

THIS ORDER IS NOT A
PRECEDENT OF THE
TTAB

UNITED STATES PATENT AND TRADEMARK OFFICE
Trademark Trial and Appeal Board
P.O. Box 1451
Alexandria, VA 22313-1451
General Contact Number: 571-272-8500

BUO

Mailed: February 22, 2018

Opposition No. 91221093 (Parent)
Opposition No. 91221702

P3 International Corp.

v.

P3 ingenieurgesellschaft mbH

Before Bergsman, Shaw and Adlin,
Administrative Trademark Judges.

By the Board:

This case now comes up on Opposer's motion for sanctions in the form of judgment because "Applicant has failed to provide any interrogatory answer, document production or other disclosure since the Board's November 30, 2016 order that it comply within 30 days, *viz.*, by December 30, 2016." 19 TTABVUE 2. In opposing the motion for sanctions, Applicant contends that in deciding motions for sanctions, "[s]ubstance should be prioritized over process, when at all possible, and when prejudice to the non-movant can be avoided, and when it can be demonstrated that the movant has otherwise acted in good faith (if admittedly imperfectly)"; and asks that the Board "consider finding a solution that will allow the merits to rule the day, not process." 35 TTABVUE 7. Additionally, Applicant cross-moves, requesting that

the Board “re-open the discovery period and otherwise reset dates.” *Id.* at 2. The motion for sanctions is fully briefed.

I. Background

On November 8, 2016, Opposer filed a motion to compel responses to its first set of interrogatories and requests for production of documents and things. 17 TTABVUE. On November 30, 2016, the Board issued an order granting the motion to compel as conceded inasmuch as Applicant failed to respond to the motion in any manner. 18 TTABVUE (the “Prior Order”). Applicant was consequently ordered to fully respond to Opposer’s written discovery, without objection on the merits, by December 30, 2016. *Id.* at 2. The Prior Order indicated that failure to comply could result in sanctions. Trademark Rule 2.120(g) and Fed. R. Civ. P. 37(b). *Id.* Despite the Prior Order, Applicant again failed to respond in any manner to the discovery requests.

In its eighth and final request to extend its time to respond to the present motion for sanctions, Applicant feigned Opposer’s consent and claimed that the parties were still engaged in settlement discussions, when in fact Opposer had not consented and the parties were no longer actively discussing settlement. During its September 27, 2017 teleconference with the parties, the Board denied Applicant’s motion to further extend its time to respond to the motion.¹

¹ Applicant was also informed that he could not unilaterally “force” settlement, and that the Board could not compel Opposer to engage in settlement discussions.

II. Motion for Sanctions

Opposer argues that Applicant is not “interested in defending these oppositions or pursuing its counterclaims.” 19 TTABVUE 2-3. Further, “[A]pplicant has failed to demonstrate that its repeated neglect in meeting its deadlines was in any way excusable.” 36 TTABVUE 3.

Applicant’s excuse for not responding to Opposer’s discovery is that its counsel “personally had two separate family health matters to attend to that pulled focus off of this matter for the better part 2016.” 35 TTABVUE 3. However, Applicant claims that it “has always acted in good faith with respect to its behavior vis-à-vis the opposer.” *Id.* at 5. Particularly, Applicant focuses on failed settlement efforts. Nonetheless, Applicant concedes the obvious, that it made “tremendous mistakes ... in the handling of this matter.” *Id.* at 3 and 7.

Initially, unilateral settlement efforts are not a valid excuse. *See Nat’l Football League v. DNH Mgmt. LLC*, 85 USPQ2d 1852, 1854-55 (TTAB 2008) (opposer was obliged to attend to discovery “while they continued their unilateral attempts to initiate settlement discussions with applicant.”); *Instruments SA Inc. v. ASI Instruments Inc.*, 53 USPQ2d 1925, 1927 (TTAB 1999) (applicant’s responses to opposer’s settlement proposals do not indicate, by themselves, “that applicant wanted to discuss settlement at the expense of not having the case go forward.”). Further, it is perplexing that Applicant did not seek an extension or suspension during its counsel’s difficulties, or seek new counsel.

