



TTAB

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October 8, 2013

**VIA CERTIFIED MAIL**

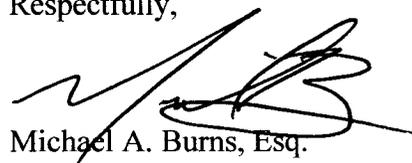
United States Patent & Trademark Office  
Trademark Trial & Appeal Board  
P.O. Box 1451  
Alexandria, VA 22313-1451  
Attn: Veronica P. White, Paralegal Specialist

*RE: A to U Services, Inc. v. Precision Sewer Services, LLC No. 92057488; Registrant  
Motion to Set Aside Default / Motion for Leave to File a Late Answer*

Dear Ms. White:

Pursuant to the above captioned matter, please find the enclosed timely filing on behalf of my client, Precision Sewer Services, LLC.

Respectfully,



Michael A. Burns, Esq.



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

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A TO U SERVICES, INC.	:	
	:	
Petitioner,	:	
	:	
v.	:	Cancellation No. 92057488
	:	
PRECISION SEWER SERVICES, LLC	:	
	:	
Registrant.	:	

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MOTION TO SET ASIDE DEFAULT / MOTION FOR LEAVE TO FILE A LATE  
ANSWER

Registrant, Precision Sewer Services, LLC (hereinafter “Precision”) by and through its undersigned attorney, hereby submits its Motion to Set Aside Default and Motion to Leave to File a Late Answer pursuant to 37 C.F.R. § 2.116(a) and Fed. R. Civ. P. 6(b), 55(c) and 60(b) and avers in support as follows:

I. STATEMENT OF FACTS AND PRELIMINARY STATEMENT

The facts as set forth in Petitioner’s Petition for Cancellation are inaccurate and incomplete. Precision, a small company still in its early stages of development in October of 2011, purchased for valuable consideration in November of 2011, the exclusive rights to use, modify and register a mark that had been in common use by an existing company, American Sewer Services, Inc. (hereinafter “American”), since the 1980’s.

In November of 2011, Precision began using the American mark on various pieces of equipment that was also purchased in the same agreement. In March of 2012, the mark had been modified to include Precision’s company name, as well as overlapping arrows traveling clockwise in place of the adjacent arcs that circled the image of the worker cleaning out a drain. Precision applied for and was granted in November of 2012 Registration number 4,251,607 for the mark.

After learning of Petitioner’s unauthorized and infringing use of a similar mark, as identified in Petitioner’s Petition for Cancellation, in December of 2012, Petitioner received correspondence from counsel for Precision in the form of a letter requesting the infringing mark be removed from all company items including vehicles within a time to be determined by the

parties. A response was requested within fifteen (15) days. After no response being received within thirty (30) days, counsel for Precision sent a second letter in January of 2013 demanding that Petitioner cease use of the PRECISION TRADEMARK or steps to protect Precision's mark would be taken in court proceedings. Again, Petitioner ignored this request and failed to correspond with Precision. This January 2013 letter was significant, because it carefully explained Precision's reasoning and position to Petitioner, and because there was no response to it, the silence reinforced Precision's belief that Petitioner had no valid grounds to object to continue use of the mark and that Petitioner recognized this fact. Therefore, Precision, having heard no response to its January 2013 letter, through counsel, filed a cause of action by way of complaint for trademark infringement on May 28, 2013 [with assigned case number 2:13-cv-2916-LDD] in the United States District Court for the Eastern District of Pennsylvania.

On June 27, 2013, counsel for Petitioner, Lesley Grossberg, Esquire, by way of letter addressed to Precision at their principal place of business, in spite of being on notice of representation of counsel, directly communicated Petitioner's intent to file a Petition for Cancellation. The correspondence was incomplete as it contained only four (4) of the seven (7) pages as noted by the page numbers at the bottom of the petition. Having learned of this improper and unethical communication, on July 22, 2013, counsel for Precision, by way of letter requested that any petition that may have been filed be promptly withdrawn as litigation was pending. In the same fashion as Petitioner, counsel for Petitioner also ignored this correspondence without a response.

Precision's ability to comply with the deadline is largely the result of the improper, incomplete and uncertain status of the filing of a petition, in addition to the lack of professional courtesy or ability to answer correspondence with counsel. Attorney Grossberg's mailing of critical papers, incomplete and uncertain, with potential time sensitive deadlines, to represented parties and not through counsel has created an extreme burden on Precision. Additionally, the ongoing litigation involving Precision's defense to the infringing Petitioner makes this attempt for cancellation premature and the entry of default inequitable.

