ESTTA Tracking number: **ESTTA185573**
Filing date: **01/09/2008**

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

Proceeding	92047013
Party	Defendant Internet FX, Inc.
Correspondence Address	Susan E. Hollander, Laura M. Franco Manatt, Phelps & Phillips, LLP 1001 Page Mill Road, Bldg. 2 Palo Alto, CA 94304 UNITED STATES patrademarks@manatt.com
Submission	Opposition/Response to Motion
Filer's Name	Laura M. Franco
Filer's e-mail	patrademarks@manatt.com
Signature	/Laura M. Franco/
Date	01/09/2008
Attachments	NeTrack.pdf (7 pages)(307568 bytes)

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

In re Registration No. 3,064,820
Mark: NETTRAK
Registered: March 7, 2006

NeTrack, Inc., Petitioner, v. Internet FX, Inc., Registrant.	Cancellation No. 92047013 **BRIEF IN REPLY TO PETITIONER'S MOTION TO RESET TESTIMONY PERIODS**

Commissioner for Trademarks
P.O. Box 1451
Alexandria, Virginia 22313-1451

Petitioner NeTrack, Inc.'s ("Petitioner's") Testimony Period closed on November 18, 2007. On December 20, 2007, Petitioner moved to Reset Testimony Periods under 37 C.F.R. §§ 2.127(a). Registrant Internet, FX, Inc. ("Registrant") respectfully requests that Petitioner's motion be denied.

Under TTAB Rule 509.01(b)(1):

> "Where the time for taking required action, as originally set or as previously reset, has expired, a party desiring to take the required action must file a motion to reopen the time for taking that action. The movant must show that its failure to act during the time previously allotted therefor was the result of excusable neglect. See 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." (emphasis added)

A. Petitioner Has Not Demonstrated "Excusable Neglect"

Under the *Pumpkin* case factors, Petitioner has failed to show excusable neglect. *Pumpkin, Ltd. dba Pumpkin Masters v. The Seed Corps*, 43 U.S.P.Q.2D (BNA) 1582 (TTAB 1997). Here, Petitioner concedes that it failed to act because "there was a motion pending before this Board from August 30, 2007 to (at least) November 30, 2007, asking that this Board reset the testimony periods." However, as stated TTAB Rule 509.02:

> "A party has no right to assume that [a] motion to extend (much less a motion to reopen) made without the consent of the adverse party will always be granted automatically. Moreover, while the Board attempts, where possible, to notify the parties of its decision on an unconsented motion to extend, or a motion to reopen, prior to expiration of the enlargement sought, the Board is under no obligation to do so, and in many cases cannot." (emphasis added).

By Petitioner's own concession, it failed to act because a Motion to Reopen was pending before the Board. Under TTAB Rule 509.02, this is insufficient reason to justify Petitioner's failure to submit evidence during its testimony period. *See Leumme, Inc. v. D. B. Plus, Inc.*, 53 U.S.P.Q.2d 1758 (TTAB 1999) (waiting for Board approval of previous extension request insufficient to justify resetting of dates); *Cheseborough-Pond's Inc. v. Faberge, Inc.*, 618 F.2d 776 (CCPA 1980) (same).

Even if the Board finds Petitioner's reason for delay to be permissible, under *Pumpkin*, an equitable determination of several factors, including prejudice to the non-movant and the good faith of movant are material considerations. As set forth below, taking account of all relevant circumstances surrounding the Petitioner's omission, Petitioner's conduct fails to constitute excusable neglect under *Pumpkin*.

1. There is danger of prejudice to Registrant

If Petitioner is permitted to extend its testimony period, Registrant will be prejudiced because it has not had the opportunity to take discovery of Petitioner, and due to Petitioner's failure to submit evidence during its testimony period, Registrant has withdrawn its own motion to reopen discovery.

At the close of the discovery period in this matter, Registrant asked Petitioner to agree to re-open the period so that Registrant may take discovery. Petitioner refused, forcing Registrant to file with the Board a motion to reopen. Petitioner strongly objected to Registrant's motion to reopen the discovery period as well as to any change in the current testimony schedule.

While that motion was pending, Petitioner's testimony period commenced on October 19, 2007 and closed November 18, 2007. During that period, Petitioner did not take testimony, and did not submit any other evidence to support its petition. Petitioner did not notice any testimony depositions during its testimony period. Petitioner did not make any requests of Registrant to extend Petitioner's testimony period, or otherwise seek any extension of time for it to take testimony or submit evidence.

Relying on Petitioner's failure to submit any evidence during its testimony period, as well as TTAB Rule 534.02 (which states that "where [Petitioner] did, in fact, fail to offer any evidence during its testimony period, [Petitioner] cannot prevail, and thus, [Registrant] need not offer evidence either"), Registrant, determined to save the expense and delay of continuing with trial in this matter, withdrew its motion to reopen discovery and instead, filed a motion for dismissal of the proceeding under Rule 2.132(a).

