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

Proceeding	91216061
Party	Plaintiff RGB Systems, Incorporated
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Date	05/06/2016
Attachments	I06766 2nd Motion for Sanctions and Suspension.pdf(608127 bytes)

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

RGB SYSTEMS, INCORPORATED, Opposer, v. AXTRON GLOBAL LLC, Applicant	Opposition No. 91212268 Serial No. 86063642 Mark: AXTRON and Design

OPPOSER'S MOTION FOR SANCTIONS AND TO SUSPEND

The Opposer, RGB Systems, Incorporated [hereinafter "RGB Systems" or "Opposer"], through its undersigned counsel, respectfully moves for an Order from the Trademark Trial and Appeal Board (the "Board") sanctioning Applicant Axtron Global LLC [hereinafter "Axtron" or "Applicant"] for non-compliance with the Board's Order of March 29, 2016, by entering a default judgment against Applicant and suspending the opposition while its Motion is pending.

I. Introduction and Background

According to the Board's Order, mailed March 29, 2016, Axtron Global was required to produce its responses to RGB Systems's Interrogatories and Requests for Production of Documents and Things by April 28, 2016. 33 TTABVUE 2. As of May 5, 2016, RGB Systems has not received Axtron Global's responses.

Axtron Global's failure to respond persists despite RGB Systems's efforts to elicit production. On April 11th, RGB Systems sent an email reminding Axtron Global that its responses were due on April 28th. In response, Mr. Pablo Fernandez, Chief Executive Officer, advises that Axtron Global is at 466 Foothill Boulevard, Suite 152, La Canada, California 91011 rather 30 East Santa Clara even though the parties are communicating by email and RGB

Systems has never communicated with Axtron Global at the Santa Clara address. On April 25th and April 28th, RGB Systems sent emails reminding Axtron Global of the need to produce discovery responses. On April 29th, Mr. Fernandez sent an email advising that it had served the responses, but they would be delayed because it was the weekend. He also advised that he would send an electronic version of the responses within a few days. On May 2nd, RGB Systems sent an email asking when did Axtron Global intend to send the responses because there would less than a week to resolve any discovery disputes. Also RGB Systems asked for a 30-day extension of time and the courtesy of a reply or else it intended to file a motion for sanctions. RGB Systems has not received a reply to its email. *See* Exhibit A for the entire email exchange.

This is the second time in this opposition that the Opposer has had to file a Motion to Compel and then a Motion for Sanctions. Axtron Global did not serve its Initial Disclosures until it was first compelled and then sanctioned by the Board for its failure. *See* 22 TTABVUE 1 and 28 TTABVUE 1.

The testimony period does not open until May 12, 2016.

Accordingly, RGB Systems respectfully requests the Board to grant its Motion for Sanctions, as set forth more fully below.

II. Argument

RGB Systems respectfully requests this Board to sanction Axtron's failure to comply with the Board's March 29th Order compelling its responses to RGB Systems's discovery requests. If a party does not comply with an order of the Board relating to discovery, the Board may impose against a party any of the sanctions provided by Fed. R. Civ. Pr. Rule 37(b)(2) except that the Board will not award damages or hold a person in contempt. 37 C.F.R. §

2.120(g)(1). Default judgment is an available remedy. *See* 37 C.F.R. § 2.120(g)(1); Fed. R. Civ. Pr. Rule 37(b)(2)(A)(vi). Not only is default judgment an available remedy, it is the only appropriate remedy here.

RGB Systems's request for sanctions is appropriate under 37 C.F.R. § 2.120(g)(1). On March 29, 2016, the Board issued an order compelling Axtron to respond to RGB Systems's discovery requests by April 28, 2016. The Board issued a discovery order, and Axtron failed to respond, making appropriate an award of sanctions under 37 C.F.R. § 2.120(g)(1). *See Kairos Institute of Sound Healing, LLC v. Doolittle Gardens, LLC*, 88 USPQ2d 1541 (TTAB 2008) [precedential].

Default judgment is the appropriate sanction in this case. In 37 C.F.R. § 2.120(g)(1), the Board incorporates the sanctions set out in Fed. R. Civ. Pr. Rule 37(b)(2). This rule provides a range of sanctions including default judgment. *See* Fed. R. Civ. Pr. Rule 37(b)(2)(A)(vi). While this is a harsh remedy, it is justified where a less drastic remedy is ineffective and there is strong showing of willful evasion. *See Baron Philippe de Rothschild S.A. v. Styl-Rite Optical Mfg. Co.*, 55 U.S.P.Q.2d 1848, 1854 (T.T.A.B. 2000).

