclusion. Pocket refers to a type of sandwich or snack that is stuffed and closed. Opposer appears to concede this point in its reply brief in arguing that the marks have similar connotations:

The common use of "POCKET" in both marks also conveys the same meaning to consumers (namely, stuffed sandwiches), and therefore they are more likely to be confusion.

Reply Br. p. 19.

In view of the weakness of the common term POCKET in connection with frozen stuffed sandwiches, the substantial dissimilarities in sound, appearance, connotation and overall commercial impressions of the marks outweigh the differences. First, we are not convinced that the term "pocket" is the dominant element in applicant's mark. The letters PF are the most prominent element and as discussed above "pocket" is at a minimum highly suggestive of applicant's goods.¹² Moreover, even considering that potential purchasers may rely on the wording POCKET FOODS CORPORATION to identify source, the structure of this portion of the mark creates a significantly different commercial impression from opposer's marks where the term POCKETS is preceded by a modifier (HOT or LEAN). In re Best Products Co., Inc., 231 USPQ 988 (TTAB 1986) (BEST JEWELRY and JEWELER'S BEST for retail jewelry shops not confusingly similar). As noted earlier the evidence pertaining to the commercial strength of opposer's marks are to the marks as a whole.

We have carefully considered all of the evidence pertaining to the relevant du Pont factors, as well as the parties' arguments with respect thereto (including any evidence and arguments not specifically discussed in this opinion). In balancing the relevant factors, we conclude that despite the relatedness of the goods, overlap in trade channels and classes of purchasers, because applicant's mark is so dissimilar from opposer's HOT POCKETS and LEAN POCKETS marks, there is not a likelihood of confusion. In particular, the one point of similarity, at a minimum, is highly suggestive of the goods such that the marks are not confusingly similar.¹³

Decision: The opposition is dismissed.

Footnotes

- 1 In addition, opposer asserted a claim of abandonment; however, at oral argument opposer waived this claim. We note that, in any event, the record does not support this claim.
- 2 We note that had we stricken applicant's brief, we would not have considered opposer's reply brief.
- 3 Thus applicant's objection to opposer's submission of these registrations under notice of reliance is sustained to the extent that they may only be used to show what appears on their face, namely, that an application was filed claiming use for the mark shown in the registration for the listed goods, and that the registration was granted.
- 4 We cannot let pass without noting that opposer's characterization of the case *Fuld Brothers, Inc. v. Carpet Technical service Institute, Inc.*, 174 USPQ 473, 476 (TTAB 1972) is incorrect. Opposer concluded that the Board in that case found "that opposer, the parent company, could still claim the priority date of registrations that were in the name of its wholly-owned subsidiary." Reply Br. p. 9. However, in that case the Board expressly stated "Respondent asserts that petitioner has no standing to cancel its mark because at the time this proceeding was brought, Associated Just Distributors, Inc., and not petitioner was the owner of the registration and the user of the mark 'OUT'. Respondent's contention as to petitioner's reliance herein on the pleaded registration is well taken. Notwithstanding the relationship of Associated Just Distributors, Inc., to petitioner, it is nevertheless a separate legal entity, it is the record owner of the registration, and, in view of the express language of Section 5 of the Statute, only the registrant can rely upon the prima facie presumptions afforded a registration under Section 7(b)." *Fuld*, 174 USPQ at 476. The Board in that case stated that the opposer could rely on the *use* by Associated Just Distributors in determining priority.
- 5 We note that in the civil action between the parties, the United States District Court for the District of Colorado, in its order on motions for summary judgment, stated that "the exclusive licensee of a trademark has the right to enforce the trademark ... [and that] [a]s the exclusive licensee of the four trademarks at issue, Nestle is considered a 'registrant' with rights to enforce the trademark." Opp. NOR Exh. 7, *Nestle Prepared Foods Co. v. Pocket Foods Corporation and V & V Enterprises Inc.*, Civ. Action No. 04-cv-02533-MSK-MEH (D.C.D.Colo. Aug. 24, 2009). However, it appears that the court only enforced those "rights" for which Nestle not only

- offered its parent's registrations but also had examples of use. In any event, it has been the jurisprudence of the Board for several decades that only the registrant may enjoy the benefits of Section 7(b) presumptions. We do not interpret the definition of "registrant" in Section 45 of the Trademark Act, 15 U.S.C. §1127, to include exclusive licensees to the extent that they may rely on Section 7(b) presumptions. Licensees may enforce trademark rights, but must establish priority through evidence of use and may not rely on their licensor's registrations.
- 6 Certain testimony and exhibits were designated as confidential and we will discuss those portions of the record in general terms. In addition, while we only discuss certain portions of the record in the decision, we have considered the entire record in arriving at our determination.
- 7 Opposer's objections to these documents are noted. The objection to Exh. A is denied. These online dictionary definitions are widely available in print and, as such, are admissible. Cf. *In re Cyberfinancial.net Inc.*, 65 USPQ2d 1789, 1791 n.3 (TTAB 2002). In addition, internet printouts may be introduced under notice of reliance. *Safer Inc. v. OMS Investments Inc.*, 94 USPQ2d 1031 (TTAB 2010). Opposer's objection to Exh. B is also overruled. We accept under notice of reliance excerpts from the USPTO's own Acceptable Identification of Goods and Services Manual. The objection to Exh. C is sustained. The magazine from which the excerpt was obtained does not appear to be in general circulation and there is no evidence upon which to determine that it is sufficiently available to fall within the definition of a printed publication for purposes of introduction through notice of reliance. As to the objections to the remaining documents, in essence they address the probative value of the evidence and we have taken that into consideration in making our decision.
- 8 We discuss applicant's evidence of mere descriptiveness *infra*.
- 9 The third-party applications submitted by applicant have no probative value on this point as they are only evidence that they were filed. *Glamorene Products Corporation v. Earl Grissmer Company, Inc.*, 203 USPQ 1090, 1092 n.5 (TTAB 1979). Similarly, the cancelled registrations are of little probative value on this point. *Action Temporary Services Inc. v. Labor Force Inc.*, 10 USPQ2d 1307 (Fed. Cir. 1989).
- 10 Opposer's argument with regard to these two registrations that because the disclaimers contain other matter, is not persuasive. The fact that the wording in these marks may be for a specific type of food "pocket" does not diminish their probative value as to the descriptiveness in connection with the term "pocket." Further, to the extent the additional descriptive or generic matter makes a difference, that undercuts opposer's argument that applicant's mark is similar to opposer's mark.
- 11 This registration is owned by opposer's parent and was also made of record by opposer.
- 12 Of course, the application contains a disclaimer of the term "pocket" and the goods are identified as "pocket sandwiches," which would indicate that the term "pocket" is descriptive for these goods. However, we must consider even descriptive matter in our analysis.
- 13 Opposer urges the Board to find the marks similar based on the District Court's finding that "the product and names of three Pocket Food's products (Cheese & Pepperoni Pizza Pocket, Meatball Pocket, and Ham and Cheese Pocket) are almost identical to the names of products sold under the HOT POCKETS mark (Pepperoni Pizza Hot Pocket, Meatballs and Mozzarella Hot Pocket, Ham and Cheese Hot Pocket)." *Opp. NOR Exh. 7, p. 24 (Nestle Prepared Foods Co. v. Pocket Foods Corporation and V & V Enterprises Inc.)* However, applicant's mark at issue in this case is quite different and opposer's marks are not being considered in conjunction with the specific product names. We further note the Court decision was very specific as to the product names and found no infringement as to opposer's asserted "Breakfast Pockets" mark and applicant's "Breakfast Pocket" because opposer was no longer selling that product. *Id.* Thus, it appears that opposer's other marks (HOT POCKETS, LEAN POCKETS, etc.) were not infringed by applicant's use of "Breakfast Pocket."

2011 WL 1060725 (Trademark Tr. & App. Bd.)

2011 WL 3828717 (Trademark Tr. & App. Bd.)

THIS OPINION IS NOT A PRECEDENT OF THE TTAB

Trademark Trial and Appeal Board

Patent and Trademark Office (P.T.O.)

NetIQ Corporation

v.

Egis Incorporated

Opposition No. 91187844 to application Serial No. 77341864 filed on December 1, 2007

August 9, 2011

*1 Leslie C. Ruiter of Stokes Lawrence PS for NetIQ Corporation
Michael A. Shimokaji of Shimokaji & Associates PC for Egis Incorporated

Before Quinn, Taylor and Bergsman
Administrative Trademark Judges
Opinion by Bergsman
Administrative Trademark Judge:

Egis Incorporated (“applicant”) filed an intent-to-use application for the mark EGIS, in standard character form, for the following goods:

Computer software and firmware for the encryption, decryption, compression, protection, retention and transmission of data, files and information; electronic publications, namely, manuals, handbooks, and guides featuring information relating to computer software and firmware for the encryption, decryption, compression, protection, retention and transmission of data, files and information recorded on electronic media, in class 9.

NetIQ Corporation (“opposer”) filed a notice of opposition against the registration of applicant's mark on the ground of likelihood of confusion pursuant to Section 2(d) of the Trademark Act of 1946, 15 U.S.C. §1052(d). Specifically, opposer alleged that it is the owner of the federally-registered mark AEGIS for “computer software for coordinating and connecting information technology management products and modeling, measuring, managing and automating information technology processes; instruction manuals sold as a unit therewith,” in Class 9¹ and that applicant's mark for its software so resembles opposer's mark for its software as to be likely to cause confusion.

Applicant, in its answer, denied the salient allegations in the notice of opposition.

Preliminary Issues

A. Exhibits to pleadings.

Trademark Rule 2.122(c), 37 CFR § 2.122(c), provides that subject to specific exceptions “an exhibit attached to a pleading is not evidence on behalf of the party to whose pleading the exhibit is attached unless identified and introduced in evidence as an exhibit during the period of for the taking of testimony.” Accordingly, except for opposer's copy of its pleaded registration, discussed below, none of the exhibits attached to either the notice of opposition or applicant's answer are evidence in this proceeding.

B. Exhibits to briefs.

*2 Exhibits and other evidentiary materials attached to a party's brief on the case can be given no consideration unless they were properly made of record during the time for taking testimony. *See, e.g., Syngenta Crop Protection, Inc. v. Bio-Chek, LLC*, 90 USPQ2d 1112, 1116 (TTAB 2009); *Bass Pro Trademarks LLC v. Sportsman Warehouse, Inc.*, 89 USPQ2d 1844, 1848 (TTAB 2008); *Life Zone Inc. v. Middleman Group Inc.*, 87 USPQ2d 1953, 1955 (TTAB 2008). *See also* Trademark Rule 2.123(l), 37 CFR § 2.123(l) ("Evidence not obtained and filed in compliance with these sections will not be considered"). Accordingly, the evidence attached to the briefs of the parties has been given no consideration.

C. Opposer's motion to strike applicant's brief.

Pursuant to the Board's August 23, 2010 order, applicant's brief on the case was due September 22, 2010. Defendant filed its brief on September 23, 2010 and failed to serve opposer. Nevertheless, opposer timely filed its reply brief.

In its reply brief, opposer moved to strike applicant's main brief on the grounds that it was not timely filed and that it was not served on opposer.² In opposition to the motion to strike, applicant argues that counsel "incorrectly advised his staff of the due date by one day," that opposer has not suffered any prejudice and that the proceedings will not be delayed.³

Where, as here, applicant's time to file its brief had expired, applicant must show that its failure to act during the time set was the result of excusable neglect. Fed. R. Civ. P. 6(b). The analysis to be used in determining whether a party has shown excusable neglect was set forth by the Supreme Court in *Pioneer Investment Services Company v. Brunswick Associates Ltd. Partnership*, 507 U.S. 380 (1993), adopted by the Board in *Pumpkin Ltd. v. The Seed Corps*, 43 USPQ2d 1582 (TTAB 1997). These cases hold that the excusable neglect determination must take into account all relevant circumstances surrounding the party's omission or delay, 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.