Now, should Petitioner's request to re-open its testimony period be granted, Registrant will have lost its ability to seek to reopen the discovery period to obtain discovery from Petitioner. In the words of Petitioner: "If the board [sic] reopens the [testimony] period, the board will be rewarding [Petitioner] for choosing not to comply with the . . . rules. This would be incredibly prejudicial to the [Registrant] who instead elected to follow the rules." (See, Petitioner's September 19 Response to Motion to Reopen Discovery, page 5.)[1]

2. Delay was in the sole control of Petitioner

Petitioner has admitted that it delayed in taking testimony because "there was a motion pending before this Board from August 30, 2007 to (at least) November 30, 2007, asking that this Board reset the testimony periods." However, as stated TTAB Rule 509.02:

> "A party has no right to assume that [a] motion to extend (much less a motion to reopen) made without the consent of the adverse party will always be granted automatically. Moreover, while the Board attempts, where possible, to notify the parties of its decision on an unconsented motion to extend, or a motion to reopen, prior to expiration of the enlargement sought, the Board is under no obligation to do so, and in many cases cannot." (emphasis added).

Petitioner's decision not to take testimony was deliberate and intentional, not a mistake or oversight. Accordingly, this factor clearly indicates the lack of excusable neglect.

3. Length of delay and potential impact on judicial proceedings

---

[1] It should be noted that no prejudice has resulted to Petitioner by Registrant's filing and subsequent withdrawal of its Motion to Reopen the Discovery Period. Under TMBP Rule 509.02, the motion did not suspend Petitioner's duty to submit evidence during its testimony period. Moreover, under Rule 534.02, to prevail, Petitioner is required to take testimony regardless of whether Registrant conducts discovery, files a motion to reopen the discovery period, or later withdraws that motion.

Granting Petitioner's motion to reopen the testimony periods will delay the resolution of these proceedings for at least several more months. This is particularly troubling as it was Petitioner that commenced this action, yet utterly failed to submit any evidence during its testimony period, in utter disregard of the Board Rules as well as the statutory requirements for prevailing in this action. Indeed, given Petitioner's previous vehement objection to reopening the discovery period for three months due to the delay it would case, the Board should not countenance Petitioner's current request.

4. Petitioner failed to act in good faith

Petitioner has failed to exercise good faith at every stage of this proceeding. Petitioner forced Registrant to file numerous pleadings before the Board, including a motion to reopen discovery because Petitioner refused to consent to the motion. Indeed, Petitioner vehemently objected to reopening the discovery period on the grounds that:

> "Registrant deliberately chose to disregard the approaching date that ended the discovery period . . . Registrant's failure to conduct discovery was intentional and not a mistake . . . Most importantly, reopening discovery will reward a party who deliberately chose not to initiate discovery . . . Petitioner should not be made to suffer due to Registrant's poor judgment."

By its own reasoning, Petitioner is not entitled to have its testimony period reopened. Petitioner simply disregarded its testimony period and failed to conduct testimony -- this was no mistake but an intentional tactic. Reopening the closed testimony period will reward a party who deliberately chose ignore the burdens placed upon it. Registrant should not be made to suffer due to Petitioner's poor judgment.

B. <u>The Balance of Factors Weighs In Favor of Denying Petitioner's Motion to Reopen the Testimony Period</u>

It is clear that on balance, the *Pumpkin* factors weigh against a finding of excusable neglect. Here, Registrant has demonstrated prejudice which Petitioner cannot rebut. *Pumpkin, supra* at 1587. Petitioner has admitted that the cause for delay was one which was entirely within its control and which does not provide a basis for excusable neglect. Granting Petitioner's motion will result in further delay of the final resolution of this case. And as clearly demonstrated, Petitioner has consistently failed to act in good faith. Accordingly, Petitioner has failed to demonstrate excusable neglect, and its motion to reopen and extend the extension periods should be denied.

CONCLUSION

For the foregoing reasons, Registrant requests that the Board deny Petitioner's motion to reopen and extend the testimony periods.

Respectfully submitted,

MANATT, PHELPS & PHILLIPS, LLP

Dated: January 9th, 2008

By: _____

Susan E. Hollander, Esq.
Laura M. Franco, Esq.
Christine Klenk, Esq.
Manatt, Phelps & Phillips, LLP
1001 Page Mill Road, Bldg. 2
Palo Alto, CA 94304

Attorneys for Registrant
Internet FX, Inc.

CERTIFICATE OF SERVICE

I hereby certify that the foregoing BRIEF IN REPLY TO PETITIONER'S MOTION TO RESET TESTIMONY PERIODS has been served upon the Petitioner by depositing it with the United States Postal Service as first class mail, postage prepaid, in a sealed envelope addressed to:

Carl Oppedahl, Esq.
Oppedahl Patent Law Firm, LLC
P. O. Box 4850
Frisco, CO 80443-4850

on this 9th day of January, 2008.

Sue Harryman

Sue Harryman