A less drastic remedy is not available. Under the Federal Rules that are incorporated by the Board, the available remedies include the following:

> (i) directing that the matters embraced in the order or other designated facts be taken as established for purposes of the action, as the prevailing party claims;
>
> (ii) prohibiting the disobedient party from supporting or opposing designated claims or defenses, or from introducing designated matters in evidence;
>
> (iii) striking pleadings in whole or in part;

(iv) staying further proceedings until the order is obeyed;

(v) dismissing the action or proceeding in whole or in part; and

(vi) rendering a default judgment against the disobedient party. 37 C.F.R. § 2.120(g)(1)

Axtron has not advanced any counterclaims, and its affirmative defense consists of an assertion that confusion is not likely once an amendment to its identification of goods is entered. The Board's March 29th Order compelling production does not embrace any facts or matters that could be established to advance RGB Systems's claims. So the first three remedies are not relevant. Meanwhile, staying the proceeding merely rewards Axtron's dilatory conduct and hinders RGB Systems's ability to get a speedy resolution of its opposition. Dismissing the action or proceeding is not a relevant remedy because RGB Systems brought this action. Therefore, the only remaining remedy is a default judgment in RGB Systems's favor.

A party is obliged to respond to discovery requests. *See* 37 C.F.R. § 2.120(e)(1). Through discovery, a party may determine the facts underlying its adversary's case, potentially leading to admissible evidence supporting a party's case, settlement of the case, simplification of the issues, or a basis for a motion for summary judgment, or the basis for an additional claim. *See* TMBP § 401. The Board's adoption of current discovery regime is intended to provide an orderly administration of the proceeding as it moves to trial. *See General Council of the Assemblies of God v. Heritage Music Foundation*, 97 USPQ2d 1890, 1893 (TTAB 2011). So failing to respond frustrates the rule's purpose.

As a result, RGB Systems is harmed by Axtron's conduct. RGB Systems's testimony period is about to open, yet RGB Systems does not have any information from Axtron regarding the nature and extent of the alleged actual use of the AXTRON mark, its intended consumers, its

channels of commerce, or any other information in its possession that might have a bearing on the *Dupont* factors used to analyze the likelihood of confusion. This will likely hinder RGB Systems's ability to produce evidence on the likelihood of confusion.

Moreover, Axtron's behavior is willful. It has had since November 25, 2015, to produce its discovery requests, yet it has not. It failed to produce them despite RGB Systems's reminders. It did not respond to RGB Systems's Motion to Compel. It failed to respond to the Board's Order compelling them and to meaningfully respond to RGB Systems's reminders since the Order. Axtron did claim to serve them, but it did not reply to RGB Systems's email asking when they had been served and asking for an extension of time. It has not provided the promised electronic version of the responses.

This is the second time that RGB Systems has had to file a Motion to Compel followed by a Motion for Sanctions. Axtron failed to produce its mandatory Initial Disclosures until it was sanctioned for failing to do so.

This lengthy delay combined with RGB Systems's reminders and the Board's Order to compel demonstrates that Axtron's failure to respond is willful and a less drastic remedy is not available. Therefore, a sanction in the form of default judgment is appropriate.

III. Request for Suspension

RGB Systems respectfully requests the Board to suspend the opposition. Its Motion is potentially dispositive of the proceedings, justifying suspension under Rule 2.127(d) ("When any party files a motion to dismiss, or a motion for judgment on the pleadings, or a motion for summary judgment, or any other motion which is potentially dispositive of a proceeding, the case will be suspended by the Trademark Trial and Appeal Board with respect to all matters not

germane to the motion . . . ."). *See also* TBMP §510.03(a). Additionally, pursuant to Rule 2.117(c), good cause exists for suspension of this proceeding in light of Axtron's non-compliance with the Board's Order. Thus, RGB Systems requests that the Board to suspend the opposition pending disposition of the present Motion.

WHEREFORE all of the foregoing reasons, RGB Systems, Incorporated respectfully requests that the Board suspend these proceedings while it considers the present Motion; and to ultimately grant its Motion for Sanctions, and enter sanctions in the form of default judgment against Axtron Global LLC.

Respectfully submitted,

By: /Robert S. Pierce/
John C. Holman and Robert S. Pierce
Attorneys for the Opposer
JACOBSON HOLMAN PLLC
400 Seventh Street, Northwest
Washington, District of Columbia 20004
(202) 638-6666

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing ***Motion for Sanctions*** was served on this 6th day of May 2016, by first class mail, postage prepaid, addressed to Mr. Pablo Fernandez, Chief Executive Office, Axtron Global LLC, 466 Foothill Boulevard, Suite 152, La Canada, California 91011, Applicant *pro se*.

