

ESTTA Tracking number: **ESTTA246686**

Filing date: **11/04/2008**

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 & Britt L. Anderson Manatt, Phelps & Phillips, LLP 1001 Page Mill Road, Bldg. 2 Palo Alto, CA 94304 UNITED STATES patrademarks@manatt.com
Submission	Reply in Support of Motion
Filer's Name	Britt L. Anderson
Filer's e-mail	patrademarks@manatt.com
Signature	/Britt L. Anderson/
Date	11/04/2008
Attachments	Reply.pdf (7 pages)(171754 bytes)

worth of extensions. Unlike the movant in *Pumpkin*: (1) Registrant here made the request only three weeks after receiving the Board's August 28, 2008 Order (after attempting to obtain Petitioner's consent, which was denied), (2) the Board has not granted any previous extension requests, and (3) the delay was not due to any internal error, but due to Registrant's good faith reliance on Petitioner's statements implying that settlement was imminent. As required by *Pumpkin*, and as set forth below, taking account of all relevant circumstances surrounding the Registrant's omission, Registrant's conduct constitutes excusable neglect.

A. Delay Was Not Within the Reasonable Control of Registrant

Trying to divert attention from its actions in settlement discussions, Petitioner cites to the inapposite case of *Atlanta-Fulton County Zoo, Inc. v. De Palma*, 45 USPQ25 1858 (TTAB 1998), which states that "mere existence of settlement negotiations did not justify party's inaction or delay." In the *Atlanta-Fulton* case, without any prior negotiation or movement toward settlement, applicant served an unsolicited settlement proposal on opposer four days prior to the close of the testimony period. Opposer did not confirm or respond to the proposal. Thirty-seven days later, applicant sought to reopen the testimony period on the basis of "settlement discussions." *Atlanta-Fulton* is not analogous to this matter. Here, Registrant relied in good faith on Petitioner's consistent expressions of interest in settling the matters as well as Petitioner's indications over a nearly four month period that settlement was imminent. (*See* Declaration of Britt L. Anderson in Support of Motion to Reopen Discovery ("Anderson Declaration"), ¶¶ 5-8.) Despite this lengthy period in which Petitioner allowed Registrant to be lulled into a sense that agreement on settlement would occur any day, Petitioner failed to notify Registrant that in its mind settlement discussions had apparently ended and simply timed its service of discovery so that Registrant would receive it after the discovery deadline had closed. (*Id.* ¶ 10.)

This history, which Petitioner does not deny, shows that any delay in this proceeding was and is within the control of Petitioner, who fostered Registrant's good faith belief that settlement was imminent.¹ In fact, rather than allow a short 90-day re-opening of discovery, Petitioner has compounded the very delay and cost about which it now complains by refusing to consent not once, but twice, instead preferring rounds of motion practice. Even if Registrant had some role in the delay in serving discovery, where, as here, the remaining three factors weigh in Registrant's favor, excusable neglect will be found. *See Champagne Louis Roederer v. J. Garcia Carrion, S.A.*, 2004 TTAB LEXIS 235, *10-11 (Board found excusable neglect even though delay was due to movant's failure to request an extension of time to serve discovery prior to the expiration of the time therefore).

B. There is No Danger of Prejudice to Petitioner

Petitioner presents no credible argument that its ability to bring its claims against Registrant will be prejudiced by extending the discovery period. Prejudice is demonstrated by showing witnesses or evidence have become unavailable due to delay in proceedings. *Pumpkin*, 43 U.S.P.Q.2D at 1587; *see also Pratt v. Philbrook*, 109 F.3d 18 (1st Cir. 1997) (prejudice not shown where non-movant fails to demonstrate evidence will be unavailable due to delay).

Petitioner has not even suggested that its witnesses or evidence will become unavailable as a result of the delay in the proceedings.

