

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

Mailed: August 27, 2008

Cancellation No. 92046637

Mattress Firm, Inc.

v.

Living Spaces Furniture, LLC

**Robert H. Coggins,
Interlocutory Attorney:**

This case now comes up on respondent's motion (filed September 27, 2007) for judgment under Trademark Rule 2.123(a), and petitioner's cross-motion (filed October 8, 2007) to reopen its testimony period. The motions are fully briefed and the Board has considered the parties' replies.

Motion to Reopen

A party that files a motion to reopen testimony must show that its failure to complete testimony within the prescribed time was due to excusable neglect. Fed. R. Civ. P. 6(b)(2). See *HKG Industries Inc. v. Perma-Pipe Inc.*, 49 USPQ2d 1156 (TTAB 1998), *Grobet File Co. of America Inc. v. Associated Distributors Inc.*, 12 USPQ2d 1649 (TTAB 1989); and *Fort Howard Paper Co. v. Kimberly-Clark Corp.*, 216 USPQ 617 (TTAB 1982). See also TBMP § 534.02 (2nd ed. rev. 2004).

The Board's interpretation of the "excusable neglect" standard was discussed in *Pumpkin, Ltd. v. The Seed Corps*,

43 USPQ2d 1582 (TTAB 1997), which followed the test set out by the Supreme Court in *Pioneer Investment Services Company v. Brunswick Associates Limited Partnership*, 507 U.S. 380 (1993). In *Pioneer*, the Court clarified the meaning and scope of "excusable neglect" as used in the Federal Rules of Civil Procedure and elsewhere when it stated that a determination of excusable neglect is:

at bottom an equitable one, taking account of all relevant circumstances surrounding the party's omission. These include. . . [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.

Pioneer, 507 U.S. at 395. In subsequent applications of this test, several courts have stated that the third *Pioneer* factor, namely the reason for the delay and whether it was within the reasonable control of the movant, might be considered the most important factor in a particular case. See *Pumpkin*, *supra* at footnote 7 and cases cited therein.

Turning to the third *Pioneer* factor, the Board notes that the parties were actively engaged in settlement negotiations. Significantly, petitioner expressed to respondent in an August 15, 2007 e-mail petitioner's understanding following a telephone conference with respondent that the parties "both recognize that all of the dates on the scheduling order will need to be moved back if the parties do not settle" and "agreed to jointly file ... a new scheduling order if [they] cannot resolve the case in

the next few weeks." Respondent failed to disagree with this understanding.¹ Moreover, two weeks later, respondent sent an August 29, 2007 e-mail to petitioner stating that "in light of the upcoming deadlines in the proceeding, I suggest that we suspend the opposition [sic] to allow the parties time to negotiate toward an acceptable agreement. If your client is agreeable, we can then work out the specifics of the suspension, scheduling order, and discovery response deadline." The record shows that the parties continued to discuss settlement, and, notably, that petitioner again inquired (after September 3, 2007, the date on which its testimony period closed) whether the parties should "file something suspending proceedings" (Luman e-mail dated September 13, 2007) but respondent stated "that there would be no need for such a filing" (Frey declaration, p. 5) if the parties were to settle. It was on the date that respondent rejected settlement that respondent also filed its motion under Trademark Rule 2.123(a), taking advantage of the fact that no motion to suspend or reschedule testimony periods had been actually filed. Even as respondent filed its motion, respondent "remained open to discussing the matter further and exploring settlement possibilities...." (Frey declaration, p. 5.) Under the

¹ While respondent states that the colleague who participated in the August 15, 2007 conference on behalf of respondent had only limited authority, there is contradictory affidavit evidence of record as to what may have been agreed to or discussed during the conference. However, the Board notes that respondent's e-mail to petitioner identifying the colleague who would be available during the absence of