We find that (1) there is no prejudice to opposer because of the late filing of applicant's brief, (2) applicant's one day delay created no impact on these proceedings, (3) the delay was totally within the control of applicant, and (4) applicant acted in good faith. Also, we consider the fact that a brief on the case is often helpful to the Board in understanding the facts and analyzing the likelihood of confusion. In view of the foregoing, we find that applicant has met the standard of excusable neglect and, therefore, opposer's motion to strike applicant's brief is denied.

D. Applicant's motion to dismiss the opposition based on opposer's failure to take testimony or otherwise introduce any evidence.

*3 In its brief, applicant moved to dismiss the opposition on the ground that opposer failed to take testimony or otherwise introduce any evidence. Trademark Rule 2.132, 37 CFR § 2.132.

Trademark Rule 2.132(a) is not applicable because, as indicated above, opposer has made its pleaded registration of record. Trademark Rule 2.132(b) provides that when the only evidence introduced by opposer is its pleaded registration, applicant may file a motion to dismiss the opposition on the ground that the opposer has shown no right to relief. A motion to dismiss under Trademark Rule 2.132(b) must be filed before the opening of applicant's testimony period. Trademark Rule 2.132(c) ("A motion filed under paragraph (a) or (b) of this section must be filed before the opening of the testimony period of the moving party"). Because applicant filed the motion to dismiss as part of its brief after the close of trial, it was not timely and, therefore, applicant's motion to dismiss the opposition under Trademark Rule 2.312(b) is denied.

The Record

By rule, the record includes applicant's application file and the pleadings. Trademark Rule 2.122(b), 37 CFR §2.122(b).

Opposer made its pleaded registration of record by submitting a copy of it from the electronic database records of the U.S. Patent and Trademark Office showing the current status and title of the registration. Trademark Rule 2.122(d)(1), 37 CFR § 2.122(d)(1).

Applicant did not introduce any testimony or evidence during its testimony period.

Standing

Because opposer has properly made its pleaded registration of record, opposer has established its standing. *Cunningham v. Laser Golf Corp.*, 222 F.3d 943, 55 USPQ2d 1842, 1844 (Fed. Cir. 2000); *Lipton Industries, Inc. v. Ralston Purina Co.*, 670 F.2d 1024, 213 USPQ 185, 189 (CCPA 1982).

Priority

Because opposer has properly made its pleaded registration of record, Section 2(d) priority is not an issue in this case as to the mark and the goods covered by the registration. *King Candy Co. v. Eunice King's Kitchen, Inc.*, 496 F.2d 1400, 182 USPQ 108, 110 (CCPA 1974).

Likelihood of Confusion

Our determination under Section 2(d) is based on an analysis of all of the probative facts in evidence that are relevant to the factors bearing on the issue of likelihood of confusion. *In re E. I. du Pont de Nemours & Co.*, 476 F.2d 1357, 177 USPQ 563, 567 (CCPA 1973). *See also, In re Majestic Distilling Company, Inc.*, 315 F.3d 1311, 65 USPQ2d 1201, 1203 (Fed. Cir. 2003). In any likelihood of confusion analysis, two key considerations are the similarities between the marks and the similarities between the goods. *See Federated Foods, Inc. v. Fort Howard Paper Co.*, 544 F.2d 1098, 192 USPQ 24, 29 (CCPA 1976) ("The fundamental inquiry mandated by §2(d) goes to the cumulative effect of differences in the essential characteristics of the goods and differences in the marks").

A. The similarity or dissimilarity of the marks in their entirety as to appearance, sound, connotation and commercial impression.

*4 We turn first to the *du Pont* likelihood of confusion factor focusing on the similarity or dissimilarity of the marks in their entirety as to appearance, sound, connotation and commercial impression. *In re E. I. du Pont De Nemours & Co.*, 177 USPQ at 567. In a particular case, any one of these means of comparison may be critical in finding the marks to be similar. *In re White Swan Ltd.*, 8 USPQ2d 1534, 1535 (TTAB 1988); *In re Lamson Oil Co.*, 6 USPQ2d 1041, 1042 (TTAB 1988). In comparing the marks, we are mindful that the test is not whether the marks can be distinguished when subjected to a side-by-side comparison, but rather whether the marks are sufficiently similar in terms of their commercial impression that confusion as to the source of the goods offered under the respective marks is likely to result.

Opposer's mark AEGIS is similar in appearance to applicant's mark EGIS to the extent that opposer's mark incorporates applicant's entire mark.

The word "aegis" (pronounced x'3b'ej#is) is defined as "the shield or breastplate of Zeus or Athena bearing at its center the head of the Gorgon" and "protection; support," and "sponsorship; auspices." The definition references "egis."⁴ The word "egis" (pronounced x'3b'ej#is) is defined as "aegis."⁵ Accordingly, the marks are phonetically equivalent and have the same meaning.

application, so resembles opposer's mark AEGIS, for the goods identified in opposer's registration, as to be likely to cause confusion.

Decision: The opposition is sustained and registration to applicant is refused.

Footnotes

- 1 Registration No. 3475845, issued July 29, 2008.
- 2 Because opposer timely filed its reply brief, applicant's failure to serve its brief on opposer was harmless error.
- 3 Applicant's motion to reopen time to file a main brief.
- 4 The Random House Dictionary Of The English Language (Unabridged) p. 30 (2nd ed. 1987). The Board may take judicial notice of dictionary evidence. *University of Notre Dame du Lac v. J. C. Gourmet Food Imports Co.*, 213 USPQ 594, 596 (TTAB 1982), *aff'd*, 703 F.2d 1372, 217 USPQ 505 (Fed. Cir. 1983).
- 5 *Id.* at 623.
- 6 The Computer Glossary, p. 196 (7th ed. 1995).
- 7 *Id.* at 133.
- 8 *Id.* at 72 and 91.
- 9 The fact that the descriptions of goods specifically differ does not change our finding regarding the relatedness of the software. Similarity between any of opposer's goods and any of the goods in applicant's description of goods will suffice as a basis for purposes of determining whether the goods are related. *Tuxedo Monopoly, Inc. v. General Mills Fun Group*, 648 F.2d 1335, 209 USPQ 986, 988 (CCPA 1981).
- 10 Applicant's Brief, p. 10.

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parties must stipulate that, in lieu of submission of evidence at trial, and subsequent fact finding by the Board, certain facts are undisputed and the Board can resolve any remaining material issues of fact based on the ACR briefs and evidence submitted by the parties. After ACR briefs and evidence are filed, the Board will issue a decision within fifty days, which will be judicially reviewable as set out in 37 CFR §2.145. Had the parties opted for ACR, proceedings would have been expedited and resulted in savings of time, money and effort. These savings would have included the Board's effort in having to slog through the cumulative and irrelevant testimony and evidence introduced by the parties.

B. "Of course, the whole point of a Doomsday Machine is lost, if you keep it a secret!"²

*2 Unfortunately, the parties have improperly designated a substantial amount of testimony and evidence as confidential. For example, the parties designated the entire Benjamin Ford Rule 30(b)(6) discovery deposition as confidential.³ It was a 200-page deposition where Mr. Ford primarily authenticated documents that opposer also made of record in its other notices of reliance. Very little of Mr. Ford's testimony and very few of the relevant documents are justifiably confidential (e.g., Mr. Ford's educational background and work experience, the derivation of the name PAVEWAY, the process by which the government awards contracts, etc.). Submissions in Board proceedings are intended to be publicly available and the improper designation of materials as confidential thwarts that intention. It is more difficult to make findings of fact, apply the facts to the law, and write decisions that make sense when the facts in evidence may not be discussed. The Board needs to be able to discuss the evidence of record, unless there is an overriding need for confidentiality, so that the parties and a reviewing court will know the basis of the Board's decision. Therefore, in this opinion, we will treat as confidential only the testimony and evidence that was appropriately designated as confidential. See *Edwards Lifesciences Corp. v. VigiLanz Corp.*, 94 USPQ2d 1399, 1402-1403 (TTAB 2010). We will not be bound by all of the unnecessary confidential designations made by the parties.

C. Opposer's motion to strike applicant's brief on the case.

In its reply brief, opposer moved to strike applicant's brief on the case on the ground that the brief was not timely filed and, therefore, should not be considered. Applicant filed a response to opposer's motion.

Opposer's brief was due Saturday, January 1, 2011. Pursuant to Trademark Rule 2.196, when the last day for taking an action falls on a Saturday, Sunday or holiday, the action may be taken on the next succeeding day that is not a Saturday, Sunday or holiday. Thus, opposer was allowed to file its brief as late as Monday, January 3, 2011, and opposer filed it on that date.

Applicant filed its brief on February 2, 2011, thirty days after January 3, 2011. Applicant contends that because Trademark Rule 2.128(a) provides that applicant's brief is due not later than 30 days after the due date of opposer's brief, applicant's brief was timely filed.

As indicated above, Trademark Rule 2.128(a)(1) clearly states:

The brief of the party in the position of plaintiff shall be due not later than sixty days after *the date set for the close of rebuttal testimony*. The brief of the party in the position of defendant, if filed, shall be due not later than thirty days *after the due date of the first brief*. (Emphasis added.)

*3 This language is unambiguous. Barring the granting of an extension of time by the Board, opposer's main brief is due 60 days from the actual date on which the period for rebuttal testimony closes; applicant's brief is then due 30 days later. In this case, the parties agreed (with the Board's approval) that the rebuttal testimony period was to end on November 2, 2010.⁴ Therefore, opposer's brief was due 60 days from that date, namely Saturday, January 1, 2011. Applicant's brief was then due 30 days later, namely Monday, January 31, 2011.

Applicant misconstrues the effect of Trademark Rule 2.196 on the dates in question. Trademark Rule 2.196 does not *change* the date on which the relevant action must be taken. To the contrary, when the due date falls on a weekend or Federal Holiday, it allows that action to be considered timely if taken on the next succeeding business day *despite* the earlier expiration of the due date on a weekend or holiday. Thus, Trademark Rule 2.196 does not change any due date, nor does it change or extend the date of subsequent dependent time periods. Because the time for filing applicant's brief was properly calculated from the date opposer's brief was actually due, applicant's brief was two days late.

It is within the Board's discretion to permit a party to reopen an expired time period where the failure to act is shown to be due to excusable neglect. *See Pioneer Investment Services Company v. Brunswick Associates Limited Partnership*, 507 U.S. 380 (1993). Excusable neglect has been shown in this case. Applicant's explanation as to its mistaken interpretation of the rules clearly demonstrates that the delay was not willful; the two-day delay in filing applicant's brief had a negligible impact on the proceedings; and there is no evidence that opposer has been harmed by the delay.

In view thereof, the motion to strike applicant's brief is denied.

The Record

By rule, the record includes applicant's application files and the pleadings. Trademark Rule 2.122(b), 37 CFR §2.122(b).

A. Opposer's testimony and evidence.

1. Testimony deposition of Joseph Serra, opposer's Business Manager for Precision Guided Systems, with attached exhibits;
2. Opposer's first notice of reliance on printed publications;
3. Opposer's second notice of reliance on documents produced by applicant in discovery and authenticated by applicant's response to opposer's requests for admission;
4. Opposer's third notice of reliance on the Rule 30(b)(6) discovery deposition of Benjamin Ford, applicant's Director of International Business Development/Strike Weapons, with attached exhibits;
5. Opposer's fourth notice of reliance on applicant's responses to opposer's interrogatories;
- *4 6. Opposer's fifth notice of reliance on the affidavits of Curtis Cummings, Steven Oakeson and Scott Driscoll;⁵
7. Opposer's sixth notice of reliance on "government documents and printed publications";
8. Opposer's seventh notice of reliance on "decisions from foreign jurisdictions in opposition, cancellation, and court cases related to the subject opposition"; and
9. Opposer's eighth notice of reliance, submitted in rebuttal, on excerpts from the discovery depositions of opposer's witnesses taken by applicant "which should in fairness be considered by the Board so as to make not misleading what was designated by Applicant."

