Trademark Trial and Appeal Board Electronic Filing System. http://estta.uspto.gov

ESTTA Tracking number: **ESTTA218469**
Filing date: **06/17/2008**

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

Proceeding	91180212
Party	Defendant IDEA AG
Correspondence Address	STACEY J. FARMER; GRUND INTELLECTUAL PRO NIKOLAISTRASSE 15 MUNICH 80802 DEX - FED REP GERMANY, GERMANY farmer@grundipg.com
Submission	Motion to Reopen
Filer's Name	Eric J. Sidebotham, Esq.
Filer's e-mail	eric.sidebotham@ejs-law.com, dan.shafer@ejs-law.com, ryan.smith@ejs-law.com
Signature	/EJS/
Date	06/17/2008
Attachments	Motion to Re-Open Discovery.pdf (9 pages)(161622 bytes)

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

SCHERING CORPORATION, Opposer, v. IDEA AG, Applicant.	Opposition No.: 91/180,212 App'n Serial No. 77/070,074 Mark: DIRACTIN

The Trademark Trial and Appeal Board
P.O. Box 1451
Alexandria, VA 22313-1451

APPLICANT'S MOTION TO RE-OPEN DISCOVERY PERIOD

I. INTRODUCTION

Applicant IDEA AG ("Applicant"), through its undersigned counsel, hereby respectfully submits the following motion, pursuant to Fed. R. Civ. P. 6(b); 37 C.F.R. §§ 2.116, 2.120; and TBMP § 509.01(b), requesting that the discovery period in this proceeding be re-opened for ninety (90) days from the date of the Board's decision hereon. Applicant further requests that all testimony and trial periods be extended to comport with the reopened discovery period here requested.

As set forth below in detail, Applicant's lack of engagement in affirmative discovery during the time previous allotted is attributable to excusable neglect under the standard of *Pumpkin Ltd. v. The Seed Corps*, 43 U.S.P.Q.2d 1582 (TTAB 1997). Specifically, and in addition to other practical and logistical factors explained herein, Applicant's ability to timely engage in discovery was hindered by Opposer's eleventh-hour tactical "sandbagging" of Applicant, and by the overseas location of Applicant and its initial counsel (both in Germany). Applicant has now retained appropriate U.S.-based counsel and reached a stipulation with Opposer with regard to Opposer's pending discovery, thereby resolving the key difficulties, such that Applicant is now positioned to engage in this matter with heightened diligence. Applicant therefore requests that discovery be reopened for a reasonable period of 90 days from the Board's decision hereon, which result will ensure that this matter is resolved on its true merits, pursuant to a full and fair airing of all available evidence.[1]

II. LEGAL STANDARD

Applicant's motion arises under 37 C.F.R. § 2.120(3), which permits rescheduling of the discovery and/or testimony periods upon stipulation of the parties[2] with Board approval, or upon motion granted by the Board. The motion may be granted upon Applicant's showing that it did not act during the time previously allotted due to "excusable neglect." *See* TBMP § 509.01(b)(1); Fed. R. Civ. P. 6(b).

[1] For example, in light of the apparently divergent positions of the parties in the relevant marketplaces, and the proliferation of registered marks having far greater resemblance than Applicant's accused mark to Opposer's mark, Applicant would seek discovery designed to illuminate these issues and establish Opposer's true motivations for singling out Applicant.

[2] Opposer has so far refused to stipulate to a reopening of the discovery period.

The "excusable neglect" standard is rooted in equity, taking into account all relevant circumstances surrounding a 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. *Pumpkin Ltd. v. The Seed Corps*, *supra at* 1586 (adopting the "*Pioneer* factors" set forth in *Pioneer Investment Services Co. v. Brunswick Assoc. Ltd. Partnership*, 507 U.S. 380 (1993)).

III. ARGUMENT

Pursuant to Fed. R. Civ. P. 6(b), and 37 C.F.R. §§ 2.116 and 2.120, Applicant respectfully requests that the discovery period be reopened for a period of ninety (90) days following the Board's decision on this motion.[3] As explained below, each of the *Pioneer* factors favors the granting of Applicant's motion.

A. There is No Danger of Prejudice to Opposer.

The first *Pioneer* factor, "prejudice to the nonmovant," calls for a focused consideration of the nonmovant's substantive ability to litigate the case, i.e., whether there is a loss or unavailability of evidence or witnesses which otherwise would not occur. *Pumpkin Ltd. v. The Seed Corps*, *supra* at 1587; TBMP § 509.01(b)(1). Mere inconvenience or delay, or loss of any tactical advantage that the nonmovant would otherwise enjoy, has not been found to constitute prejudice. *Id*.

