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

Proceeding	91177900
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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE  
Before the Trademark Trial and Appeal Board

IN RE: VUTEK, INC. v. BIOWARE CORP.

Trademark: BIOWARE/PANDEMIC STUDIOS

Opposer: VUTEK, Inc.

Applicant: BioWare Corp.

Opposition No. 91177900

Serial No. 76/653517

United States Patent and Trademark Office  
Trademark Trial and Appeal Board  
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APPLICANT BIOWARE CORP.'S REPLY TO OPPOSER'S OPPOSITION TO  
APPLICANT'S REQUEST TO SET ASIDE NOTICE OF DEFAULT

Pursuant to TBMP § 312.02 and Fed. R. Civ. P. 55(c), Applicant BioWare Corp. respectfully requests that the Trademark Trial and Appeal Board set aside the default entered in the instant appeal for the reasons set forth herein.

I. INTRODUCTION

Stripped of its hyperbole, Opposer VUTEK, Inc.'s ("VUTEK") Opposition to Applicant's Request to Set Aside Notice of Default (hereafter, the "Opposition") consists of little except attempts to impose its own erroneous definitions and standards for those established, as a matter of law, by this Board, and the various District Courts and Circuit Courts of Appeals cited in Applicant BioWare Corp.'s ("BioWare") moving papers.

## II. BIOWARE'S UNTIMELY FILING WAS NOT WILLFUL.

As discussed in BioWare's moving papers, the first factor for determining whether good cause exists to set aside a Notice of Default is whether the delay was the result of "willful conduct or gross neglect." BioWare's moving papers explained that its delay in filing its response was the result of a unique and unfortunate coincidence of factors occasioned by BioWare's counsel's changing firms -- because notice of the matter was sent via email from BioWare's transactional counsel at his former firm, it did not enter the docketing and calendaring system at his new firm, nor was a substitution of counsel filed. VUTEk argues that "BioWare, through its outside and in-house counsels, indicated a timely awareness on multiple occasions of the pendency of VUTEK's Opposition in the instant proceeding, and BioWare had both notice and opportunity well in advance of BioWare's response date of July 29, 2007, to prepare and file its response." Opposition, p. 3. In so arguing, VUTEk attempts to redefine the "willful conduct or gross neglect" standard as simple "awareness."

VUTEk further misstates the standard for setting aside a notice of default, claiming, "blaming the delay in filing an answer or responsive pleading on the party's counsel 'simply' does not constitute 'excusable neglect.'" Opposition, p. 2. "Excusable neglect" is the standard for setting aside default judgments and is not appropriate for determining whether a notice of default should be set aside. *See, Jones v. Harrell*, 858 F.2d 667, 669 (11th Cir. 1988) ("The excusable neglect standard that courts apply in setting aside a default judgment is more rigorous than the good cause standard that is utilized in setting aside an entry of default.").

The instant matter is but one of multiple proceedings initiated by VUTEk with respect to the BIOWARE trademark, including three in the U.S. before the TTAB, two in Hong Kong, one in Japan, one in Mexico and one in Canada. BioWare was aware of this proceeding. It was not, however, aware of filing deadline for this proceeding for the reasons detailed herein and in its

moving papers. This does not constitute “willful neglect” as a matter of law. See, e.g., *Delorme Publishing Co., Inc. v. Eartha’s, Inc.*, 60 U.S.P.Q.2d 1222, (TTAB, 2000) (Willful conduct when applicant’s counsel consciously chose to ignore the notice of opposition received from the TTAB); *CJC Holdings, Inc. v. Wright & Lato, Inc.*, 979 F.2d 60 (5th Cir. 1992) (defendant’s failure to read certified letter containing complaint and summons prior to leaving on vacation held willful); *Marziliano v. Heckler*, 782 F.2d 151 (2nd Cir. 1984) (finding willfulness is supported by a knowing failure to timely respond; *Cf. Gucci America Inc. v. Gold Center Jewelry*, 158 F.3d 631 (2nd Cir. 1998) (default supported by a finding that the defendant acted deliberately).

Black’s Law Dictionary offers an illuminating definition:

Proceeding from a conscious motion of the will; voluntary. Intending the result which actually comes to pass; designed; intentional; not accidental or involuntary. An act or omission is “willfully” done, if done voluntarily and intentionally and with the specific intent to do something the law forbids, or with the specific intent to fail to do something the law requires to be done; that is to say, with bad purpose either to disobey or to disregard the law.