B. Applicant's testimony and evidence.

1. Applicant's first notice of reliance on excerpts from the Rule 30(b)(6) discovery depositions of Joseph Serra, John Pericci, opposer's Director of Business Development of Precision Guided Systems, and Timothy Stanley, opposer's Intellectual Property Counsel for Missiles and Fire Control;

2. Applicant's second notice of reliance on opposer's responses to applicant's first and second set of interrogatories and applicant's requests for admission;
3. Applicant's third notice of reliance on excerpts from opposer's website purportedly displaying trademark use of military terms;
4. Applicant's fourth notice of reliance on the affidavits of Benjamin Ford, Jay Diston, Manager of Contracts for Atlantic Inertial Systems, Thomas Harlock, Business Manager at Carleton Technologies, Inc., and David Carpenter, Sales Manager at Stanley Machining and Tool Corporation;
5. Applicant's fifth, sixth and seventh notices of reliance on file histories of opposer's trademark registrations and applications purportedly showing trademark use of military terms that "contain statements and admissions by Opposer concerning the trademark significance of such terms";
6. Applicant's eighth notice of reliance on international trademark registration certificates for the mark PAVEWAY to "show that PAVEWAY has been registered internationally in various jurisdictions";
7. Testimony deposition of Richard Friebert, applicant's Paveway Program Director, Raytheon Missile Systems, with attached exhibits; and
8. Testimony deposition of Barry Maxwell, applicant's Senior Manager of Growth and Advanced Concepts, Paveway Programs, Raytheon Missile Systems, with attached exhibits.

The Parties and the Goods

The parties are, *inter alia*, defense contractors who manufacture and/or supply laser-guided bombs, "or more precisely laser guidance kits."⁶ "A laser guided bomb is a weapon which is released from an aircraft and follows reflected laser energy to a target being illuminated by a laser to provide laser guidance to an otherwise unguided bomb."⁷ The product at issue is essentially a kit with two main parts: (1) a computer control group affixed to the front of the bomb; and (2) an air foil group consisting of a tail kit and front end steering canards. The tail kit is attached to the rear of the bomb and the canards are attached to the computer control group to provide the steering capability.

*5 In or around the mid-1960's, applicant's predecessor, Texas Instruments, was selected by the U.S. Air Force to develop and supply the first laser-guided bombs. Thus, "[f]or over thirty years, [applicant was] the single source of the unique LGB [laser-guided bomb] products, which products were marketed under the PAVEWAY mark."⁸

In May 2000, the U.S. Air Force sought a second source for the laser-guided bombs at issue in this proceeding.⁹ *The Commerce Business Daily* (May 12, 2000) issued a "Paveway Sources Sought Synopsis" "intended as a method of informing potential contractors of the existence of a Bid Qualification Plan for Paveway II Laser Guided Bombs."¹⁰ Ultimately, opposer qualified to supply laser-guided bombs and began referring to them as "Paveway Laser-Guided Bombs."

The parties are the only two companies qualified by the Department of Defense to produce these specific laser-guided bombs. Applicant filed the applications at issue and opposer filed the notices of opposition alleging that the term "Paveway" is generic.

Opposer's Standing

To establish its standing to assert that a term is generic as a ground for opposition or cancellation, "a plaintiff need only show that it is engaged in the manufacture or sale of the same or related goods as those listed in the defendant's involved application

or registration and that the product in question is one which could be produced in the normal expansion of plaintiff's business; that is, that plaintiff has a real interest in the proceeding because it is one who has a present or prospective right to use the term descriptively [or generically] in its business." *Binney & Smith Inc. v. Magic Marker Industries, Inc.*, 222 USPQ 1003, 1010 (TTAB 1984). The testimony and evidence support opposer's contention that it uses the designation PAVEWAY in connection with laser guided bombs.¹¹ This is sufficient to demonstrate that opposer has a real interest in this proceeding and, therefore, has standing.

Whether PAVEWAY is generic?

Section 14(3) of the Trademark Act of 1946, 15 U.S.C. § 1064(3), provides in pertinent part, that, [a] registered mark shall not be deemed to be the generic name of goods or services solely because such mark is also used as a name of or to identify a unique product or service. **The primary significance of the registered mark to the relevant public rather than purchaser motivation shall be the test** for determining whether the registered mark has become the generic name of goods or services on or in connection with which it has been used. (Emphasis added).

In determining whether a term is generic, the critical issue is whether the record shows that members of the relevant public primarily use or understand the term sought to be registered to refer to the category or class of goods in question. *H. Marvin Ginn Corp. v. International Ass'n of Fire Chiefs, Inc.*, 782 F.2d 987, 228 USPQ 528, 530 (Fed. Cir. 1986); *In re Women's Publishing Co. Inc.*, 23 USPQ2d 1876, 1877 (TTAB 1992).

*6 "[T]he test is not the existence of other terms for the product or recognition of trademark significance by the trade. It is recognition by the purchasing public." *In re Murphy Door Bed Co., Inc.*, 223 USPQ 1030, 1033 (TTAB 1984). "The fact that a given product has more than one generic name makes no difference." *Id.* at 1031. A term may start out as nongeneric as applied to a product but may in time lose whatever source significance it might originally have had. *Id.* See also *In re Randall and Hustedt*, 226 USPQ 1031, 1032 (TTAB 1985). "[I]f a term has become the accepted designation for the product to which it is applied, it has been rendered a common descriptive or generic name for said product and is unregistrable." *In re Murphy Door Bed Co., Inc.*, 223 USPQ at 1031.

"Whether the relevant purchasing public regards a term as a common descriptive name is a question of fact to be resolved on the evidence." *Dan Robbins & Associates, Inc. v. Questor Corp.*, 599 F.2d 1009, 202 USPQ 100, 105 (CCPA 1979). Making this determination "involves a two-step inquiry: First, what is the genus of goods or services at issue? Second, is the term sought to be registered ... understood by the relevant public primarily to refer to that genus of goods or services?" *Ginn*, 228 USPQ at 530. Evidence of the public's understanding of a term may be obtained from any competent source, including testimony, surveys, dictionaries, trade journals, newspapers and other publications. See *Magic Wand Inc. v. RDB Inc.*, 940 F.2d 638, 19 USPQ2d 1551, 1553 (Fed. Cir. 1991); *In re Merrill Lynch, Pierce, Fenner & Smith, Inc.*, 828 F.2d 1567, 4 USPQ2d 1141, 1143 (Fed. Cir. 1987).

We begin by finding that the genus of the goods at issue in this case is adequately defined by applicant's description of goods, namely, "laser guided bombs" and "laser guided bomb kits." *Magic Wand Inc. v. RDB Inc.*, 19 USPQ2d at 1552 ("[A] proper genericness inquiry focuses on the description of [goods or] services set forth in the [application or] certificate of registration"). For our purposes, laser guided bombs and laser guided bomb kits are essentially the same thing.¹²

We now turn to the second inquiry: the relevant public's understanding of the term. As indicated above, the issue is whether the relevant public primarily uses or understands the term sought to be registered to refer to the category or class of goods in question. *H. Marvin Ginn Corp. v. International Ass'n of Fire Chiefs, Inc.*, 228 USPQ at 530; *In re Women's Publishing Co. Inc.*, 23 USPQ2d at 1877. In a genericness case, the relevant public is comprised of the potential purchasers of the goods, in this case, the United States Department of Defense, specifically, the U.S. Air Force and Navy, as well as the defense ministries of friendly foreign governments.¹³

*7 The evidence set forth below demonstrates that the relevant public understands the word “Paveway” to be a generic reference for a type of laser-guided bomb.

1. The affidavit of Steven Oakeson, Lead Contract Specialist for the Paveway II Program as of November 1, 2005. As lead contract specialist, Mr. Oakeson supervised the purchasing of Paveway II goods for the United States Air Force.¹⁴ According to Mr. Oakeson, “the Air Force uses “Paveway” with each source [opposer and applicant], to designate the product”¹⁵ and “the term ‘Paveway II’ is used within the Air Force simply as another way to say ‘laser guided bomb kit.’ It does not indicate a particular source of the goods.”¹⁶

2. The affidavit of Curtis Cummings, the contracting officer of the Paveway II Program as of November 1, 2005. As contracting officer, Mr. Cummings managed the purchase of Paveway II goods for the entire U.S. military.¹⁷ According to Mr. Cummings, “the Air Force uses ‘Paveway’ with each source [opposer and applicant], to designate the product”¹⁸ and “the term ‘Paveway II’ is used within the Air Force simply as another way to say ‘laser guided bomb kit.’ It does not indicate a particular source of the goods.”¹⁹

3. The affidavit of Scott Driscoll, Vice President of Sales of MLM International Corporation as of January 9, 2007. MLM International is essentially a broker between the U.S. government and foreign military purchasers in the field of aircraft bombs, including Paveway guidance kits.²⁰ Mr. Driscoll attested to the following facts:

- a. “[T]he guidance kits manufactured by [opposer] are ‘Paveway,’ and are known to customers worldwide to be ‘Paveway’”;²¹
- b. “‘Paveway’ is a generic, or common industry term, for the type of goods. It does not indicate a particular source of the goods”;²² and
- c. “[T]he term ‘Paveway’ is synonymous with ‘laser guided bomb,’ and ‘Paveway’ itself means the technology that primarily uses lasers to guide a bomb to a target.”²³

Applicant argues that these affidavits should be accorded limited probative value because (i) Messrs. Oakeson and Cummings were only in their positions for a short period of time, (ii) the affidavits were signed in 2005, (iii) the affiants were not subject to cross examination, and (iv) the affidavits were drafted by counsel and are mirror images of each other.²⁴

We disagree. First, the affidavits of Messrs. Oakeson and Cummings express their opinions based on their experience. Second, the parties stipulated to the introduction of the affidavits and applicant was aware that it would not have an opportunity to cross examine those witnesses.²⁵ Third, the fact that the affidavits were drafted by counsel does not make them any less probative. *See In re Flex-O-Glass, Inc.*, 194 USPQ 203, 206 (TTAB 1977) (“[T]he fact that the affidavits may be similar in format and expression is of no particular significance ... since the affiants have sworn to the statements contained therein.”). Generally speaking, the Board does not find the use of form statements problematic. *In re Benetton Group S.p.A.*, 48 USPQ2d 1214, 1217 (TTAB 1998).

*8 Finally, applicant noted that opposer only introduced three affidavits when there were numerous other individuals with greater experience who could have testified: notably, Loretta Woodward who refused to sign an affidavit for opposer.²⁶ First, we can only consider the evidence that has been introduced. In this case, opposer introduced three affidavits, as well as other evidence that corroborates the testimony of the witnesses regarding how consumers perceive the word “Paveway.” While there may be other witnesses with knowledge, their testimony is not before us. Second, while Loretta Woodward refused to sign an affidavit for opposer, there was no testimony regarding why she declined to voluntarily participate. We note that applicant did

not submit Ms. Woodward's affidavit or testimony, so we have no basis on which to infer that, had she testified, she would have provided evidence adverse to opposer's position.

In view of the foregoing, we reject applicant's arguments for according these affidavits only limited probative value.

