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

Proceeding	91221338
Party	Plaintiff PRL USA Holdings, Inc.
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**UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

PRL USA HOLDINGS, INC.	:	
	:	
Opposer,	:	Opposition No. 91207805 (Parent)
	:	Opposition No. 91221338
v.	:	(Serial Nos. 85/458,112, 86/412,883,
	:	86/412,886 and 86/488,070)
	:	
POLO GEAR INTELLECTUAL	:	
PROPERTIES, INC.	:	
and	:	
POLO GEAR LLC,	:	
	:	
Applicants.		

Response to Applicant’s Motion for Reconsideration and Relief from Judgment

In its motion filed February 22, 2016 (“Applicant’s Motion”), Applicant seeks relief from the Board’s judgment entered January 20, 2016 based primarily on allegations of misconduct by John Mariani, an attorney who never appeared on Applicant’s behalf in this proceeding at any time. While Applicant seeks to portray itself as a victim of Mr. Mariani, Applicant’s lengthy submission is conspicuously silent on several material facts, casting serious doubt on the veracity of Applicant’s account of events.

Contrary to the misleading suggestions in Applicant’s Motion, the October 14, 2015 withdrawal motion (“Withdrawal Motion”) filed by Applicant’s prior counsel at the law firm of Shutts & Bowen said nothing about Mr. Mariani’s impending departure from that firm. **Instead, the basis for the motion to withdraw was that Applicant had not paid its lawyers.** The Withdrawal Motion cited “irreconcilable difference[s] between Applicant and counsel. . . . Specifically, the Applicant fails substantially to fulfill an obligation to the practitioner regarding

the practitioner's services and has been given reasonable warning that the practitioner will withdraw unless the obligation is fulfilled.” Withdrawal Motion, 29 TTABVUE 1.

This central, material contention in the Withdrawal Motion is not addressed anywhere in Applicant’s Motion, the accompanying Declaration of Gary Fellers of February 16, 2016 (“Fellers 2/16 Decl.”), the accompanying Declaration of Gary Fellers of February 22, 2016 (“Fellers 2/22 Decl.”), or any of the voluminous exhibits annexed thereto. Applicant’s silence on this point speaks volumes. The most reasonable inference from these facts is that, rather than engaging in egregious misconduct as alleged by Applicant, Mr. Mariani was loath to appear as counsel on behalf of a client with a history of failing to pay its lawyers.

Applicant’s Motion notably includes no allegation that Applicant ever paid Mr. Mariani, his new law firm, or his former law firm, Shutts & Bowen. This is a surprising omission on the part of an ex-client as aggrieved as Applicant purports to be. Applicant’s Motion also cites numerous communications from Applicant’s principal Gary Fellers to Mr. Mariani, but virtually no substantive written communications from Mr. Mariani himself.

Further, it is undisputed that Applicant had actual notice of each and every Board communication in these proceedings since the Board granted the Withdrawal Motion on October 21, 2015. Applicant thus had no reasonable basis to believe that Mr. Mariani had actually taken any action on its behalf after the Withdrawal Motion was granted. Applicant received notice at least as early as October 14, 2015 that Shutts & Bowen was withdrawing from its representation of Applicant. *See* Exhibit 10 to Fellers 2/22 Decl, 36 TTABVUE 60-70. Applicant also received the notice issued by the Board on October 21, 2015, which indicated clearly that Applicant had 30 days to appoint new counsel or indicate it was going to appear *pro se*. Applicant also received the Board’s November 30, 2015 Order to Show Cause, which noted clearly that no new

counsel had appeared and stated that Applicant had to respond within 30 days. Nevertheless, Applicant again failed to respond. *See* Exhibits 19, 20 to Fellers 2/22 Decl., 36 TTABVUE 109-116. Applicant also received the default judgment entered against it on January 20, 2016. As Applicant had timely actual knowledge of every missed deadline and the consequences thereof, it behooved Applicant to do more than it purports to have done. Its failures therefore cannot be attributed entirely to an attorney who never represented Applicant at any stage of this proceeding and who may have had good reason to decline to represent Applicant.