[3] Applicant notes that its deadline to respond to certain pending discovery propounded by Opposer has already been extended for sixty (60) days, to August 18, 2008, by consented motion. The close of all testimony periods and all other pending dates were likewise extended for sixty (60) days. In making the instant motion, Applicant intends that the new schedule requested herein supersede the schedule as currently revised.

Following this standard, there is absolutely no indication that Opposer's ability to pursue its claims will be in any way prejudiced by granting of the instant motion. On the contrary, the short delay contemplated herein will have no substantial impact on this proceeding, inasmuch as the parties have already agreed, by consented motion, that Applicant shall have a sixty (60) day extension, until August 18, 2008, to respond to Opposer's currently-pending discovery. The presently-requested reopening of discovery would simply bring the overall discovery schedule more in line with that extension, and allow *both* parties to fully complete their discovery in the interim. Notably, in this way, Applicant's requested schedule is actually somewhat favorable to Opposer (the non-moving party), in that Opposer would now have an opportunity to serve follow-up discovery after it receives and reviews Applicant's responses now due on August 18, 2008. Accordingly, Applicant submits that the two-way discovery hereby requested will have a beneficial effect in ensuring that this matter is resolved on its true merits, in light of all available evidence, with no prejudice to Opposer.[4] In the absence of such prejudice, this *Pioneer* factor favors the granting of Applicant's motion.

B. Delay Is Minimal, and Will Have Little, If Any, Impact on Judicial Proceedings.

The length of the delay occasioned by granting additional time for discovery will be minimal, in that only about five weeks have passed between the original close of discovery[5] and the instant request to reopen (the first such request to be made in this proceeding). During that short time, these proceedings took a dramatic and unexpected turn when Opposer served surprise discovery on Applicant *after* the scheduled close of

[4] Furthermore, the opportunity to reopen discovery will undoubtedly contribute to Applicant's substantive ability to litigate the case in the event a mutually acceptable settlement cannot be reached.

[5] The original and current close of discovery was on May 10, 2008.

discovery.[6] By that time, Opposer's silence during the scheduled discovery period had led Applicant to reasonably believe that Opposer would not in fact seek any discovery, and/or would not pursue these proceedings as vigorously as it has. Upon receipt of Opposer's unexpected – and highly voluminous – set of discovery requests, Applicant immediately began engaging in this matter with heightened attention.

Specifically, Applicant promptly sought and retained U.S.-based counsel to ensure that these proceedings would not suffer any undue delay due to difficulties overseas communication and other logistical issues; began preparing responses to Opposer's highly voluminous discovery requests; sought from Opposer an extension on time to respond to that discovery when it became clear that the volume and detail of the requests would require it; prepared and filed a motion to extend its time to respond when Opposer refused to stipulate; and re-filed said motion as a consented motion when Opposer finally changed its mind and agreed to the requested extension.[7] With these most urgent imperatives resolved within the shortest possible timeframe, Applicant now immediately turns its attention to the instant motion to reopen. In short, in light of the totality of the circumstances surrounding these proceedings, Applicant has acted as swiftly as possible to prepare and file this motion, resulting in a minimal delay that is, at any rate, reasonable under the circumstances.

In that regard, Applicant's request is distinguishable from that of the unsuccessful movant in *Pumpkin Ltd. v. The Seed Corps, supra*. In *Pumpkin*, three and one-half months had elapsed between the close of movant's *testimony* period and the filing of its

---

[6] Opposer served its discovery on May 12, 2008, apparently squeezing by under the provisions of 37 C.F.R. § 2.196 in order to effect timely service.

[7] Importantly, Opposer proffered its agreement to the extension only after Applicant had already filed a unilateral motion to extend, thus imposing on Applicant unnecessary costs and delaying Applicant's ability to attend to the instant motion to reopen. In this regard, Applicant believes that it was "sandbagged" by the combination of Opposer's voluminous discovery, the late service thereof, and Opposer's initial refusal to stipulate to an extension – all timed in such a manner as to prevent Applicant from attending to this motion to reopen as promptly as Applicant would have preferred.

motion to reopen. In contrast, Applicant herein has filed the instant motion at a much earlier stage, far in advance of the close of any testimony period, and less than five weeks after the expiration of the discovery period as originally set (and not yet subjected to any postponements). As a result, the delay in the instant proceeding is considerably shorter, and, the impact on Board proceedings[8] far less significant. Accordingly, this *Pioneer* factor surely favors granting of the motion.

C. Applicant's Delay Was Reasonable Under the Circumstances and Consistent With Good Faith Participation in These Proceedings.