4. Documents showing use of the term "Paveway" by the U.S. Air Force and Navy. A representative sample of those documents is listed below.

a. Opposer's first notice of reliance. A Presolicitation Notice for Paveway II Laser Guided Bombs (September 27, 2000).²⁷ The notice informs interested parties that "[t]he government intends to award a contract with an option for Paveway II Laser Guided Bombs. ... [Applicant and opposer] and Klune Industries ... have expressed interest."

b. Opposer's sixth notice of reliance.

1. Department of Defense announcement of awarded contracts (*defense.gov/contracts*) (September 24, 2010) announcing that opposer was awarded a contract for the procurement of "Paveway II laser guided bomb control groups."²⁸

2. A U.S. Air Force solicitation notice for "Computer Control Group Paveway II" (*fbo.gov*) (May 24, 2010).²⁹ The solicitation "is restricted to qualified sources" and "will not be held up to qualify additional sources."

3. A U.S. Air Force notice for "GBU-16 Laser Guided Bomb Sources Sought" (*fbo.gov*) (April 9, 2010).³⁰ This announcement "is intended as a method of informing potential contractors of the existence of a Bid Qualification Plan for Paveway II Laser Guided Bombs. ... [T]he USAF on behalf of the country of Italy is seeking potential contractors to become an approved supplier for Paveway II Laser Guided Bombs for an anticipated GBU-16 Paveway II kit procurement. ... The Bid Qualification Plan is designed to demonstrate each offeror's competency to bid on Paveway II procurements." The announcement also states that applicant and opposer "are the only known approved sources who currently have the knowledge, skills, facilities and equipment for this effort."

c. Joseph Serra Testimony Deposition

*9 1. *Paveway II Laser Guided Bomb* PowerPoint presentation by DaVon W. Day, USAF (October 30, 2007) at the 2007 Precision Guided Munitions Technical Coordination Group (PGMTCG) meeting.³¹ Screen 5 is titled "Paveway II Logistics." The bottom of the page reads as follows: "LGB Kits - Two manufacturers: Raytheon and Lockheed Martin." Screen 8 has the same title and discusses the "Differences in usability between Raytheon's version and Lockheed Martin's version."

2. The 2006 PGMTCG agenda.³² On October 30, 2006, John Pericci, opposer's Director of Business Development of Precision Guided Systems, presented the "Lockheed Paveway Brief"; Ricky Friebert from Raytheon presented the "State of Paveway (Raytheon)"; and Barry Maxwell from Raytheon presented "Paveway Logistics, Integration and Mission Planning."

D. Benjamin Ford discovery deposition.

1. "Paveway II Competitive Industry Day" presentation by Loretta Woodward (October 25, 2000).³³ The purpose of the competition is to "Award competitive Navy contract for Paveway II Laser Guided kits." Representatives from both parties, as well as the Navy and Air Force, attended.

2. Department of the Air Force, Procurement Program, Procurement of Ammunition, Budget Estimates for Fiscal Years 2004/2005 (February 2003).³⁴ This document is part of the budget estimate for ammunition, including bombs and bullets.³⁵ The budget estimate identifies both parties as contractors for providing Paveway fin assemblies (Bates No. R-004827) and

guidance control units (Bates No. R-004830). With respect to the Paveway guidance control unit, the budget estimate states that the "FY02 unit price is an average of Raytheon and Martin Lockheed unit prices" (Bates No. R-004829).³⁶

E. John Pericci Discovery Deposition (April 5, 2007).

Contractor Performance Assessment Report (May 16, 2005).³⁷ This is an assessment report issued to opposer by the government.³⁸ The acquisition is identified as "Order 0002 for FY03 buy of Paveway II Laser Guided Bombs." The "contract effort description" is identified as "Provide Paveway II assets ... for the United States Air Force and Navy." On a form attached to the assessment report, the "Program Title" is identified as "Paveway II Laser-guided Bomb-Kit."

5. Printed publications showing use of the term "Paveway." Printed publications submitted pursuant to Trademark Rule 2.122(e) are admissible and probative only for what they show on their face, not as proof of the matters asserted therein. *Safer Inc. v. OMS Investments Inc.*, 94 USPQ2d 1031, 1037 n.14 (TTAB 2010). In other words, the printed publications are evidence of the manner in which the term "Paveway" has been used in the printed publications and of the fact that the relevant reading public has been exposed to the printed publications and may be aware of the information contained therein. *Harjo v. Pro-Football Inc.*, 50 USPQ2d 1705, 1721 n.50 (TTAB 1999). A representative sample of those documents is listed below.

*10 A. Opposer's first notice of reliance.

1. *Flight International* (March 27, 2001)³⁹

GAO Urged To Investigate Paveway II Contract

Raytheon was the Paveway sole source from the late 1960s, but under Congressional pressure, the USN last year allowed Lockheed Martin to again compete for the work. Lockheed Martin became a second source for Paveway in 1988, but won no contracts after planned production was cut.

2. *Aerospace Daily* (March 23, 2003)⁴⁰

Base-year Paveway contract promises intense competition ahead

Both contractors sharing a \$ 281 million Air Force contract to build Paveway II laser-guided bomb kits each say they are in good position to gain market share after the base year of the award.

The Air Force plans to award up to \$ 2 billion for Paveway II production over a seven-year period, starting in fiscal year 2003. The contract is structured with a base-year contract followed by six one-year options, each of which could be competed between Raytheon and Lockheed Martin.

Raytheon was once the Air Force's only supplier of Paveway kits. It is seeking to protect its market share from Lockheed Martin's upstart competition. Ben Ford, a Raytheon business development manager for Paveway, said in an interview.

Lockheed Martin officials, however, were "excited" by receiving a 38 percent share of the first contract less than a year after the Air Force certified its Paveway kits, Lockheed Martin spokeswoman, Ellen Martin said.

... [F]inally, in 1999, Lockheed Martin spent \$ 15 million to build and self-certify its own version of the Paveway II kits, she said.

Since then Lockheed Martin has gained momentum in the market. The company has received two contracts worth \$ 89 million in FY #01 to produce Paveway kits for the Navy.

3. *Jane's Air-Launched Weapons* (janes.com) (January 16, 2006)⁴¹
Paveway II and Paveway III ...

The Paveway family of LaserGuided Bombs (LGBs) - or more precisely, laser guidance kits - was designed and developed during the 1960s to meet the need for a precision attack capability for tactical aircraft that became pressing during the Vietnam War. The Precision Avionics Vectoring Equipment (PAVE) prefix was given to a range of US Air Force guided weapons initiatives at that time, but the Paveway codename has today become almost a generic title for LGBs. Within the US there are now two producers of the Paveway guidance system: Raytheon Missile Systems and Lockheed Martin Missiles and Fire Control.

The original Paveway Laser-Guided Bomb (LGB) became known as Paveway I in 1978 when a Production Engineering Program (PEP) was initiated to improve LGB capabilities. The outcome of the PEP resulted in an updated LGB system, which became known as Paveway II.

In August 2002 [sic] Lockheed Martin was qualified as a second source supplier to the USAF for the Paveway II LGB. ... In November 2003 Lockheed Martin was awarded the complete USDoD order to replace all the Paveway IIs expended by the USAF and US Navy during combat operations in Iraq during March/April.

*11 ***

Today, Paveway II production continues at both Raytheon and Lockheed Martin.

A total of 544 Paveways were dropped by French during the campaign.

4. *Defense Daily* (March 29, 2001)⁴²
Air Force: Lockheed Martin Did Not Meet Paveway Bid Qualification

Lockheed Martin [LMT] did not meet bid qualification requirements that the company agreed to in its bid for components that make up the Paveway II laser-guided bomb (LGB), an official at Hill AFB, Utah, wrote in response yesterday to questions from *Defense Daily*.

On Feb. 27, Lockheed Martin received a \$9 million second source contract for production of 500 Paveway II GBU-16 guidance kits.

5. *Flight Daily News* (November 22, 2005)⁴³

US Navy awards Paveway II development contract

Lockheed Martin has been selected to develop, qualify and produce the Paveway II Dual Mode Laser Guided Bomb (DMLGB), the next-generation precision-guided weapon system for the US Navy.

B. Opposer's sixth notice of reliance.

1. A July 6, 2010 posting on the *Defense Professionals* website (*defpro.com*) reporting that opposer had just delivered the "100,000th Paveway II Enhanced Laser Guided Training Round (ELGTR) to the U.S. Navy."⁴⁴

2. "Laser weapons development is pushing laser technology out of the laboratory and into directed-energy weapons applications in the field," an article posted on May 24, 2010 on the *Military & Aerospace Electronics* website (*militaryaerospace.com*).⁴⁵ The article referenced opposer's Paveway laser guided bombs. "The Paveway legacy lives on with [opposer's] Paveway II Plus laser-guided bomb. ... [Opposer] is a provider of the Paveway II LGB an all three variant of the Paveway II MK-80 series LGBs."

6. Applicant's generic use of "Paveway."

Applicant's "Paper on Raytheon's Unique Paveway Laser Guided bomb (LGB) Family" (June 7, 2004) is a document highlighting the differences between applicant's and opposer's laser guided bombs.⁴⁶ It was prepared for "different customers."⁴⁷ The document states that opposer "is currently a U.S. second-source for Paveway II. [Opposer's] LGB is not a build-to-print duplicate of Raytheon's Paveway II."⁴⁸ In a table of features, applicant pointed out that it was a qualified supplier for international Paveway IIs while opposer was not, and that its total production of Paveway IIs far exceeded opposer's production.

The preceding evidence shows that the word "Paveway" is the generic or common name for a specific type of laser guided bomb. The Air Force and Navy have advertised for multiple sources and have contracted with both opposer and applicant for the production of Paveway laser guided bombs. The definition of a trademark is a word, name, symbol or device used to identify and distinguish the goods of one person from the goods of another and to indicate the source of the goods. Section 45 of the Trademark Act of 1946, 15 U.S.C. § 1127. *See also Zimmerman v. National Association of Realtors*, 70 USPQ2d 1425, 1429 (TTAB 2004) (the issue is whether consumers perceive the term to be a type of product or the source of the product). A trademark identifies a single source, not multiple sources. *Johnson & Johnson v. E. I. DuPont de Nemours and Co.*, 181 USPQ 790, 791 (TTAB 1974) (the function of a trademark is to identify a single, albeit anonymous, source of goods). The U.S. Air Force and Navy use the term "Paveway" to identify products produced by both parties. Therefore, relevant consumers use the word "Paveway" to identify a type of laser guided bomb. The above-noted evidence unequivocally demonstrates that the relevant consumers use and understand "Paveway" to mean a type of laser guided bomb.

*12 Applicant contends that PAVEWAY is not generic for the following reasons:

1. Applicant has used PAVEWAY as a trademark;
2. The media uses PAVEWAY as a trademark;
3. Opposer's use of PAVEWAY has caused confusion;
4. Applicant has enforced its PAVEWAY trademark rights;

5. The government recognizes applicant's trademark rights;
6. There is no competitive need for opposer to use PAVEWAY;
7. The defense industry recognizes PAVEWAY as applicant's trademark; and
8. Opposer's position in this proceeding is inconsistent with opposer's previous attempts to register military terms.

A. Whether applicant has used PAVEWAY as a trademark?

Applicant contends, and the record supports, that applicant has used PAVEWAY as a trademark. However, applicant's intent to exclusively appropriate the word "Paveway" as its trademark is not at issue. The issue is whether "Paveway" is recognized as a trademark for laser guided bombs by the relevant public, not by the company seeking to register the mark. *In re 1800Mattress.com IP LLC*, 586 F.3d 1359, 92 USPQ2d 1682, 1685 (Fed. Cir. 2009) (the issue is whether the relevant public understands the term to be generic). The evidence noted above shows that the U.S. Air Force and Navy, as well as the media writing about the defense industry (and presumably read by relevant customers), perceive the word "Paveway" to be a type of laser guided bomb, not a source indicator.

