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

DISPOSITION IS NOT CITABLE AS PRECEDENT OF THE TTAB

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Mailed: February 22, 2005

Opposition No. 91158034

Hagie Manufacturing Co.

v.

Bayerische Motoren Werke Aktiengesellschaft

Before Quinn, Chapman and Bucher, Administrative Trademark Judges.

By the Board.

On April 15, 2004, the Board reset the closing date for the discovery period to June 20, 2004, the closing date for opposer's testimony period to September 18, 2004, the closing date for applicant's testimony period to November 17, 2004, and the closing date for the rebuttal period to January 2, 2005.

On October 12, 2004, applicant filed a motion to dismiss the opposition under Trademark Rule 2.132 in view of opposer's failure to take testimony or offer any evidence during its assigned testimony period. Opposer responded to applicant's motion on October 28, 2004 with a motion to reopen its testimony period until November 30, 2004,

contending that "Opposer and Applicant have been in settlement discussions and it was Opposer's belief that the parties were close to an agreement on terms regarding resolution" of the opposition.[1] It adds that opposer has "actively conducted discovery" and that reopening the testimony period will not result in any prejudice to applicant, but a "refusal to reopen the testimony would cause severe prejudice to Opposer."

Applicant responded to opposer's motion on November 1, 2004, arguing that opposer has not shown excusable neglect; that settlement negotiations were not ongoing during opposer's testimony period (which opened on August 19, 2004); and that the last communication regarding settlement was on July 1, 2004 when opposer formally withdrew any settlement offer.

Without waiting for the Board's decision on its motion to reopen its testimony period, opposer filed notices of reliance on November 18, 22 and 26, 2004. Applicant then filed a motion to strike the first notice of reliance on November 19, 2004, maintaining that opposer's testimony

[1] Opposer did not provide any details regarding the settlement negotiations between the parties with its motion. A party moving to reopen its time to take required action must set forth with particularity the detailed facts upon which its excusable neglect claim is based; mere conclusory statements are insufficient. See *Gaylord Entertainment Co. v. Calvin Gilmore Productions Inc.*, 59 USQP2d 1369 (TTAB 2000); and *HGK Industries Inc. v. Perma-Pipe Inc*. 49 USPQ2d 1156 (TTAB 1998). See also, TBMP § 509.01(b)(1) (2d ed. rev. 2004).

period had already closed and that the November 18, 2004 notice of reliance was late. The Board has not received a response to applicant's motion to strike.

We first turn to applicant's motion under Trademark Rule 2.132(a) and opposer's motion to reopen its testimony period.

Pursuant to Trademark Rule 2.132(a), when a plaintiff fails to offer testimony or other evidence during its testimony period, the defendant may move for dismissal for failure to prosecute. The burden then shifts to the plaintiff to demonstrate "good and sufficient cause" why judgment should not be entered against it. As we have held in the past, the "good and sufficient cause" standard set out in Trademark Rule 2.132(a) is equivalent to the "excusable neglect" standard in Fed. R. Civ. P. 6(b). *HKG Industries Inc. v. Perma-Pipe Inc.*, *supra*; and *Grobet File Co. of America, Inc. v. Associated Distributors Inc.*, 12 USPQ2d 1649 (TTAB 1989). See also, TBMP § 534.02 (2d ed. rev. 2004).

Similarly, where the time for taking required action has expired, and a party desiring to take the required action has filed 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).

As clarified by the Supreme Court in *Pioneer Investment Services Company v. Brunswick Associates Limited Partnership*, 507 U.S. 380 (1993), and followed by the Board (see, e.g., *Pumpkin, Ltd. v. The Seed Corps*, 43 USPQ2d 1582 (TTAB 1997)), a determination of whether a party's neglect is excusable involves consideration of (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 moving party, and (4) whether the moving party had acted in good faith. Each *Pioneer* factor is addressed in turn below.

(1) Prejudice To Applicant

Applicant has not shown any specific prejudice to it if opposer's testimony period is reopened. Thus, we find that this factor weighs in opposer's favor.

(2) The Length Of The Delay And Its Potential Impact On Judicial Proceedings

If not for opposer's failure to take testimony as scheduled, the trial periods in this case – which have already been reset once[2] - would all have been completed at this time. Now, opposer requests that its testimony period be reopened, and that the Board reset the date for the

[2] The Board reset the discovery and testimony periods when applicant's motion to compel was granted in an order dated April 15, 2004.

completion of opposer's testimony period to November 30, 2004.[3] If granted, the new trial schedule proposed by opposer will delay this proceeding for close to two months from the trial schedule set forth in the Board's April 15, 2004 order. However, "the calculation of the length of the delay in proceedings also must take into account the additional, unavoidable delay arising from the time required for briefing and deciding the motion to reopen." *Pumpkin, supra*. Approximately four months have passed since the filing of opposer's motion.[4] If the Board grants opposer's motion and resets the remaining trial periods beginning with applicant's testimony period, this case will have been delayed by approximately five months. Thus, this factor weighs heavily in applicant's favor.