Black’s Law Dictionary, 5<sup>th</sup> Edition, 1979, p. 1434

As both the case law and Black’s make clear, willfulness requires a deliberate omission. See, Webster’s Third New International Unabridged Dictionary, 2002, p. 2617 (willful: n, done deliberately. : not accidental). That is clearly not the case here, nor, other than the naked assertion, can VUTEk credibly so allege.

### III. VUTEK IS NOT PREJUDICED

VUTEK's discussion of prejudice is, virtually, incomprehensible. VUTEK claims that, if the application to set aside the default is granted, because BioWare's response to VUTEK's opposition is a motion pursuant to Fed. R. Civ. P. 12(b)(6), VUTEK will lose the opportunity to "have VUTEK's Opposition heard on the merits, which is the entire reason for the TTAB's leniency on requests to set aside defaults." Opposition, p. 4. Apparently, in VUTEK's view, entry of default constitutes a judgment on the merits, whereas a decision by the Board on a substantive motion to dismiss for failure to state a claim does not. Not only is this bizarre argument contrary to common sense, but it is also contrary to law. *Bell v. Hood*, 327 U.S. 678, 682, 66 S.Ct. 773, 13 A.L.R.2d 383, 90 L.Ed. 939 (1946) ("For it is well settled that the failure to state a proper cause of action calls for a judgment on the merits[.]")

VUTEK's Alice-Through-the-Looking-Glass theory notwithstanding, it is clear that requiring VUTEK to litigate its Opposition does not constitute prejudice. See, *Berthelsen v. Kane*, 907 F.2d 617 (6th Cir. 1990) ("To establish prejudice, the plaintiff must show that the delay will result in the loss of evidence, increased difficulties in discovery, or greater opportunities for fraud and collusion."); *Woods v. Boyne City Sch. Dist.*, 2001 U.S. Dist. LEXIS 246 (D. Mich. 2001) ("To determine whether prejudice will result from setting aside a default, courts look to whether the delay will result in the loss of evidence, increased difficulties in discovery or greater opportunities for fraud and collusion."); *Hinson v. Webster Indus.*, 240 F.R.D. 687 (D. Ala. 2007) ("the court finds that permitting a decision on the merits in this case will not prejudice Plaintiff, particularly given that this case is in its early stages").

VUTEK's only assertion of prejudice is that it will be forced to respond to BioWare's 12(b)(6) motion. This not legally-cognizable prejudice and, indeed, VUTEK should be required

to defend its meritless Opposition, as discussed in BioWare's Reply to Opposition to Motion to Dismiss, filed concurrently herewith.

IV.     BIOWARE'S DEFENSE TO VUTEK'S OPPOSITION  
          TO REGISTRATION HAS MERIT

A.     VUTEk Misstates the Standard for Standing.

VUTEk relies on TBMP § 309.03(b) in an effort to establish standing, contending that, "VUTEk's Opposition is based upon the precise grounds that the TTAB has recognized." Opposition, p5. This contention completely misstates the TTAB's decisional law, as well as the plain language of the TBMP rule.

TBMP § 309.03(b) provides, in pertinent part, that standing will be found, "if defendant has asserted a likelihood of confusion in another proceeding between the parties involving the same marks." As a threshold matter, the "other proceeding" referenced by VUTEk is BioWare's opposition to VUTEk's registration of the mark, "BIOWARE." The mark at issue in the instant opposition is BIOWARE/PANDEMIC STUDIOS. The marks are not, therefore, the same as required by TBMP § 309.03(b).

Notwithstanding this fundamental failure to comply with the rule, it is, nonetheless clear, that § 309.03 does not apply under the specific facts of the instant opposition. § 309.03 cites two cases in support of the rule: *Tonka Corp. v. Tonka Tools, Inc.*, 229 USPQ 857 (TTAB 1986) and *M. Aron Corp. v. Remington Prod., Inc.*, 222 USPA 93 (TTAB 1984). Both cases involved petitions for cancellation in which the petitioner asserted superior rights to the mark at issue. *See, Tonka Tools* at 858 ("In the petition for cancellation, respondent (defendant in the civil action) obtained an assignment of [the registration for the mark "TONKA"] in what appears to be an attempt to claim superior rights to petitioner in the mark "TONKA." As grounds for the petition to cancel, petitioner asserts, in essence, abandonment of the registered mark and