As set forth in section III.B., above, and hereby incorporated into this section, the reasons for Applicant's delay are in major part attributable to circumstances that were unilaterally created by Opposer – including Opposer's strategy of sandbagging Applicant by initiating onerous discovery after the cutoff date, and increasing the resulting delay by first refusing to grant an extension, then reversing that position only after Applicant's motion to extend was filed.

In addition to these factors solely originating with Opposer, Applicant respectfully requests that the Board take into consideration Applicant's difficulties and delays arising from its overseas location. In this instance, there were natural delays in the ability of Applicant's overseas counsel (in Germany) to immediately receive official USPTO correspondence (by international mail only), and to timely coordinate these proceedings with respect to Applicant (also in Germany), Applicant's U.S. counsel (in California), and Opposer's counsel (in Virginia) – especially in view of the urgent filing deadlines imposed by the proceedings. In addition – and frankly stated – given the apparently divergent positions of the parties in the relevant marketplaces in relation to the presently

[8] In terms of impact on Board proceedings, Applicant notes that in the absence of the requested reopening it will not be in a reasonable position to participate in informed settlement negotiations with Opposer. Such negotiations will provide the parties with the best opportunity to resolve this matter without further Board involvement, and will be greatly facilitated by the requested reopening.

opposed mark, Applicant simply did not appreciate, initially, that Applicant's ability to defend its substantive position in this proceeding might be negatively impacted if Applicant does not seek discovery from Opposer.

Applicant has now made good faith efforts to rectify all these issues by substituting in U.S.-based counsel who can engage, in a timely and vigorous manner, with both Opposer and the Board. Nevertheless, it remains that Applicant's delay in seeking discovery has resulted in part from the necessity for Applicant's counsel in Germany to interface with both Applicant and Applicant's new U.S.-based attorney[9] (in addition to the aforementioned harsh litigation tactics undertaken by Opposer). That being said, Applicant's U.S. counsel, now assuming the lead in this matter, has exercised careful diligence in communicating to Applicant and its overseas counsel the necessity of adhering to established deadlines in this proceeding, and is presently in the position to ensure that such adherence is faithfully carried out.

On these grounds, Applicant submits to the Board that the reasons for its delay heretofore are reasonable in the circumstances of this case, and submits that it would be excessively harsh and inequitable to grant Opposer the windfall of the tactical one-sided discovery that will otherwise result. Rather, as Applicant has shown herein, it would be preferable, in the Board's exercise of its sound discretion, to briefly reopen the discovery period, thereby ensuring an opportunity to resolve this matter on its true merits. Due to Applicant's manifest good faith, and the fact that Opposer shares significant responsibility for the brief delay in these proceedings, Applicant believes that the third and fourth *Pioneer* factors each favor the granting of Applicant's instant request to reopen discovery in this case.

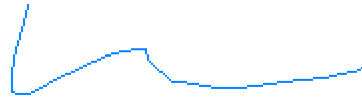
[9] For example, Applicant's founder and CEO, Dr. Gregor Cevc, who is counsel's primary contact at Applicant company, has been required to travel extensively on business over the last several months, thus severely hampering communications between Applicant and its counsel regarding the discovery issues raised in this motion and Applicant's prior consented motion.

III. CONCLUSION

In view of the absence of prejudice to Opposer, the absence of bad faith on the part of Applicant, the brief length of the delay and its minimal judicial impact, and, furthermore, the significant extent to which Opposer bears responsibility for that delay, Applicant considers that it has faithfully satisfied the standard of excusable neglect based on the factors set forth in *Pioneer* and *Pumpkin Ltd.* Applicant therefore respectfully requests that the Board grant the instant motion to reopen the discovery period for 90 days following the Board's decision hereon, and to reset all testimony and trial periods accordingly.

DATED: June 17, 2008

IDEA AG



____

ERIC J. SIDEBOTHAM, Esq.
DANIEL M. SHAFER, Esq.
ERIC J. SIDEBOTHAM, APC
TechMart Center
5201 Great America Parkway, Suite 320
Santa Clara, CA 95054
Telephone: (408) 856-6000
Facsimile: (408) 608-6001

CERTIFICATE OF SERVICE

I hereby certify that a true copy of the foregoing APPLICANT'S MOTION TO REOPEN DISCOVERY PERIOD was served on counsel for Opposer, this 17th day of June, 2008, by sending same via First Class U.S. Mail, prepaid, to:

David J. Kera, Esq.
Beth A. Chapman, Esq.
Oblon, Spivak, McClelland,
Maier & Neustadt, P.C.
1940 Duke Street
Alexandria, Virginia 22314

DATED: June 17, 2008

Ryan Smith