B. Whether the media uses PAVEWAY as a trademark?

Applicant argues that there is "ample evidence of use of the PAVEWAY mark in the media."⁴⁹ First, applicant references its own advertisements that appear in defense industry trade magazines. This evidence relates to how applicant uses the word "Paveway" and how consumers may encounter the term. This evidence is not conclusive that the relevant public perceives the term as a trademark. Rather, as noted above, the relevant consumers use the term "Paveway" to identify a type of laser guided bomb regardless of applicant's advertisements.

Applicant also references articles appearing in defense industry trade journals and argues that the word "Paveway" is not used as a generic term. Applicant specifically referenced opposer's Exhibits 110 and 115 (see note 36).⁵⁰ Opposer's Exhibit 110 is a February 25, 2002 article from *Aerospace Daily*. Applicant explains that the author uses the generic terms "laser guided bombs" and "GBU-16 kits" in referencing the goods.⁵¹ The article also reports that opposer received a contract to supply Paveway kits. In February 2001, Lockheed got a \$ 9 million Navy contract for 500 GBU-16 Paveway kits, provided it could meet qualifications.

Furthermore, the article quotes applicant's spokeswoman as explaining that applicant "got a contract last year that was a competition [with Lockheed Martin] where we were the sole winner to provide Paveway IIs." The article quotes applicant's spokesperson as explaining that applicant and opposer competed for a Paveway contract.

*13 Opposer's Exhibit 115 is a February 20, 2003 article from *Aerospace Daily*. Applicant asserts that the article uses the generic terms laser guided bombs and GBU-10, 12 and 16. Moreover, the article reports that applicant "was the sole supplier of laser-guided bomb kits for many years, but [opposer] qualified for the work a couple of years ago."⁵² The article also reports that opposer and applicant are sources for Paveway bomb kits.

Sarah Hammond of [applicant's] Missile Systems unit in Tucson, Ariz. Said \$ 2 billion will be spent over a six- or seven-year period to buy Paveway bomb kits "from both Raytheon and Lockheed Martin, [with] details to come."

The evidence referenced by applicant does not support applicant's contention that the defense industry media recognizes the term "Paveway" as its trademark.

With respect to applicant's argument that the news media refers to the generic name of the product as "laser-guided bombs," there can be more than one generic term for a product. *In re 1800Mattress.com IP LLC*, 92 USPQ2d at 1685.

C. Whether opposer's use of PAVEWAY has caused confusion.

Applicant argues that opposer's "use of the "PAVEWAY mark in connection with its LGB products has resulted in numerous instances of actual confusion."⁵³ According to applicant, "[t]he extensive evidence of actual confusion demonstrates that [applicant's] PAVEWAY mark functions as a source indicator among the relevant consuming public, and that [opposer's] use of the PAVEWAY mark deceives consumers as to the source and quality of the underling [sic] LGB products that are being sold."⁵⁴

Applicant did not have the confused personnel testify regarding their purported confusion. Rather, applicant introduced the instances of confusion through the Ford Affidavit and the depositions of Ricky Friebert and Barry Maxwell. While applicant asserts that its evidence is not hearsay, we consider applicant's testimony regarding customer confusion to be an exception to the hearsay rule: that is, the statements regarding the customers' confusion fall under the state of mind exception to the hearsay rule. *Nat'l Rural Elec. Coop. Ass'n v. Suzlon Wind Energy Corp.*, 78 USPQ2d 1881, 1887 n.4 (TTAB 2006). Although, applicant's testimony regarding the instances of confusion is admissible, the testimony is not as persuasive as it might have been had it been proffered by the witnesses experiencing the purported confusion. In this regard, it is not clear that the witnesses experiencing the purported confusion perceived PAVEWAY as a trademark.⁵⁵ The testimony is ambiguous. In other words, none of the customers experiencing the confusion testified that they thought that PAVEWAY was a trademark and, therefore, PAVEWAY identified a single source.

*14 Applicant referenced the following purported instances of confusion in its brief. In October 2005, Benjamin Ford and Richard Rhinehart briefed members of a defense ministry regarding a PAVEWAY II product. Mr. Ford testified as follows about what one of the attendees said:

44. ... [T]hat [applicant's] group he met with in May 2005 had not briefed the same weapons capability. He further stated that as a result of the May briefing, and the reported lack of ability to hit the moving targets, he had advised [the defense ministry] to remove [applicant] from the dual-mode weapon competition because [applicant's PAVEWAY II] product did not meet [the defense ministry's] requirements.

45. [Applicant] advised [the defense minister] that nobody from [applicant] had briefed [the defense ministry in May 2005, and that [the defense minister] must be confused with another competitor. It was later determined that the May 2005 briefing was by [opposer]. ... [Applicant] was almost eliminated from the competition because of confusion caused by [opposer's] use of the PAVEWAY Mark in connection with an inferior performing product.⁵⁶

Applicant contends that the customer thought that applicant gave the first briefing because of opposer's use of PAVEWAY in connection with the laser guide bomb.⁵⁷ However, it seems unlikely that opposer would not have clearly identified itself as the source of the particular "Paveway" laser guided bomb. Moreover, the customer may have removed applicant from the consideration because the customer thought that the PAVEWAY type laser guided bomb did not meet its requirements, not because the customer thought that PAVEWAY was a brand name. As indicated above, because the confused persons did not testify, there is ambiguity surrounding the purported confusion and it remains unclear whether the confusion was a result of the customer believing that "Paveway" is applicant's trademark.

Applicant identified instances in international sales where opposer's products have been used to fill orders in lieu of orders for applicant's products. In many cases, the customers' aircraft are certified to carry applicant's products but not opposer's products. In those instances, when opposer's PAVEWAY laser guided bomb is sold in place of applicant's laser guided bomb, the bombs

cannot be properly fitted to the aircraft, nor tested by the customers' test equipment.⁵⁸ According to Mr. Friebert, customers have expressed concern that they might receive opposer's PAVEWAY laser guided bombs rather than applicant's PAVEWAY laser guided bombs. It is not clear that the problems referred to by the customers are trademark confusion as opposed to product confusion (e.g., the wrong model number). This is exactly the problem that arises when a generic term is used to "identify" a product. If a customer requests a pencil, the customer may get any old pencil, made by any company. To get a specific pencil, the customer has to use a *trademark* (e.g., I'll take the Eberhard-Faber 5111, please.) In fact this kind of confusion seems to suggest that PAVEWAY is actually *not* capable of distinguishing between these two company's products.

***15** In another instance, the U.S. Navy was experiencing accuracy issues. In trying to resolve the accuracy issues, applicant contends that "it became apparent that there was confusion resulting from [opposer's] use of the mark PAVEWAY in connection with LGB products."⁵⁹

It was determined that the accuracy issues were with [opposer's] LGB products (MAU-209/B) and not [applicant's] PAVEWAY II LGB products (MAU-169). The weapon loadout ... consisted of a majority of [opposer's] LGB products (MAU-209) because the Officer assumed that, since the MAU-209 is a higher number than the MAU-169, it must be newer or better. They were unaware of the different manufacturers as of the reason for the different numbers.⁶⁰

This purported instance of confusion is ambiguous. Mr. Ford's testimony is that the officer loading the weapons was unaware that there was more than one source of PAVEWAY laser guided bombs and that he loaded the highest model number.

We find that the testimony regarding the purported instances of confusion is entitled to little weight because the testimony is ambiguous. The allegedly confused persons did not testify and, therefore, they were not subject to cross examination as to whether they were in fact confused, and if so, what caused their confusion.

D. Whether applicant has enforced its PAVEWAY trademark rights?

Applicant argues that "[u]pon learning of [opposer's] progressive encroachment on its rights in the PAVEWAY mark, [applicant] took several steps, including: (1) objecting to [opposer's] usurpation of [applicant's] right in the PAVEWAY mark; and (2) filing federal trademark applications for the PAVEWAY mark."⁶¹ Applicant cited testimony from Ricky Friebert, applicant's Paveway Program Director, and Barry Maxwell, applicant's Senior Manager of Growth and Advanced Concepts for the Paveway Programs, to support its contention that applicant protested opposer's use of the PAVEWAY mark. According to Mr. Friebert, it was a legal problem. Specifically, Mr. Friebert testified that he and Mr. Ford discussed sending the issue to the legal department: "[t]he proper course of action is to give it to our legal department and have them take proper course of action. ... [the discussion] went as simple as we ought to go tell the legal department and I said you are right, we ought to."⁶² There is nothing in the record to show that Mr. Friebert or Mr. Ford actually contacted applicant's legal department or that that applicant's legal department sent a protest to opposer.

Mr. Maxwell testified that with the exception of defending the opposition, he was not aware that applicant had done anything to protest opposer's use of the term "Paveway."⁶³ However, Mr. Maxwell did testify that applicant had always objected to opposer's use of the term "Paveway."

A. We always objected to it. I recall having a discussion initiated by Mr. Serra regarding the PAVEWAY trademark.

***16** Q. What was that discussion?

A. The discussion was can we come to some form of a settlement on this and get on. I said that is not my decision to make.⁶⁴

Despite having twice deposed Mr. Serra, applicant did not proffer any testimony from Mr. Serra regarding any discussions about “the PAVEWAY trademark.” Moreover, there is no further evidence regarding any action by applicant to protest opposer's use of the term “Paveway.” Furthermore, during his discovery deposition, Benjamin Ford testified that he was unaware of any action taken by applicant to protest opposer's use of the term “Paveway.”

Q. Has [applicant] ever informed [opposer] to stop using the term PAVEWAY for its laser-guided bomb?

A. I don't know specifics. I don't know any specifics.

Q. Why hasn't [applicant] told them to stop?

A. I don't know. ... They may have. I just don't know.

Q. Has [applicant] ever had a discussion as to whether [opposer] should stop using the term PAVEWAY?

A. I don't know.

Q. Are you aware of any conversations?

A. With [opposer] or what?

Q. Within [applicant].

A. Yeah, I know we have discussed their encroachment on our mark, yes.

Q. And as a result of those discussions, did [applicant] decide to take any action?

A. I'm not going to answer.⁶⁵

Later in his deposition, Mr. Ford testified that he was unaware if applicant ever formally objected to opposer's use of the term “Paveway,” but that he thought that he raised an objection although he could not recall with whom or when.⁶⁶

Applicant further contends that applicant “has communicated with the U.S. Government about its rights in the PAVEWAY mark and expressed concern about the confusion caused by [opposer's] use of the PAVEWAY mark.”⁶⁷

Q. So any dialogue between [applicant] and the Air Force regarding confusion between the use of the term PAVEWAY between [applicant] and [opposer] is handled by the legal department?

A. All legal correspondence and things related to legal aspects of our business we give to our legal department. We do have a layman's dialogue expressing our frustration with [opposer's] use of our name brand PAVEWAY.

Q. Have you had this layman's dialogue expressing your frustration with [opposer's] use of the term PAVEWAY?

A. I would say yes.

Q. With whom?

A. I would say _____ back in 2006 just in, you know hall talk.

Q. What was the subject of the discussion with _____?

A. He comes to program review on a quarterly basis and we have time over the break to talk and I might say something to that nature. There is not a date and time specific meeting where I could cite where that dialogue took place. I think if anyone asked him, he would confirm our frustration.

Q. What was his response to you when you raised these concerns?

A. That's legal. That is out of my authority.⁶⁸

*17 Although applicant's level of frustration apparently reached the level of internal "hall talk," there is no evidence in the record that applicant's legal department expressed applicant's "frustration" to the Department of Defense, the Air Force or the Navy. Moreover, there is no indication that applicant followed-up with Mr. Friebert's undisclosed contact to corroborate applicant's frustration with opposer's use of the term "Paveway."