fraudulent renewal of the registration.” [emphasis added]); *M. Aron Corp.* at 94 (“[Petitioner] has petitioned for cancellation of a registration owned by Remington Products, Inc. for the mark REMINGTON . . . . As grounds for cancellation, petitioner asserts that it has used and continues to use the mark JOHN REMINGTON for ties; that such mark has acquired substantial secondary meaning and goodwill . . . that petitioner is the owner of [an] application to register the mark JOHN REMINGTON for ties; that respondent’s application which matured into [a] registration was co-pending with petitioner but was not cited by the Trademark Examining Attorney . . . ; that respondent’s registration issued one month before petitioner’s application . . . was published for opposition; that respondent commenced [an] Opposition against [petitioner’s application] . . . .; that respondent has discontinued, with intent not to resume, use of the mark REMINGTON . . . . [and] has not used the mark in connection with these goods for two consecutive years and has therefore abandoned the mark for these goods. . . .”). Here, of course, Opposer does not claim superior rights (or, for that matter, any rights) in the BIOWARE/PANDEMIC STUDIOS mark.

In both *Tonka* and *M. Aron Corp.*, the respondent had placed the registration that was the subject of the petition for cancellation at issue in the other proceeding. *See, Tonka* at 858 (“[T]he United States District Court judge’s memorandum and order issued in conjunction with the motion for preliminary injunction clearly establishes that [the registration that was the subject of the cancellation petition] has been raised by respondent as a defense to the infringement claim in the civil action . . . .”); *M. Aron Corp.*, (“[R]espondent’s attempt, as Opposer in the opposition, to amend its notice of opposition to rely on its registration now sought to be cancelled herein is sufficient to show that petitioner herein, as applicant in the opposition, is not a mere intermeddler but rather has a real interest in cancelling the registration.”). Here, BioWare has not asserted the instant registration application in the other proceeding. As stated in BioWare’s Motion to

Dismiss Pursuant to Rule 12(b)(6) (and discussed in BioWare's reply brief to VUTEK's opposition thereto, filed concurrently herewith and incorporated by reference herein), VUTEK's stated "belief" that BioWare will assert this instant registration against it is solely the product of its own imaginings and is completely unsupported by any facts whatsoever. Standing under § 309.03(b) clearly demands more than VUTEK's subjective and unsupported belief that BOWARE might assert the instant registration against it at some indefinite time in the future. *See, Tonka* at 859 ("Petitioner has a real interest in seeking to cancel a registration that has been asserted, even defensively, against it in a civil action in the U.S. District Court."); *M. Aron Corp.* at 96 ("In our opinion, respondent's attempt, as opposer in the opposition, to amend its notice of opposition to rely on its registration now sought to be cancelled herein is sufficient to show that petitioner herein, as applicant in the opposition, is not a mere intermeddler but rather has a real interest in cancelling the registration.").

Finally, VUTEK's subject and completely imaginary "belief" with respect to BioWare's future actions is insufficient to support standing. As required by § 309.03, "The allegations in support of plaintiff's belief of damages must have a reasonable basis 'in fact.'" VUTEK has failed to allege even on single fact that supports its asserted belief. For all these reasons, VUTEK therefore lacks standing to oppose the instant registration.

#### **B. VUTEK Fails to State a Claim**

VUTEK, in its Opposition, confuses the requirements for standing and those necessary to maintain an Opposition. As discussed, *supra*, VUTEK need only allege an objectively-reasonable belief that it will be damaged by the registration of BioWare's BOWARE/PANDEMIC STUDIOS mark (which, as shown, it has failed to do). *See*, TBMP § 309.03.