Petitioner's claim that reopening discovery will prejudice it because Registrant will be in a "less rushed situation" to prepare its own discovery is also without merit. By its own admission, Petitioner could have prepared discovery sooner and thus have avoided any "rushed situation." Further, reopening the discovery period can only help Petitioner by affording it the

¹ Registrant attempts to obfuscate this history further by its Motion to Strike, filed with Registrant's Opposition to Registrant's Motion to Re-Open Discovery. Registrant respectfully calls the Board's attention to the fact that it has opposed Registrant's Motion to Strike.

opportunity to prepare any additional discovery it may require. Petitioner's concerns that it will incur additional expenses "that may not have been necessary if Registrant had conducted discovery during the original specified time period" are likewise without basis. Indeed, if the discovery period is not reopened due to Petitioner's objections, Registrant will be forced to defend its case through costly testimony depositions of Petitioner's representatives. Such deposition practice will likely cost Petitioner more than it would have spent in responding to discovery requests. Indeed, Petitioner has increased its own costs by forcing Registrant to bring this motion. Quite simply, Petitioner has shown no prejudice and complains of delay that it has brought on itself.

C. Petitioner Is Misinformed in How "delay" is calculated

Petitioner claims that the length of the delay on judicial proceedings will be "over one year" (Opposition at 9), and attempts to distinguish this matter from *Champagne Louis Roederer v. J. Garcia Carrion, S.A.*, 2004 TTAB LEXIS 235 (T.T.A.B. 2004), where a request to reopen the discovery period for only thirty-days was granted. However, Petitioner is mistaken in how "delay" is calculated. As explained by the Board in *Pumpkin*, the calculation of the length of the delay in the proceedings is determined not by the length of the requested extension, but by the amount of time granted in prior extensions, the amount of time which elapsed between the closure of the period and the request to reopen, and the amount of time to consider the motion itself. *Pumpkin*, 43 U.S.P.Q.2D at 1588. Indeed, in *Champagne*, the Board noted that the movant acted "swiftly" by bringing a similar motion just one month after the discovery period closed. Here, Registrant filed its first motion to re-open just two days after the close of discovery and just three weeks after receiving the Board's August 28, 2008 order.

In fact, it is Petitioner that is delaying these proceedings. Rather than consent to a simple request to reopen discovery for 90 days, Petitioner forced Registrant to file this motion and take

up valuable Board time. Indeed, the Board routinely grants ninety day extensions in similar cases. See *Kellogg Company v. Pacific Grain Products, Inc.*, 1996 TTAB LEXIS 478 (TTAB 1996) (discovery period extended ninety days); see also *Creo Products Inc. v. Martin-Williams, Inc.*, 2002 TTAB LEXIS 560 (TTAB 2002) (discovery period extended ninety days), and *International Race of Champions, Inc. v. Horne*, 2001 TTAB LEXIS 799 (TTAB 2001) (discovery period extended ninety days). Indeed, if Petitioner was concerned about the length of “delay” it could have suggested that the discovery period be reopened for a shorter amount of time. Accordingly, this factor favors Registrant.

D. Petitioner Concedes that Registrant Acted in Good Faith

Petitioner concedes that Registrant has not demonstrated bad faith, thus this factor clearly favors Registrant.

E. The Balance of Factors Weighs In Favor of Reopening the Discovery Period

It is clear that on balance, the *Pumpkin* factors weigh in favor of a finding of excusable neglect. Here, Registrant has demonstrated an absence of prejudice to Petitioner, which Petitioner cannot rebut. *Pumpkin, supra* at 1587. The short turn-around time following the Board’s August 28, 2008 Order, particularly in light of no previous grant of extension in discovery, shows that this limited delay has minimal judicial impact. *Champagne, supra* at *11. Petitioner has admitted that Registrant’s actions were not in bad faith. Finally, Petitioner has demonstrated that the delay was out of its reasonable control. Accordingly, Registrant has demonstrated excusable neglect, and its motion to reopen discovery should be granted.

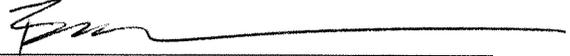
II. CONCLUSION

For the foregoing reasons, Registrant requests that the Board grant its motion to reopen the discovery period for ninety days and reset the testimony and trial periods in this proceeding.

Respectfully submitted,

MANATT, PHELPS & PHILLIPS, LLP

Dated: November 4, 2008

By: 
Susan E. Hollander, Esq.
Britt L. Anderson, 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 REPLY IN SUPPORT OF MOTION TO REOPEN DISCOVERY PERIOD AND RESET TESTIMONY AND TRIAL 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 4th day of November, 2008.



Linda Allen