In his affidavit, Benjamin Ford attested to the fact that upon becoming aware of opposer's use of the term "Paveway," applicant "communicated with the U.S. government that the only authorized use of the trademark PAVEWAY is in connection with [applicant] sourced LGB products."⁶⁹ Mr. Ford did not identify who contacted the U.S. government on behalf of applicant, and when, who applicant's representative contacted in the U.S. government, and how the government responded, if it did respond, to applicant's complaint.

Mr. Ford was equally noncommittal during his discovery deposition.

Q. Did [applicant] have any other conversations with anyone else at _____ Air Force Base regarding what the term PAVEWAY meant to them?

A. We have had informal conversations with the Air Force about using the mark and not using the mark.

Q. When you say the Air Force, who specifically did [applicant] have conversations with?

A. I don't know the specifics. I don't know.

Q. When you say informal conversations, what does that mean?

A. Well, it was discussions. I mean, there was nothing in writing.

Q. When did these conversations take place?

A. Over the years from - - I don't know the exact time.

Q. You can't be any more specific than that?

A. No.⁷⁰

Q. Did [applicant] ever object to the Air Force about the Air Force's use of PAVEWAY II?

A. Yeah. We have discussed it with them.

Q. When did you first discuss it with the Air Force?

A. I don't recall the specifics.

Q. Was [applicant] concerned about the Air Force's use of the term PAVEWAY II when they were considering a second source for PAVEWAY II?

A. No, not so much because we were the only supplier at the time.

Q. And when the documents that we looked at today talk about the U.S. Government looking for a second source for PAVEWAY II laser-guided bombs, did that cause any concerns with [applicant] with respect to the trademark usage of the term PAVEWAY?

A. No. We were more concerned about the performance.

Q. You were more concerned about the performance issue than trademark issues; is that a fair statement?

A. I don't know if that's ...

Q. Well, we have looked at documents today where [applicant] has raised the issue of performance issues with respect to [opposer's] laser-guided bombs; is that correct?

A. Right.

Q. Did [applicant] ever raise the issue of the term PAVEWAY by the U.S. Government for [opposer's] laser-guided bombs?

*18 ***

A. Yes.

Q. And in what specific instances did they do that?

A. We talked with _____ Air Force Base, with the people.

Q. Was it ever in writing?

A. I don't recall it in writing.

Q. The talk that you did at _____ Air Force Base, was that the discussions we discussed earlier?

A. Yes.

Q. Was it the discussions with Cummings and Oakeson?⁷¹

A. And others.

Q. And what others were they?

A. Yeah. Like I said, I don't think I recall the specific names or who was who?⁷²

In view of applicant's assertions that the "PAVEWAY mark is a strong and highly distinctive mark that identifies [applicant] as the source of its family of quality PAVEWAY LGB products,"⁷³ that applicant "has made a significant investment in developing goodwill in the mark,"⁷⁴ and that there were actual instances of confusion, we find applicant's testimony vague and evasive regarding its enforcement of the PAVEWAY mark unpersuasive. In fact, the record shows that applicant failed to expressly and unequivocally lodge an objection with opposer regarding its use of the term "Paveway" and that applicant also failed to notify the U.S. Air Force and Navy regarding their purported misuse of the term. Although applicant claims to have made some efforts to lodge such protests, it was unable to produce any details about such efforts or any written letters or memoranda memorializing them.

E. Whether the government recognizes applicant's trademark rights?

Applicant contends that the government recognizes that PAVEWAY is applicant's mark and is taking steps to modify its practice.⁷⁵ First, applicant explains that the government's specifications for a new laser-guided bomb did not use the term "Paveway." According to applicant this demonstrates that the government is modifying its practice to avoid using PAVEWAY as a generic term.⁷⁶ However, because there can be more than one generic term for a product, *In re 1800Mattress.com IP LLC*, 92 USPQ2d at 1685, all this evidence proves is that the government used generic terms other than "Paveway." There is no evidence in the record suggesting that the Department of Defense stopped referring to the product as a "Paveway."

Also, applicant asserts that in the February 2006 Budget Estimate for the procurement of ammunition for FY 2006, one of the entries for laser guided bombs identified PAVEWAY as being uniquely associated with applicant.⁷⁷ The description of the product reads as follows:

1. The GBU-10/12 Computer Control Group is a laser homing guidance unit used on the GBU-10(MK-84 Warhead, 200/lb class) or GBU-12(MK-82 Warhead, 500/lb class) PAVEWAY II Laser Guided Bomb (LGB). The PAVEWAY II system has folding wings which open upon release for maneuverability and increased aircraft payload. These weapons are primarily used for precision bombing against hardened and non-hardened targets.

*19 2. This item is procured through two different contractors. The item name has been changed from MAU-169H/B PAVEWAY II Guidance Control Unit to GBU-10/12 Computer Control Group, because the previous name designates only one of the contractor's product. Both products are identical in form, fit and function.

While paragraph No. 2 appears to support applicant's contention, paragraph No. 1 shows the government referencing the product of both parties as the GBU-10 or GBU-12 PAVEWAY II Laser Guided Bomb. Thus, it is possible that the government realized that the model number MAU-169 is associated solely with applicant rather than term "Paveway." In fact, Mr. Ford testified that the MAU-169H/B is applicant's model number.

Q. Isn't it true that the MAU-169 HB only designates [applicant's] computer control group?

A. Right. I believe this was based on our objections, they tried to make a change to correct that.

Q. So the correction was that they struck the MAU-169 HB?

A. PAVEWAY II.

Q. PAVEWAY II?

A. Right. Because that is one contractor's product.

Q. That is not a recognition that PAVEWAY II is a trademark of [applicant], is it?

A. I don't know. I would hope so.

Q. But you don't know.

A. I don't know.⁷⁸

In any event, this is the only evidence where the government even arguably recognized "Paveway" as a trademark rather than a type of laser guided bomb; and subsequent Department of Defense communications use Paveway as a designation for a type of bomb, not a brand of bomb. As noted above, the Department of Defense announcement of awarded contracts (*defense.gov/contracts*) (September 24, 2010), the U.S. Air Force solicitation notice for "Computer Control Group Paveway II" (*fbo.gov*) (May 24, 2010), the U.S. Air Force notice for "GBU-16 Laser Guide Bomb Sources Sought" (*fbo.gov*) (April 9, 2010), and the *Paveway II Laser Guided Bomb* PowerPoint presentation by DaVon W. Day, USAF (October 30, 2007) at the 2007 Precision Guided Munitions Technical Coordination Group (PGMTCG) meeting. These are all subsequent to the budget estimate, and show the government using the term "Paveway" to identify a type of laser guided bomb.

F. Whether there is any competitive need for opposer to use PAVEWAY?

Applicant argues that opposer is the only other manufacturer of laser guided bombs that uses the term "Paveway." Other manufacturers of laser guided bombs do not use the term "Paveway" "but use a variety of nonconflicting marks in marketing and selling their products. ... This demonstrates that quite clearly that there is no competitive need for others to use the PAVEWAY mark."⁷⁹ While the competitive need to use a term may be probative of whether the term is generic, the correct inquiry is whether the relevant public would *understand* the term to be generic. *In re 1800MATTRESS.COM IP LLC*, 92 USPQ2d at 1685. To the extent competitor need is relevant - both the main customer and the only other relevant competitor - opposer - use "Paveway" as a generic term for the product, and thus show a need to do so. We do not need to look at any other competitors, because the parties are the only ones qualified by the main customers to make this type of product. In fact, the use of the term "Paveway" for other products made by other manufacturers would be misdescriptive.

G. Whether the defense industry recognizes PAVEWAY as applicant's trademark?

*20 Applicant introduced the three declarations listed below from individuals who work for defense contractors stating that they associate PAVEWAY as applicant's trademark.

1. Jay Diston, Manager of Contracts for Atlantic Inertial Systems, Inc. Mr. Diston's is responsible for "proposing, negotiating and managing the contract from cradle to tomb with a variety of customers on a variety of programs."⁸⁰ Mr. Diston also stated that "I associate the Paveway trademark with [applicant]."

2. Thomas Harlock, Business Manager at Carleton Technologies Inc., "a leading supplier to the Aerospace & Defense markets." Mr. Harlock stated that "I, as well as all Carleton employees, associate the Paveway trademark with [applicant]."

3. David Carpenter, Sales Manager for Stanley Machining and Tool Corporation. Mr. Carpenter is responsible for supplying parts for laser-guided bombs. Mr. Carpenter stated that "I associate the Paveway trademark with [applicant]."

Mssrs. Carpenter and Harlock work for companies that supply parts for laser guided bombs. It is not clear what Mr. Diston's company, Atlantic Inertial Systems, does. Assuming that Atlantic Inertial Systems is also a parts supplier for laser guided bombs, then all three declarants work for companies that supply parts to manufacturers of laser guided bombs (*i.e.*, defense contractors). There is no indication or explanation as to how the declarants or their companies interact with the U.S. Air Force or Navy, the relevant customers. While the declarations are probative as to how these defense contractors perceive the term "Paveway," the declarations are not as probative as the declarations of Messrs. Cummings and Oakeson, who worked for the Air Force, a relevant customer, and Mr. Driscoll, who worked as a broker between the U.S. government and foreign military purchasers.

H. Whether opposer's position in this proceeding is inconsistent with opposer's previous attempts to register military terms?

Applicant contends that opposer has previously applied to register marks that have been refused on the ground that they were generic or descriptive and that in responding to those refusals, opposer has made statements that are inconsistent with its position in this case.⁸¹ For example, in responding to the refusal to register the term "Joint Strike Fighter," opposer argued that after it was awarded the contract, it became recognized as the sole source of the product and owner of the trademark.

Once the contract is awarded and the project is completed, the name originally assigned by the government is then used in connection with the resulting goods and is given to the manufacturer of those resulting goods. ... As the contract has been awarded to Applicant for nearly ten years now, the U.S. military and all interested parties recognize Applicant has the sole source of the JOINT STRIKE FIGHTER aircraft, and the owner of the mark in general.⁸²

*21 Applicant argues that this evidence shows that "terms used to identify military products are associated with, and owned by, the sole or prime manufacturer of the product. ... [T]hat [opposer] was well aware of the trademark status of PAVEWAY when it entered the LGB market," and "[R]ather than respecting [applicant's] well established rights, [opposer] deliberately disregarded those rights and sought to take advantage of the goodwill embodied in the PAVEWAY mark while establishing a new product line for [opposer]. ... This type of 'palming off' is precisely what the Lanham Act is designed to prevent."⁸³

There are numerous problems with this argument. First, to the extent that applicant is asserting as a defense that opposer is guilty of unfair competition, the Board is not authorized to determine that issue. *Person's Co. v. Christman*, 900 F.2d 1565, 14 USPQ2d 1477, 1481 (Fed. Cir. 1990) (Board cannot adjudicate unfair competition issues); *Ross v. Analytical Technology Inc.*, 51 USPQ2d 1269, 1270 n.2 (TTAB 1999) (no jurisdiction over unfair competition claims); *Hershey Foods Corp. v. Cerreta*, 195 USPQ 246, 252 (TTAB 1977) (determination of whether opposer is guilty of unfair business practices is not within the province of the Board).