(3) The Reason For The Delay And Whether It Was Within The Reasonable Control Of Opposer

As noted above, opposer attributes its delay in this case to settlement discussions between the parties and "Opposer's belief that the parties were close to an agreement on terms regarding resolution" of the opposition. Opposer also maintains that it "was under the impression that based upon issuance of Opposer's trademark application

[3] Opposer moved to reopen its discovery and trial periods only after applicant had moved for involuntary dismissal.
[4] Opposer could have sought an expedited decision on its motion with a request for a telephone conference, thereby avoiding further delays. See TBMP § 502.06(a) (2d ed. rev. 2004). Opposer did not make such a request.

… Applicant would be motivated to continue discussions toward resolution of the instant opposition."[5]

According to applicant, however, there was no contact between the parties during opposer's testimony period; the "last correspondence between the parties with any mention of settling this matter was on July 1, 2004"; and at that time, "*Opposer's* counsel indicated in [an] email … that his client 'has since formally withdrawn all outstanding offers to settle this matter'"; and that *opposer's* counsel "indicated that the Applicant's 'offer has prompted [his] client to focus its efforts on the opposition, rather than on settlement.'" (Emphasis added.)[6]

We do not agree with opposer that (a) the parties' settlement negotiations, and (b) opposer's "impression" that the issuance of opposer's trademark registration would motivate applicant to continue settlement discussions, excuse opposer's failure to take testimony or offer other evidence in this case. *Opposer* - not applicant - halted settlement negotiations prior to the commencement of opposer's testimony period,[7] and *opposer's* attorney stated that *opposer* would "focus its efforts on the opposition,

[5] Opposer pleaded ownership of application Serial No. 76473526. This application issued as Registration No. 2866082 on July 27, 2004.
[6] We note that opposer has not contested applicant's statements.
[7] During the time that the parties were conducting settlement negotiations, opposer did not move to suspend or extend the discovery and testimony periods.

rather than on settlement." Thus, it is disingenuous for opposer to now argue that "it was Opposer's belief that the parties were close to an agreement [and that] Applicant would be motivated to continue discussion toward resolution of the instant opposition." Its statements in July 2004 do not support its "belief" -- and the balance of the record does not reflect the fact -- that subsequent to July 1, 2004, either party attempted to resume settlement negotiations.

Further, we note that if opposer really desired to "continue discussions toward resolution of the instant opposition" after July 1, 2004, opposer had approximately *ten weeks* to move to reschedule its testimony period prior to the scheduled closing date of its testimony period. Opposer did nothing until well *after* its testimony period commenced, waiting until approximately one month *after* its testimony period had closed and only *after* applicant had moved to dismiss this case before filing a motion to reopen its testimony period.

Moreover, there is no question that opposer's failure to present evidence or more timely move to reopen the time to do so was caused by circumstances wholly within opposer's control. Opposer has known since April 15, 2004 (when the Board last reset the discovery and testimony periods) that its testimony period would close on September 18, 2004, and

certainly opposer knew (or should have known) that it had neither taken trial testimony nor offered any other evidence into the record. Nonetheless, opposer did not move to reopen its testimony period except in response to applicant's motion. It is opposer's responsibility to present its case in a timely manner.

We also note that even if there had been on-going settlement negotiations in this case (which there were not), Board precedent clearly provides that "the mere existence of settlement negotiations alone does not justify a party's inaction or delay." *Atlanta-Fulton County Zoo Inc. v. DePalma,* 45 USPQ2d 1858 (TTAB 1998).

In view of the foregoing, we resolve the third *Pioneer* factor in applicant's favor against a finding of excusable neglect.

(4) Whether Opposer Acted In Good Faith

There is no evidence that opposer has acted in bad faith. This factor therefore is neutral.

CONCLUSION

We find that, although the first and fourth *Pioneer* factors are neutral or in opposer's favor, they are heavily outweighed by our findings on the second and third *Pioneer* factors. Thus, we find that opposer's failure to timely take testimony or offer any evidence was not the result of excusable neglect. Accordingly, opposer's motion to reopen

its testimony period is denied.

Because opposer's testimony period was not reopened, applicant's motion to strike opposer's November 18, 2004 notice of reliance is granted; and opposer's notices of reliance filed November 22 and 26, 2004 are also stricken.

The burden of proof in an opposition proceeding is on the opposer. When an opposer fails to take testimony or introduce any evidence in support of its pleaded claims, it cannot prevail. *Hester Industries Inc. v. Tyson Foods, Inc*. 2 USPQ2d 1646 (TTAB 1987).

Because we have stricken opposer's late-filed notices of reliance, opposer has presented no evidence at all in support of its pleaded claims. In applicant's answer, it denied all of the salient allegations in opposer's notice of opposition. Accordingly, applicant's motion for judgment under Trademark Rule 2.132(a) is granted; judgment is hereby entered against opposer, and the opposition is dismissed with prejudice.

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