/Robert S. Pierce/
Robert S. Pierce

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

RGB SYSTEMS, INCORPORATED,

Opposer,

v.

AXTRON GLOBAL LLC,

Applicant

Opposition No. 91212268
Serial No. 86063642
Mark: AXTRON and Design

EXHIBIT A

Robert Pierce

From: Robert Pierce
Sent: Monday, May 02, 2016 11:06 AM
To: 'Pablo Fernandez'
Subject: RE: Opposition No. 91216061 against Ser. No. 86063642 AXTRON

Dear Mr. Fernandez,

Thank you for your email.

While I appreciate the gesture, it is not good enough. You have known for months that you must respond to our discovery requests. Moreover, the Board issued an order compelling your responses and giving you 30 days to do so. Your responses were due April 28th and not over the weekend, so your excuse is weak and has been used before.

I need to know the specific date of when you intend to serve the responses. Even assuming you mail them today, we will have less than a week to resolve any disputes. So I will need your consent for a 30-day extension of time for the start of our testimony period and subsequent deadlines. If I do not receive a reply to this email or you do not consent to the extension, then I will serve a motion for sanctions asking for a default judgment against Axtron.

I look forward to your **immediate** reply.

Sincerely,
Robert Pierce

Robert S. Pierce
Jacobson Holman PLLC
400 7th Street, NW, Ste. 700
Washington, District of Columbia 20004
United States of America
Telephone: 202-628-4268
Fax: 202-393-5350
E-mail: rpierce@jhip.com
www.jhip.com

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From: Pablo Fernandez [mailto:axtronglobal@gmail.com]
Sent: Friday, April 29, 2016 2:11 PM
To: Robert Pierce
Subject: Re: Opposition No. 91216061 against Ser. No. 86063642 AXTRON

Exhibit A

Dear Mr. Pierce,

Thank you for your email. We have served the responses due. Please allow extra time to receive them as it is the weekend. We will follow-up with a PDF version as a courtesy within a few days.

Thank you,
Pablo

On Thu, Apr 28, 2016 at 8:28 AM, Robert Pierce <rpierce@jhip.com> wrote:

Dear Mr. Fernandez,

Please let us know if you have served the responses that are due today.

Sincerely,

Robert Pierce

From: Robert Pierce
Sent: Monday, April 25, 2016 4:42 PM
To: 'Pablo Fernandez'
Subject: RE: Opposition No. 91216061 against Ser. No. 86063642 AXTRON

Dear Mr. Fernandez,

Thank you for your email.

Just for the record, we have always communicated with you by email or by post at 466 Foothill Blvd., Ste. 152 La Canada, CA 91011. We have never used the Santa Clara address.

We are still waiting for your response to our discovery requests. According to the Board's order, they are due on April 28th. Please let us know if you will produce your responses by that date. If you do not, we will seek all available sanctions including a default judgment sustaining our opposition.

We look forward to your reply.

Exhibit A

Sincerely,

Robert Pierce

From: Pablo Fernandez [mailto:axtronglobal@gmail.com]
Sent: Monday, April 11, 2016 3:54 PM
To: Robert Pierce
Subject: Re: Opposition No. 91216061 against Ser. No. 86063642 AXTRON

Dear Mr. Pierce,

Thank you for the email and reminder,

Please note, that our company has changed offices as of March 1st, 2016, and no mail sent to 30 E SANTA CLARA will have been received after this date unless it was sent via USPS which was forwarding documents for us.

Our new official address for correspondence is:

466 FOOTHILL BLVD STE 152

LA CANADA, CA 91011

We will process these changes as well with the USPTO office.

Best Regards,

Pablo

On Mon, Apr 11, 2016 at 12:47 PM, Robert Pierce <rpierce@jhip.com> wrote:

Dear Mr. Fernandez,

Exhibit A

Just a reminder. Axtron Global is subject to a motion to compel its discovery responses. It must serve us the responses by **April 28, 2016**. If we do not receive the responses, we will file a motion for sanctions seeking a default judgment granting our opposition.

Sincerely,

Robert Pierce

Robert S. Pierce

Jacobson Holman PLLC

400 7th Street, NW, Ste. 700

Washington, District of Columbia 20004

United States of America

Telephone: 202-628-4268

Fax: 202-393-5350

E-mail: rpierce@jhip.com

www.jhip.com

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Exhibit A