Legal Standard

Once a default judgment has been entered against a defendant pursuant to Fed. R. Civ. P. 55(b), the judgment may be set aside only in accordance with Fed. R. Civ. P. 60(b), which governs motions for relief from final judgment. The stricter standard reflects public policy favoring finality of judgments and termination of litigation. TBMP § 312.02 (2015). The required evidentiary showing to be made by the defaulting party is greater when relief is sought from a final judgment than it would be in response to an order to show cause why judgment should not be entered. *Id.*

The relevant standard for the determination of whether to reopen a case after a default has been entered is excusable neglect. The determination of whether a party's neglect is excusable is "at bottom an equitable one, taking account all relevant circumstances surrounding the party's omission." *Pioneer Investment Servs. v. Brunswick Assocs. Ltd. P'ship* 507 U.S. 380, 395 (1993). These circumstances include "the danger of prejudice, the length of the delay and its potential impact on judicial proceedings, the reason for the delay, including whether it was in reasonable control of the defendant and whether the movant acted in good faith." *Id.*

Argument

A. Applicant Should be Held Responsible for Its Inaction.

It is well settled that “a party must be held accountable for the acts and omissions of its chosen counsel, such that, for purposes of making the excusable neglect determination, it is irrelevant that the failure to take the required action was the results of the party’s counsels’ neglect and not the neglect of the party itself.” See *Pumpkin Ltd. v. the Seeds Corps*, 43 U.S.P.Q.2d 1582, 1586 (T.T.A.B. 1997) ; *Pioneer*, 507 U.S. at 396; *Link v. Wabash R. Co.*, 370 U.S. 626 (1962) (“[movant] 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”); *Syosset Labs., Inc. v. TI Pharmaceuticals*, 216 U.S.P.Q. 330, 332 (T.T.A.B. 1982) (“This rule has been and continues to be the law relating to a client being bound by the actions of its attorney”).

In some narrow, extraordinary instances, courts have found it appropriate to make exception to this generally accepted proposition. See *Primbs v. United States*, 4 Cl. Ct. 366 (Cl. Ct. 1984); See also *Pioneer*, 507 U.S. at 393. Applicant relies heavily on *Primbs* for the assertion that Applicant was “abandoned” by its attorney and thus should not be held liable for his actions. However, the facts in *Primbs* are distinguishable from the facts here.

In *Primbs*, the court reinstated the defendant’s case based on information that prior counsel had: (1) failed to inform him of the court’s order to show cause and to dismiss defendant’s case and (2) actively deceived him about the status of the case. *Primbs*, 4 Cl. Ct. at 367. Defendant in the *Primbs* case **did not even know** about the judgment entered in the case until a month after this case had been dismissed with prejudice. *Id.*

Here, Applicant had timely actual knowledge of all deadlines and orders in this proceeding, unlike the situation in *Primbs* in which the moving party was completely in the dark about the inaction of its attorney and the status of his case. Notably the court in *Primbs* stated, “[t]he agency analysis is particularly inappropriate where the [movant] has proved that his diligent efforts to prosecute the suit were, **without his knowledge**, thwarted.” *Id.* at 370 (emphasis added).¹

Active concealment on the part of the attorney and/or a complete lack of knowledge of the status of the case are common elements in the cases cited by Applicant. Here, Applicant was fully aware of the status of its case and was made aware of Mr. Mariani’s failure to act on multiple occasions. Applicant nevertheless chose to continue to rely on Mr. Mariani to address problems that were known to Applicant. Applicant bears responsibility for this choice.

B. Applicant Has Not Demonstrated Excusable Neglect or the Absence of Willfulness.

The Supreme Court in *Pioneer* set forth four factors to be used in determining excusable neglect: (1) the danger of prejudice to the non-moving party, (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, (4) bad faith on the part of the moving party or its counsel. 507 U.S. at 395. The most relevant factor here is the third *Pioneer* factor. *See Pumpkin* 43 U.S.P.Q.2d at 1586, Fn 7.

¹ Similar language is found in *Community Dental Services v. Tani*, a Ninth Circuit case also cited by Applicant. There, the court noted that “an **unknowing** client should not be held liable on the basis of a default judgment resulting from an attorney's grossly negligent conduct” 282 F.3d 1164, 1169 (9th Cir. 2002)(emphasis added). The court in *Community Dental* focused heavily on the movant’s lack of knowledge, noting several times that the movant first became aware of its attorney’s failures when it received an order entering default judgment against it. *Id.* at 1167, 1171.