## II. LEGAL ARGUMENT

In considering whether to open or set aside a default judgment, the TTAB has stated that "[t]he 'good and sufficient cause' standard, in the context of [37 C.F.R. § 2.132(a)], is equivalent

to the 'excusable neglect' standard which would have to be met by any motion under FRCP 6(b) to reopen the plaintiff's testimony period." *HKG Indus., Inc. v. Perma-Pipe Inc.*, 49 USPQ2d 1156, 1157 (T.T.A.B.1998). Thus, Precision's motion to reopen the opposition proceeding is made pursuant to that Rule amongst others. In analyzing excusable neglect, the TTAB has relied on the Supreme Court's discussion of excusable neglect in *Pioneer Investment Services Co. v. Brunswick Associates Limited Partnership*, 507 U.S. 380, 113 S.Ct. 1489, 123 L.Ed.2d 74 (1993). See, e.g., *Mattel, Inc. v. Henson*, 88 Fed. Appx. 401 (Fed. Cir. 2004) (confirming applicability of Pioneer factors to TTAB proceedings). The Pioneer case dealt with a bankruptcy rule permitting a late filing if the movant's failure to comply with an earlier deadline 'was the result of excusable neglect.'" 507 U.S. at 382, 113 S.Ct. 1489. The Supreme Court defined the inquiry into excusable neglect as:

at bottom an equitable one, taking account of all relevant circumstances surrounding the party's omission. These include ... the danger of prejudice to the (non-moving party) 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

*Id.* at 395, 113 S.Ct. 1489. In practice before this Board in particular, the TTAB "is lenient in accepting late-filed answers" when the delay is not excessive. See, *Mattel, Inc. v. Henson*, 88 Fed. Appx. at 401, n.1.

The courts and the Board are reluctant to grant judgments by default and tend to resolve doubt in favor of setting aside a default, since the law favors deciding cases on their merits. *Morris v. Charnin*, 85 F.R.D. 689 (S.D.N.Y.1980); *Alopuri v. O'Leary*, 154 F.Supp. 78 (E.D.Penn.1957); *Thrifty Corporation v. Bomax Enterprises*, 228 USPQ 62 (TTAB 1985); *Regent Baby Products Corp. v. Dundee Mills, Inc.*, 199 USPQ 571 (TTAB 1978). A motion to set aside a default is addressed to the sound discretion of the court, may be granted for good cause, and "is usually granted when no substantial prejudice will result to the plaintiff and [when] the defendant, not being guilty of gross neglect, claims the existence of a meritorious defense." *Kulakowich v. A/S Borgestad*, 36 F.R.D. 185, 186 (E.D.Penn.1964); See also, *Seanor v. Bair Transport Company of Delaware, Inc.*, 54 F.R.D. 35 (E.D.Penn.1971). Further, one court has held that it is abuse of a court's discretion not to set aside a default when circumstances are

such that a plaintiff would not be prejudiced, the defendant has established a meritorious defense and defendant did not engage in willful or bad faith conduct leading to default. *Heleasco Seventeen, Inc. v. Drake*, 102 F.R.D. 909, 917 (D.Del.1984). Finally, where it is the attorney rather than the party itself that is responsible for the failure to properly defend an action, as is true of the instant case, courts are likely to vacate a default. *Trust Company Bank v. Tingen-Millford Drapery Company, Inc.*, 119 F.R.D. 21, 22 (E.D.N.C. Raleigh Div.1987).

It has been noted "that the case law with respect to default judgments appears to be inconsistent with Rule 6(b)(2)'s provision for extending the time to file an answer ... only in cases of excusable neglect." *Kleckner v. Glover Trucking Corporation*, 103 F.R.D. 553, 556 (M.D.Penn.1984). Thus, even in a case when excusable neglect could not be shown and Rule 6(b)(2) would therefore have required denial of a motion for leave to file an answer out of time, thus prompting entry of a default judgment, it was held that the clear import of the case law interpreting Rules 55(c) and 60(b) would nonetheless require the judgment to be set aside on a showing of good cause as outlined above. *Kleckner*, 103 F.R.D. at 556.

Finally, pursuant to 312.02 'Setting Aside Notice of Default' if a defendant [who has failed to file a timely answer to the complaint] responds to a notice of default by filing a satisfactory showing of good cause why default judgment should not be entered against it, the Board will set aside the notice of default. *See Fed. R. Civ. P. 55(c)*. Similarly, if the defendant in support of its own motion requests that its late-filed answer be accepted, default judgment will not be entered against it. Good cause is usually found when the defendant shows that (1) the delay in filing an answer was not the result of willful conduct or gross neglect on the part of the defendant, (2) the plaintiff will not be substantially prejudiced by the delay, and (3) the defendant has a meritorious defense to the action. *See DeLorme Publishing Co v. Eartha's Inc.*, 60 USPQ2d 1222, 1224 (TTAB 2000) (willful conduct shown where although applicant may not have intended that proceedings be resolved by default, applicant admittedly intended not to answer for six months); *Paolo's Associates Limited Partnership v. Paolo Bodo*, 21 USPQ2d 1899, 1903-04 (Comm'r 1990) (no evidence that failure was willful; costs incurred in preparing and filing motion not sufficient to support finding of prejudice); and *Fred Hayman Beverly Hills, Inc. v. Jacques Bernier, Inc.*, 21USPQ2d 1556, 1557 (TTAB 1991) (failure to answer due to inadvertence on part of applicant's counsel; answer had been prepared and reviewed by applicant but counsel inadvertently failed to file it; nine-day delay would cause minimal prejudice; by