circumstances, it was reasonable for petitioner to have relied on respondent's continued statements with regard to possible settlement, suspension and rescheduling of proceedings. Respondent is correct to note that the mere existence of settlement negotiations may not excuse a party from failing to act by a deadline. See *Atlanta-Fulton County Zoo Inc. v. DePalma*, 45 USPQ2d 1858, 1859 (TTAB 1998). However, in the instant situation there was more than a mere existence of negotiations: there was a documented understanding between the parties that deadlines would be suspended and rescheduled if necessary. Petitioner has clearly set forth circumstances that show its expectation that proceedings would be suspended and/or rescheduled if negotiations failed to result in settlement. Respondent cites *PolyJohn Enterprises Corp. v. 1-800-Toilets Inc.*, 61 USPQ2d 1860 (TTAB 2002), to support its argument that even in cases where there is an understanding between the parties to reset trial dates, petitioner had a burden of moving forward. However, in *PolyJohn* there was nothing in the record to show an understanding between the parties to that case that testimony dates had been reset; moreover, that case arose from a mistaken belief that the parties' agreement to extend petitioner's time to respond to discovery requests also extended the testimony periods. There was no such belief here; rather, the documented belief at issue in the instant proceedings is that the parties both

the lead counsel for respondent makes no mention of any limitation of

agreed that if settlement was not reached testimony dates would be suspended and reset.

Turning next to the first *Pioneer* factor, respondent has not offered evidence of any harm caused by petitioner's request to reopen the testimony period. While petitioner's actions have undoubtedly delayed this proceeding, the mere passage of time without additional facts, such as the loss of evidence or unavailability of potential witnesses, is generally not considered prejudicial. See *HKG Industries, supra* at 1157-1158.

Turning to the second *Pioneer* factor, the Board notes that petitioner filed its motion to reopen in response to and only eleven days after respondent's motion for judgment which motion was itself filed only twenty-four days after the close of petitioner's testimony period. The delay caused by petitioner's failure to take testimony or offer evidence during its testimony period and the parties' motions arising therefrom is minimal.²

As to the fourth *Pioneer* factor, there is no evidence that petitioner acted in bad faith.

On balance, the factors discussed herein favor petitioner. Accordingly, the motion to reopen petitioner's testimony period is granted.

authority.

² It is appropriate to include in the analysis consideration of "the additional, unavoidable delay arising from the time required for briefing and deciding the motion to reopen." *Pumpkin, supra* at 1587-88. However, while the total delay is now almost twelve months, it is noted that petitioner's motion was not promptly

Motion for Judgment

Inasmuch as petitioner's motion to reopen is granted hereinabove, respondent's motion for judgment is moot.

Schedule

Proceedings are resumed. Discovery is closed.

Testimony periods are reset as follows.

30-day testimony period for party
in position of plaintiff to close: 10/31/08

30-day testimony period for party
in position of defendant to close: 12/30/08

15-day rebuttal testimony period to close: 2/13/09

In each instance, a copy of the transcript of testimony together with copies of documentary exhibits, must be served on the adverse party within thirty days after completion of the taking of testimony. Trademark Rule 2.125. Briefs shall be filed in accordance with Trademark Rules 2.128(a) and (b). An oral hearing will be set only upon request filed as provided by Trademark Rule 2.129.

NEWS FROM THE TTAB:

The USPTO published a notice of final rulemaking in the Federal Register on August 1, 2007, at 72 Fed. Reg. 42242. By this notice, various rules governing Trademark Trial and Appeal Board inter partes proceedings are amended. Certain amendments have an effective date of August 31, 2007, while most have an effective date of November 1, 2007. For further information, the parties are referred to a reprint

taken up by the Board and the Board therefore has not attributed this entire period to petitioner.

of the final rule and a chart summarizing the affected rules, their changes, and effective dates, both viewable on the USPTO website via these web addresses:

<http://www.uspto.gov/web/offices/com/sol/notices/72fr42242.pdf>

http://www.uspto.gov/web/offices/com/sol/notices/72fr42242_FinalRuleChart.pdf

By one rule change effective August 31, 2007, the Board's standard protective order is made applicable to all TTAB inter partes cases, whether already pending or commenced on or after that date. However, as explained in the final rule and chart, this change will not affect any case in which any protective order has already been approved or imposed by the Board. Further, as explained in the final rule, parties are free to agree to a substitute protective order or to supplement or amend the standard order even after August 31, 2007, subject to Board approval. The standard protective order can be viewed using the following web address:

<http://www.uspto.gov/web/offices/dcom/ttab/tbmp/stndagmnt.htm>