Second, opposer's statements in its previous applications may be used in evidence against opposer as admissions against interest. TBMP §§ 704.03(b)(2) and 704.04 (3rd ed. 2011). However, no equitable estoppel may be derived from opposer's inconsistent position in those previous applications. *American Rice, Inc. v. H.I.T. Corp.*, 231 USPQ 793, 798 (TTAB 1986). Moreover, while "a party's earlier contrary opinion may be considered relevant and competent. Under no circumstances, may a party's opinion, earlier or current, relieve the decision maker of the burden of reaching his own ultimate conclusion on the entire

record.” *Interstate Brands Corp. v. Celestial Seasonings, Inc.*, 576 F.2d 926, 198 USPQ 151, 154 (CCPA 1978). We do not take opposer’s previous positions in other applications involving other marks and other goods as detracting materially from its position here that the term “Paveway” is generic because the primary issue is how the relevant consumer perceives the term under the facts of record in this proceeding.

Finally, if you have to lay “blame” on anyone for this situation, it falls more on the Department of Defense and on applicant, than on opposer. There is no testimony or evidence that shows that opposer is trying to fool anyone that its products originate with applicant. It was the Department of Defense that decided to obtain a second source for Paveway laser-guided bombs, not opposer. Moreover, opposer is not trying to register the mark; it is only trying to prevent applicant from doing so. That is not palming off. Opposer has adapted to the marketplace and is asserting that nobody owns the term “Paveway” as a mark.

***22 Decision:** The opposition is sustained and registration to applicant is refused.

Footnotes

- 1 In its amended notice of opposition, opposer also asserted fraud as a ground for opposition. However, because opposer did not argue fraud in its brief, opposer has waived it as a ground for opposition.
- 2 *Dr. Strangelove or: How I Learned to Stop Worrying and Love the Bomb* (Columbia Pictures 1964).
- 3 We are at a loss to understand why the entire deposition was submitted. Unlike the transcript of trial testimony, a discovery deposition made of record under a notice of reliance need not be filed in its entirety. Rather, only those parts of the deposition which are both relevant and relied upon should be attached to the notice of reliance. *Sports Auth. Mich. Inc. v. PC Auth. Inc.*, 63 USPQ2d 1782, 1787 (TTAB 2001).
- 4 The Board’s August 17, 2010 order.
- 5 The affidavits were submitted pursuant to a stipulation filed January 20, 2010, under which the parties agreed to permit the submission of affidavits in lieu of oral testimony.
- 6 Opposer’s first notice of reliance, Exhibit 148 (*janes.com*).
- 7 Opposer’s Brief, p. 5. *citing* Serra Testimony Dep., pp. 15-16.
- 8 Ford Affidavit ¶5.
- 9 Serra Testimony Dep., Exhibits 101 and 102.
- 10 Serra Testimony Dep., Exhibit 101.
- 11 Serra Discovery Dep. (7-30-2011), p. 21 (began using PAVEWAY to identify laser-guided bombs “subsequent to 2003”); Ford Affidavit ¶6 (“[opposer] began using the PAVEWAY Mark on its competing [laser guided bomb] products”).
- 12 Barry Maxwell Dep., p. 52 (“[laser-guided bombs and laser-guided bomb kits] are somewhat used interchangeably through the industry. ... They are the same thing as far as essentially the customer is concerned”); Serra Dep. (7-30-2009), pp. 75 (“my assumption is when we refer to an LGB we’re talking the LGB kit” and “a laser guided bomb would be in a discussion typical to the all up unit”).
- 13 Serra Testimony Dep., pp. 16-17; Pericci Discovery Dep. (April 5, 2007), P. 98; Benjamin Ford Discovery Dep., pp. 20 and 132; Opposer’s Brief, pp. 9-10; Applicant’s Brief, pp. 9-12.
- 14 Oakeson Affidavit Spec. ¶ 4.
- 15 *Id.* at Spec. ¶ 10.
- 16 *Id.* at 12.
- 17 Cummings Affidavit Spec. ¶ 4.
- 18 *Id.* at Spec. ¶ 14.
- 19 *Id.* at 15.
- 20 Driscoll Affidavit Spec. ¶¶ 3-6.
- 21 *Id.* at Spec. ¶ 13.
- 22 *Id.* at Spec. ¶ 14.
- 23 *Id.* at Spec. ¶ 15.
- 24 Applicant’s Brief, p. 36.

- 56 Benjamin Ford Affidavit Spec. ¶¶ 44-45.
57 Applicant's Brief, p. 22.
58 Applicant's Brief, pp. 22, *citing* Friebert Dep., pp. 24-27. Barry Maxwell also testified regarding these purported instances of confusion. (Maxwell Dep., pp. 28-30). However, Mr. Maxwell did not testify that he personally spoke with the customers experiencing the confusion. Mr. Maxwell did not testify regarding how he became aware of these purported instances of confusion.
59 Ford Affidavit Spec. ¶ 46.
60 Ford Affidavit Spec. ¶ 46.
61 Applicant's Brief, p. 25.
62 Friebert Dep., p. 35.
63 Maxwell Dep., p. 86.
64 Maxwell Dep., p. 86.
65 Ford Discovery Dep., pp. 121-123. Apparently, Mr. Ford refused to answer because the answer would potentially disclose advice of counsel.
66 Ford Discovery Dep., p. 128.
67 Applicant's Brief, p. 26.
68 Friebert Dep., pp. 39-40. Applicant improperly designated some of this testimony "Highly Confidential- Attorney's Eye's Only." Nevertheless, we will not disclose the identity of the person to whom Mr. Friebert spoke. However, the unidentified person was a Defense Department employee involved in the Paveway program. (Friebert Dep., p. 40).
69 Ford Affidavit ¶41.
70 Benjamin Ford Discovery Dep., pp. 131-132.
71 Curtis Cummings and Steven Oakeson executed affidavits attesting to their opinion that the term "Paveway" designates the product, not a source.
72 Benjamin Ford Dep., pp. 160-161.
73 Applicant's Brief, p. 4.
74 Applicant's Brief, p. 39.
75 Applicant's Brief, p. 27.
76 Applicant's Brief, pp. 27-28.
77 Benjamin Ford Affidavit ¶56 and Benjamin Ford Discovery Dep., Exhibit 29 (Bates No. R-005179).
78 Benjamin Ford Discovery Dep., p. 168.
79 Applicant's Brief, p. 29.
80 Although Mr. Diston stated that he has responsibilities relating to laser-guided bombs, he did not identify what his company does or what the "contract" relates to.
81 Applicant's Brief, p. 30.
82 Applicant's Exhibit 204, the July 13, 2010 Response.
83 Applicant's Brief, p. 33.

2011 WL 5014027 (Trademark Tr. & App. Bd.)

2008 WL 902840 (Trademark Tr. & App. Bd.)

THIS OPINION IS NOT A PRECEDENT OF THE TTAB

Trademark Trial and Appeal Board

Patent and Trademark Office (P.T.O.)

Hot Stuff Foods, LLC

v.

Obsidian Group Inc.

OPPOSITION 91169298 TO APPLICATION SERIAL 76624188 FILED ON DECEMBER 10, 2004

February 21, 2008

*1 Gregory C. Golla of Merchant & Gould P.C. for Hot Stuff Foods, LLC
Serge Anissimoff of Anissimoff & Associates for Obsidian Group, Inc

Before Quinn, Rogers and Wellington
Administrative Trademark Judges
Opinion by Rogers
Administrative Trademark Judge:

Obsidian Group, Inc. [applicant], a corporation of Canada, has applied under the intent-to-use provisions of the Trademark Act to register WE'RE HOT STUFFED! for "restaurant services." The stylized mark is shown below.



Applicant claimed a priority filing date of June 10, 2004 when it filed its application. See Trademark Act Section 44(d), 15 U.S.C. § 1126(d).¹ When an applicant files its application under Trademark Act Section 1(b), 15 U.S.C. § 1051(b) [the intent-to-use provision], and also claims a priority filing date, the Office presumes that the applicant will eventually base issuance of the United States registration on use of the mark in commerce as well as on any foreign registration that may issue based on the home country application yielding applicant its priority filing date. See Trademark Manual of Examining Procedure (TMPE) Sections 1003.03 and 1103 (fifth ed. September 2007). However, such an applicant may elect to proceed based solely on the intent-to-use filing basis while retaining its claim to a priority filing date and will not, then, have to wait for issuance of its foreign registration to perfect that basis for registration in the United States. See TMPE Section 1003.04. That is what applicant has done in the case at hand. Applicant has not, however, amended its application to assert use of the mark in commerce. For priority purposes, the earliest date on which applicant can rely is its June 10, 2004 priority filing date.

Hot Stuff Foods, LLC [opposer] has opposed issuance of a registration to applicant based on its prior use and registration of numerous marks including the terms HOT STUFF.² In addition, opposer asserts that it has "used the HOT STUFF mark as a family mark for a variety of restaurant, franchising and food products and services." Notice of Opposition, ¶2. Opposer asserts various arguments in its pleading as to why applicant's use and registration of the WE'RE HOT STUFFED! mark will result in confusion, mistake or deception in the trade and among consumers. Opposer also asserts that its "HOT STUFF marks are

famous, particularly within the restaurant and food kiosk markets” and invokes, in its pleading, Sections 2(a), 2(d), 2(f) and 43(c) of the Trademark Act.

*2 Applicant has admitted only those allegations relating to the filing of applicant's application, of opposer's extension of the opposition period, and the timeliness of opposer's notice of opposition. All other allegations of opposer have been either expressly or effectively denied by applicant. See Fed. R. Civ. P. 8(b).

Although its pleading makes reference to various provisions of the Trademark Act, in its brief opposer only references its claim under Section 2(d) of the Act and does not argue that the record supports any claim under Sections 2(a) or 2(f) and 43(c).³ Accordingly, opposer has waived any pleaded claims other than that asserted under Section 2(d).

As for the brief filed by applicant, opposer has moved to strike it, asserting that it is untimely and that applicant's late filing of the brief resulted in prejudice to opposer, insofar as the late filing shortened the time opposer had to prepare and file its reply brief on the case. Applicant has contested the motion to strike, although it did not file and serve its brief in response to the motion until 37 days after filing and service of the motion. A response to a motion served by first class mail is due in twenty days. See Trademark Rule 2.127(a) (response time fifteen days) and Trademark Rule 2.119(c) (add five days to response time when motion is served by first class mail). Applicant did not include any explanation for the late brief in response to the motion to strike or otherwise ask that its tardiness be excused. Having failed to establish excusable neglect for the late-filed response to the motion, applicant's response has not been considered. Nonetheless, we have not treated the motion to strike as conceded and have instead considered it on its merits.

Applicant's brief was overdue by two days, as acknowledged in opposer's motion to strike. Applicant's brief runs a total of 17 pages but only includes 12 pages of text. In addition, since applicant did not take testimony, there are no citations to evidence in the brief except for citations to evidence put into the record by opposer. Applicant's short delay could not have been particularly prejudicial to opposer's effort to prepare a reply to such a brief. If the two-day delay had genuinely undercut opposer's ability to prepare a reply brief, it could have sought an extension. Opposer's filing of the brief on time casts doubt on opposer's claim of prejudice. Moreover, when a case has been tried and must be decided on the merits, it benefits the Board's attempt to reach a meritorious decision to have briefs from both parties; even when, as in this case, applicant's brief is plagued by assertions of fact that have no basis in the record. Opposer's motion to strike applicant's brief on the case is denied. We therefore turn to consideration of the merits of opposer's claim of likelihood of confusion under Section 2(d).

*3 The record for this case was created solely by opposer, which filed a notice of reliance and took testimony depositions of two witnesses: Steve Watkins, opposer's Chief Financial Officer, Secretary-Treasurer and a director, who started as an employee of opposer in August 1987; and Tim Schendel, who has been with the company for over 18 years, is the current Director of Contract Administration, and whose responsibilities include “working with counsel on our trademark registrations and renewals.”⁴ Applicant took discovery, did not attend the depositions taken by opposer, and added nothing to the trial record created by opposer.