submission of answer which was not frivolous meritorious defense was shown). Cf. regarding a motion to set aside judgment under Fed. R. Civ. P. 60(b), *Djeredjian v. Kashi Co.*, 21 USPQ2d 1613, 1615 (TTAB 1991) (the two other factors having been shown, applicant was allowed time to show meritorious defense by submission of answer). The showing of a meritorious defense does not require an evaluation of the merits of the case. All that is required is a plausible response to the allegations in the complaint. *DeLorme Publishing Co at 1224*.

In this instance, there is good cause why default should not be entered against Precision. First, the delay in filing an answer was not the result of willful conduct or gross neglect on the part of Precision. Petitioner sent the initial copy of the petition was sent to a represented party and not to counsel for Precision's office. Once counsel learned of the filing almost thirty (30) days later, counsel immediately corresponded with Petitioner via letter but received no response. The Board, having been unaware of counsel's representation in the federal infringement suit and only having Precision's address available, sent notice to Precision regarding the default. Counsel, once having learned of the notice, has filed a timely response. Thus, the delay was reasonable and/or at least not willful or grossly negligent. Second, Petitioner will not be substantially prejudiced by the delay of thirty (30) days in regards to a further response by Precision. Petitioner is attempting to cancel a trademark during the course of ongoing litigation regarding the trademark ownership rights in the mark. The outcome of the litigation proceedings will determine how the Petition to cancel shall be considered. Thus, as settlement discussions have just commenced, there is no prejudice that shall burden Petitioner as there is a likelihood of resolution in the litigation proceeding. Third, Precision has a meritorious defense or more accurately, a plausible response to the allegations in Petitioner's complaint. Petitioner asserts one, very flimsy assertion as to their rights in Precision's registered trademark; that is, that they purchased two (2) trucks in September 2011 that had American's logo on their side. At the time of the sale, and through the present, American is a valid registered ongoing Pennsylvania corporation that has not filed any articles of dissolution. Precision in November of 2011 had purchased by way of signed valid and undisputed agreement with American equipment, phone numbers and the exclusive rights to the mark as well as the right to trademark it with the USPTO. Thus, Precision's agreement stands alone as a plausible response to the petition. Additionally, the litigation case initiated by Precision, which is ongoing, also represents plausibility to ownership claim by Precision. Therefore, having demonstrated the delay in filing

being reasonable and not the result of willful conduct or gross neglect by Precision, the lack of substantial prejudice of the delay on Petitioner, and the strong showing of meritorious defense, Precision has properly met its burden and established good cause why default should not be entered against it.

Precision, having established good cause, now permits the Board with ample reason to employ its leniency and authorize the late filing of an Answer. For the almost thirty (30) years American has had common law rights in the mark it created and had subsequently transferred those exclusive rights to Precision by way of written agreement and for valuable consideration. Precision, being the lawful owner of the mark continued its use and ultimately registered it with the USPTO. Petitioner merely purchased two (2) trucks. Ultimately, there is no reason in this situation to depart from the well-known preference in the federal courts that litigation disputes be resolved on their merits. *See, Richardson v. Nassau County, 184 F.R.D. 497, 501 (E.D.N.Y. 1999).*

### III. CONCLUSION

For the foregoing reasons, and having demonstrated good cause why default should not be entered against them, Precision respectfully requests that the default entered in this matter be set aside and that leave be granted to file a late Answer.

Respectfully Submitted



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610.586.1828

Dated: October 8, 2013

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

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A TO U SERVICES, INC.	:	
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Petitioner,	:	
	:	
v.	:	Cancellation No. 92057488
	:	
PRECISION SEWER SERVICES, LLC	:	
	:	
Registrant.	:	

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CERTIFICATION OF SERVICE

I hereby certify that, a true and correct copy of the foregoing Motion to Set Aside Default / Motion for Leave to File a Late Answer was served U.S. Postal Service as first class mail, postage prepaid, to counsel for Petitioner as follows:

Lesley Grossberg  
Woodcock Washburn  
Cira Centre, 12<sup>th</sup> Floor  
2929 Arch Street  
Philadelphia, PA 19104

  
Michael A. Burns, Esq.

Dated: October 8, 2013