1. The Reason for Delay Was Within the Reasonable Control of Applicant

Inaction or neglect by counsel as a reason for delay has been repeatedly held to be within the reasonable control of the moving party. *See e.g. Id.* at 1585-6 (citing *Pioneer*, 597 U.S. at 396, *Link v. Wabash R. Co.*, 370 U.S. 626 (1962), *US v. Boyle*, 469 U.S. 241 (1985)). Moreover, it is well settled that the client and the attorney share a duty to remain diligent in prosecuting or defending the client's case and that action, inaction, or neglect by the client's chosen attorney will not excuse the inattention of the client. *CTRL Systems v. Ultraphonics North America Inc.*, 52 U.S.P.Q.2d 1300 (T.T.A.B. 1999) (a party is to be held accountable for the acts or omissions of its counsel); *Marriott Corp. v. Pappy's Enterprises, Inc.*, 192 USPQ 735 (T.T.A.B. 1976) (denying relief from judgment under Rule 60(b) where errors by attorney's office held not excusable neglect).

As such, a delay is in the reasonable control of Applicant if either Applicant itself or its counsel are responsible for the failure to act. *See Pumpkin*, 43 U.S.P.Q.2d 1582 (refusing to grant relief from default judgment for delay attributed to attorney docketing error); *see also CTRL Systems*, 52 U.S.P.Q.2d 1300, 1302-3 (T.T.A.B. 1999) (denying relief from judgment where, as here, the Board had issued order to show cause to which the movant did not respond and there was no evidence that movant's counsel "actively concealed information").

Applicant cites several cases readily distinguishable from the facts here. In *Information Systems and Networks Corp. v United States*,² the movant's counsel stated that he did not know he had to file an answer to the counterclaim and issue and had "diligently pursued the action in every other regard."³ In the present case, Applicant and its counsel were aware of the relevant requirements but missed several deadlines and ignored orders from the Board.

² 944 F.2d 792, 796-797(Fed. Cir. 1993).

³ *Id.*

Applicant also cites *Fred Hayman Beverly Hills Inc. v. Jaques Bernier, Inc.*⁴, wherein the court found that the delay in filing the answer was not willful when the answer was filed nine days late as a result of “inadvertence” on part of Applicant’s counsel, who forgot to file the prepared answer before departing for a holiday weekend. Not only are the facts here completely different than the facts in *Fred Hayman*, but in that case the standard applied was the lesser standard for a notice of default, which had not even been issued before movant acted to rectify its error. Thus, the movant in the *Fred Hayman* case only had to show good cause under Fed.Civ.Pro 55(c), not excusable neglect. Here, Applicant must be held to the higher standard of Fed.Civ.Pro. 60(b).

Applicant further cites *Djeredjian v Kashi Co.*⁵, in which the movant: (1) mistakenly believed that a settlement agreement resolved all claims with respect to his registration; and (2) never received the notice of entry of default.⁶ *Kashi* differs from the current circumstances in almost all aspects and again is an instance where the moving party lacked notice of or had a justifiable reason for not knowing there was a deadline. Applicant here was at all times on notice of the Board’s orders and judgments. As such, none of the cases cited by Applicant support its contention that the conduct here meets the standard for excusable neglect.

2. The Delay Was Unreasonable and Will Have Negative Impact on the Proceedings.

In *Pumpkin*, the movant did not move to reopen its testimony period until more than three months after it closed, leading the Board to conclude that the delay was unreasonable and would have a negative impact on the proceedings. 43 U.S.P.Q.2d at 1587-8. Here, Applicant did not act

⁴ 21 U.S.P.Q.2d 1556 (T.T.A.B. 1991).

⁵ 21 U.S.P.Q.2d 1613 (T.T.A.B. 1991).

⁶ *Id.* at 1614.

until four months after the October 21, 2015 notice from the Board advising that it had 30 days to appoint new counsel. Other courts have found delays of 9 days (*Fred Hayman*), 15 days (*Kashi*) and 20 days (*Pioneer*) to be reasonable. The much longer delay here is not reasonable.

Moreover, the Board has a clear interest in minimizing the amount of the Board's time and resources that must be expended on matters, such as the one before it now, in which it had been in the moving party's control to prevent the default judgment. As the court in *Pumpkin* stated, "The Board's interest in deterring such sloppy practice weighs heavily against a finding of excusable neglect," under the second *Pioneer* factor." *Id.*

Conclusion

In light of the above, Opposer respectfully submits that Applicant's Motion should be denied.

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Respectfully Submitted,
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CERTIFICATE OF SERVICE

I hereby certify that on this 14th day of March 2016, the foregoing Response to Applicant's Motion for Reconsideration and Relief from Judgment was served upon Applicant by delivering same via First Class Mail postage prepaid at the following address for Applicant's counsel of record:

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