Though opposer has pleaded registration of numerous HOT STUFF formative marks, the notice of reliance it filed introduces only plain paper copies of the registrations and related reprints from USPTO electronic database records.⁵ Opposer has not put in the record copies prepared by the USPTO showing the current status and title to the registrations. In addition, neither of opposer's witnesses testified as to, or was asked to testify as to, the current status of any particular pleaded registration. Instead, each witness spoke only generally about the approximate number of registrations owned by opposer for HOT STUFF formative marks or the HOT STUFF brand. See Trademark Trial and Appeal Board Manual of Procedure (TBMP) Section 704.03(b) (2d ed. Rev. March 2004) (discussion of ways in which a plaintiff can prove pleaded registrations).

Had opposer proved its ownership of registrations for its pleaded HOT STUFF formative marks, it would have both proved its standing and removed priority as an issue requiring proof in this case. See *Cunningham v. Laser Golf Corp.*, 222 F.3d 943, 55 USPQ2d 1842 (Fed. Cir. 2000) (“These registrations and the products sold under the mark they register suffice to establish

Laser Golf's direct commercial interest and its standing to petition for cancellation of Cunningham's LASERSWING mark."'), and *Herbko International, Inc. v. Kappa Books, Inc.*, 308 F.3d 1156, 64 USPQ2d 1375, 1378 (Fed. Cir. 2002) (holding that a plaintiff's superior proprietary rights may be established through proof of prior registration.). See also, *King Candy Company v. Eunice King's Kitchen, Inc.*, 496 F.2d 1400, 182 USPQ 108 (CCPA 1974). Because opposer did not submit proof of ownership and of the status of its individual pleaded registrations, and applicant did not in its answer admit opposer's ownership of such registrations, opposer has not satisfied its responsibility for proving its standing and removing priority as an issue in this case.

Notwithstanding opposer's failure to avail itself of the options for proving its pleaded registrations, the testimony of its witnesses is clearly sufficient to establish opposer's standing in this case and its priority of use.⁶ Proof of standing in the absence of proof of ownership of a registration can result from proving any one of a number of types of use sufficient to establish prior proprietary rights. See *Herbko, supra*, and *National Cable Television Ass'n, Inc. v. American Cinema Editors, Inc.*, 937 F.2d 1572, 19 USPQ2d 1424, 1429 n.5 (Fed. Cir. 1991) ("Our decision that Editors has prior rights in ACE as a trade name subsumes any argument over standing.") (internal citation omitted). By the testimony of its witnesses, opposer has established that it uses HOT STUFF and related marks for licensed or franchised restaurants and food kiosks located in other businesses, primarily convenience stores or gas station stores. See, e.g., Schendel dep. pp. 11-16. Opposer's presence in the marketplace is substantial throughout the United States, except for the New England and Northeastern states, and abroad, including 25 sites in Canada. Watkins dep. p. 13, Schendel dep. p. 16. In addition, there is no question that opposer has been engaged in business, using the HOT STUFF marks, since long before the priority filing date of applicant. Watkins dep. p. 5, Schendel dep. p. 12.

*4 We turn, then, to the question of likelihood of confusion. Our determination under Section 2(d) is based on an analysis of all of the probative facts in evidence that are relevant to the factors bearing on the likelihood of confusion issue. See *In re Majestic Distilling Co.*, 315 F.3d 1311, 65 USPQ2d 1201 (Fed. Cir. 2003); see also, *In re E.I. du Pont de Nemours and Co.*, 476 F.2d 1357, 177 USPQ 563 (CCPA 1973). In the analysis of likelihood of confusion presented by this case, key considerations are the similarities of the marks and the fact that the parties' respective services are the same (i.e., restaurant services) or are related (i.e., opposer's food kiosks and applicant's restaurant services). *Federated Foods, Inc. v. Fort Howard Paper Co.*, 544 F.2d 1098, 192 USPQ 24, 29 (CCPA 1976) ("The fundamental inquiry mandated by Section 2(d) goes to the cumulative effect of differences in the essential characteristics of the goods and differences in the marks").

In comparing the marks of the parties, we have compared the mark in applicant's application to the following marks used by opposer: HOT STUFF FOODS and design, HOT STUFF PIZZA, HOT STUFF FOOD ON THE GO and design, HOT STUFF PIZZERIA and design. The design element in those marks employing a design is an inverted triangle design clearly intended to serve as the outline of a slice of pizza. We focus on these marks because, in the absence of proof of the pleaded registrations, these are the marks shown by the Schendel testimony and exhibits to be in use for restaurants and food kiosks. See Schendel dep. pp. 38-39 and 42-43, and exhs. 16, 17 and 21-30.

To determine whether the marks are similar for purposes of assessing the likelihood of confusion, we must consider the appearance, sound, connotation and commercial impression of each mark. *Palm Bay Imports Inc. v. Veuve Clicquot Ponsardin Maison Fondee En 1772*, 396 F.3d 1369, 73 USPQ2d 1689, 1692 (Fed. Cir. 2005). In a particular case, any one of these means of comparison may be critical in finding marks to be similar. *In re Lamson Oil Co.*, 6 USPQ2d 1041, 1042 (TTAB 1988); see also, *In re White Swan Ltd.*, 8 USPQ2d 1534, 1535 (TTAB 1988). In fact, "the PTO may reject an application ex parte solely because of similarity in meaning of the mark sought to be registered with a previously registered mark." *In re Sarkli, Ltd.*, 721 F.2d 353, 220 USPQ 111, 113 (Fed. Cir. 1983). In addition, it is a well-established principle that, in articulating reasons for reaching a conclusion on the issue of likelihood of confusion, while the marks are compared in their entireties, including descriptive or disclaimed portions thereof, "there is nothing improper in stating that, for rational reasons, more or less weight has been given to a particular feature of a mark, provided the ultimate conclusion rests on consideration of the marks in their entireties. Indeed, this type of analysis appears to be unavoidable." *In re National Data Corp.*, 732 F.2d 1056, 224 USPQ 749, 751 (Fed. Cir. 1985).

*5 In each of opposer's marks, HOT STUFF is clearly the dominant element, as the triangular design in some of those marks will be seen either as a common geometric shape or as a descriptive image of a slice of pizza, and the other words in opposer's marks, FOODS, PIZZA, FOOD ON THE GO, and PIZZERIA, all are descriptive and add little, if any, source identifying significance to the marks. Applicant contends in its brief, at numbered p. 5, that the "prefix 'WE'RE'" in its mark cannot be ignored and that "the prefix is commonly accepted as the defining feature of any mark." While we agree that the case law directs that the contraction cannot be ignored, and that the first word in a mark is often of significant importance in comparing that mark with another, in this case we do not find the contraction WE'RE to be as significant as the terms "HOT STUFFED!". Visually, the word HOT is larger and clearly emphasized, and the word STUFFED is followed by an exclamation point, which draws attention to the phrase HOT STUFFED. The contraction WE'RE serves only to set up the exclaimed words "HOT STUFFED!". In addition, while the pronunciation of marks by consumers cannot be controlled and there is no "correct" way to pronounce a mark, the larger size of the term HOT and the exclamation point will, if anything, lead more consumers to emphasize those two words in speaking applicant's mark. See *In re Dixie Restaurants, Inc.*, 105 F.3d 1405, 41 USPQ2d 1531, 1533-34 (Fed. Cir. 1997) (Federal Circuit found no error in the Board's determination that the word DELTA was the dominant element in THE DELTA CAFÉ and design — "an ordinary geometric shape" — and observed that restaurants are often recommended by word of mouth).

As for the connotation of the involved marks, applicant contends, at numbered p. 4 of its brief, that STUFF is a noun that will be taken as referring to an item of food, while STUFFED is an adjective that will be taken as referring to "a culinary process or preparation." We are not persuaded that the average restaurant consumer will draw this distinction. Moreover, when the respective marks are spoken, the difference may not be articulated clearly enough to even allow for the distinction to be possible.

We find the dominant portions of the respective marks very similar and the marks, when considered in their entireties, to yield very similar overall commercial impressions. Given the similarity of the marks, use on the same or related services will result in a likelihood of confusion among consumers.

As already noted, opposer's marks are used for restaurants and food kiosks. Restaurants are a much smaller part of its business than its food kiosk operations. Schendel dep. p. 15. The latter are essentially stations or sections of convenience stores or institutional food service operations that allocate space, including in many cases, seating, for a wide variety of food items distributed by opposer to its licensees and franchisees. See Schendel dep. pp. 13-16 (describing a typical site) and 38 (differentiating institutional accounts from convenience store licensees or franchisees) and exh. 17 (menu). On the other hand "the majority of [opposer's] convenience store sites do have some form of seating, booths or tables" and "customers will indeed treat it as if it were a restaurant." Schendel dep. pp. 15-16. Applicant did not attend either of the testimony depositions taken by opposer and therefore did not object to or probe any of the testimony of opposer's witnesses. We therefore have accepted all such testimony without reservation.

*6 On the testimony of opposer's witnesses, we find the opposer's food kiosk operations to be competitive with fast food type restaurants, which we must consider to be within the scope of applicant's identification. *Octocom Systems, Inc. v. Houston Computers Services Inc.*, 918 F.2d 937, 16 USPQ2d 1783, 1787 (Fed. Cir. 1990) ("The authority is legion that the question of registrability of an applicant's mark must be decided on the basis of the identification of goods set forth in the application regardless of what the record may reveal as to the particular nature of an applicant's goods, the particular channels of trade or the class of purchasers to which the sales of goods are directed"). Further, since there are no restrictions as to the anticipated classes of consumers for applicant's restaurant services, we must presume that they will include all possible classes of restaurant consumers, including those who frequent the sites of opposer's licensees or franchisees. Accordingly, we find the involved services related for likelihood of confusion purposes, and the classes of consumers to overlap.

There is a protective order in place that precludes us from mentioning the precise extent of opposer's sales and advertising, but suffice it to say that the annual sales are significant. While applicant contends in its brief, at numbered p. 10, that opposer's mark is not "strong or distinctive" and "is generic and descriptive," we reject this contention and find that at a minimum opposer's marks have significant acquired distinctiveness.

Applicant also contends in its brief, at numbered p. 5, that consumers can differentiate between marks including the term "hot." However, there is no evidence of record regarding any such marks for restaurant or food kiosk services, and there is certainly nothing to establish that consumers can distinguish between marks containing the words HOT STUFF or HOT STUFFED for the same or similar services.

In sum, the marks are very similar, there is no evidence establishing that opposer's marks are weak or for any reason entitled to a narrow scope of protection, the involved services are in part the same and otherwise related, and the services must be presumed to be marketed to the same classes of end consumers. On the unchallenged record created by opposer we find that confusion among consumers is likely.

Decision: The opposition is sustained.

Footnotes

- 1 Applicant based its claim to a priority filing date in the United States on a Canadian application, serial no. 1,220,286.
- 2 In its brief on the case, at p. 9, opposer further explains it "is the owner of 5 federal registrations for the mark HOT STUFF, and 26 additional registered or pending marks for permutations thereof."
- 3 We take the references to Sections 2(f) and 43(c) as an attempted pleading of a dilution claim.
- 4 Schendel dep. p. 8.
- 5 A plaintiff pleading in a Board proceeding its ownership of a registration may submit with its pleading copies of USPTO electronic database records to concurrently prove its ownership and validity of the pleaded registration. See Trademark Rule 2.122(d)(1). However, that is an option that was introduced into the rule only as of August 31, 2007, for cases commenced on or after that date. See 72 Fed. Reg. 42242 (August 1, 2007).
- 6 Applicant, in its brief, has not argued in any way that opposer does not have standing or that its evidence does not establish its standing. Likewise, applicant has not argued in any way that opposer does not have priority or that its evidence does not establish priority.

2008 WL 902840 (Trademark Tr. & App. Bd.)