However, to maintain an opposition, VUTEk must also allege a statutory ground that would preclude registration being granted to BioWare. TBMP § 309.03(c) (“In addition to standing, a plaintiff must also plead (and later prove) a statutory ground or grounds for opposition or cancellation.”). Pursuant to § 309.03(c), a plaintiff may raise, “any available statutory ground for opposition . . . that negates the defendant’s right to registration.” *Id.*, *citations omitted*. VUTEk has failed utterly, both in its original Opposition to registration and the opposition to BioWare’s instant motion to allege any statutory or judicially-cognizable ground under which BioWare’s registration for BIOWARE/PANDEMIC STUDIOS may issue. *See, Young v. AGB Corp.*, 152 F.3d 1377, 1380 (Fed. Cir. 1998) (Discussing the requirements of §309.03(c) in the context of a cancellation proceeding). “Although cancellation is most often premised on the grounds listed in Section 2 of the Lanham Act . . . other grounds which negate entitlement to maintain a registration also exist in the Lanham Act.”), *citing, Lipton Indus., Inc. v. Ralston Purina Co.*, 670 F.2d 1924, 1031 (CCPA 1982) (entertaining a cancellation petition premised on abandonment); *accord, DC Comics and Marvel Characters, Inc. v. Onetech Computer Consulting, Inc.*, Opposition No. 91164511, 2005 TTAB LEXIS 480, 2,76 U.S.P.Q.2d 1472 (TTAB 2005) (“The opposer need only show that (1) it has standing to maintain the proceeding, and (2) it has a valid statutory ground for denial of the registration sought.”); *Central Mfg. Co. v. Board of Regents*, Opposition No. 91125818, 2005 TTAB LEXIS 444, 5-6 (TTAB 2005) (“The Board’s principal reviewing court has determined that the ‘valid ground’ for denying registration that must be alleged and ultimately proved by an opposer must be a ‘statutory ground which negates the appellant’s right to the subject registration.’”), *citing, Young, supra; Duramax Marine, LLC v. R. W. Fernstrum & Co.*, Opposition No. 91119899, 80

U.S.P.Q.2d 1780 (TTAB 2006) (“At the pleading stage, an opposer must allege facts in support of both standing and grounds for opposition.”).

VUTEK’s failure to allege any basis for denying registration establishes both the frivolous nature of VUTEK’s filing, as well as the merits of BioWare’s proposed Motion to Dismiss Pursuant to Fed. R. Civ. P. 12(b)(6).

## V. CONCLUSION

VUTEK’s hyperbolic, odd and inapt arguments notwithstanding, BioWare has shown that it readily satisfies the legal standard for relief from entry of notice of default. VUTEK has attempted to confuse what it admits is a liberal statutory standard of non-willfulness with a “simple awareness” standard of its own devising. VUTEK’s “standard” is contrary to law and can be simply discarded. VUTEK has attempted to stand the lack of prejudice requirement on its head, in an effort to subvert the clear and unambiguous legal principle that being held to proof of the merits does not constitute legal prejudice. VUTEK’s attack on the merits of BioWare’s proposed responsive pleading, a motion to dismiss pursuant to Fed. R. Civ. P. 12(b)(6), also fails utterly. VUTEK has misstated the TBMP rule with respect to standing as (1) the mark at issue is different from the one opposed by BioWare in another proceeding, (2) the instant mark is not at issue in that proceeding, and (3) VUTEK has no objective ground for believing it will be injured if BioWare’s mark, that is the subject of the instant proceeding, is allowed to register. Finally, the merit of BioWare’s proposed motion to dismiss is conclusively established by VUTEK’s ongoing failure to allege a single statutory or judicially-cognizable ground why its registration for BIOWARE/PANDEMIC STUDIOS should issue.

As BioWare has shown, it meets all the criteria for relief from the entry of default, and VUTEk has failed, completely, to respond, much less rebut, BioWare's showing. BioWare therefore respectfully requests that the Board grant its request to aside the notice of entry of default.

Dated: October 9, 2007

Respectfully submitted,

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CERTIFICATE OF FILING

The undersigned hereby certifies that the foregoing APPLICANT BIOWARE CORP.'S REPLY TO OPPOSER'S OPPOSITION TO APPLICANT'S REQUEST TO SET ASIDE NOTICE OF DEFAULT was electronically filed with the U.S. Patent & Trademark Office Trademark Trial and Appeal Board, on this 9<sup>th</sup> day of October, 2007.

...../s/Paul N. Tanager.....

CERTIFICATE OF SERVICE

I hereby certify that a true copy of APPLICANT BIOWARE CORP.'S REPLY TO OPPOSER'S OPPOSITION TO APPLICANT'S REQUEST TO SET ASIDE NOTICE OF DEFAULT was served upon the Opposer Vutek, Inc. by mailing the same by first class mail to Opposer's counsel, Terence J. Clark, Esq., Greenberg, Traurig, 2450 Colorado Avenue, Suite 400E, Santa Monica, CA 90404, on the 9<sup>th</sup> day of October, 2007.

/s/Julie D. Fitzwater  
Julie D. Fitzwater