A. Legal Standard

Trademark Rule 2.120(g)(1) provides, in pertinent part:

If a party fails ... to comply with an order of the Trademark Trial and Appeal Board relating to disclosure or discovery, including a protective order, the Board may make any appropriate order, including those provided in Rule 37(b)(2) of the Federal Rules of Civil Procedure.

“The sanctions which may be entered by the Board pursuant to Rule 2.120(g)(1) include striking all or part of the pleadings of the [noncomplying] party; refusing to allow the noncomplying party to support or oppose designated claims or defenses; prohibiting the [noncomplying] party from introducing designated matters in evidence; and entering judgment against the [noncomplying] party.” *HighBeam Marketing, LLC v. Highbeam Research, LLC*, 85 USPQ2d 1902, 1904 (TTAB 2008). The Board has the authority to enter other appropriate sanctions to promote the efficient and expedient disposition of its cases. *See NSM Res. Corp. v. Microsoft Corp.*, 113 USPQ2d 1029, 1038 (TTAB 2014). *See also Chambers v. NASCO, Inc.*, 501 U.S. 32, 44 (1991) (A court’s inherent power to sanction those before it “stems from the very nature of courts and their need to be able to manage their own affairs so as to achieve the orderly and expeditious disposition of the cases.”). Although the Board is not a court established under Article III of the Constitution, the Board nonetheless possesses the inherent authority to control the disposition of cases on its docket, which necessarily includes the inherent power to enter sanctions. *See Opticians Ass’n of Am. v. Indep. Opticians of Am. Inc.*, 734 F. Supp. 1171, 14 USPQ2d 2021, 2029 (D.N.J. 1990) (noting that the Board has inherent authority to schedule disposition

of cases on its docket); *Carrini Inc. v. Carla Carini S.R.L.*, 57 USPQ2d 1067, 1071-72 (TTAB 2000). To this end, the Board has discretion to tailor sanctions appropriate to the violations and may consider any measure designed to serve this purpose. *See NSM Res. Corp.*, 113 USPQ2d at 1038.

B. Discussion

Although the Board is not unsympathetic to Applicant's counsel's "family crises," the fact remains that Applicant was obliged to seek an extension or suspension or attend to its discovery obligations. *See Foodworks USA Inc. v. Foodworks of Arlington Heights LLC* (N.D. Ill. 2013) ("Plaintiff provided no evidentiary support for its contention that counsel's 'personal and professional difficulties' and 'health issues ... during this same period' should be considered by the Court. And Plaintiff did not explain why these 'difficulties'—if they prevented Plaintiff from vigorously prosecuting its case—were never brought previously to the Court's attention.") Instead, the record, and Applicant's opposition brief demonstrate that Applicant engaged in a pattern of failing to meet the requirements of the Federal Rules of Civil Procedure, the Trademark Rules and, perhaps most importantly, the Prior Order. Simply put, Applicant failed to meet its discovery obligations. *See Hot Tamale Mama...and More, LLC v. SF Invs., Inc.*, 110 USPQ2d 1080, 1081 n.1 (TTAB 2014) (simply ignoring deadlines to serve discovery responses or seek an extension of time to do so is inconsistent with the Board's expectation that the parties and their attorneys cooperate in the discovery process); *Panda Travel Inc. v. Resort Option Enters., Inc.*, 94 USPQ2d 1789, 1791 (TTAB 2009) ("Each party has a duty to make a

good faith effort to satisfy the reasonable and appropriate discovery needs of its adversary.”).

Applicant’s counsel’s circumstances do not excuse Applicant’s failure to comply with the Board’s rules and orders. *See Gaylord Entm’t Co. v. Calvin Gilmore Prods. Inc.*, 59 USPQ2d 1369, 1372 (TTAB 2000) (“action, inaction or even neglect by the client’s chosen attorney will not excuse the inattention of the client so as to yield the client another day in court”) (quoting *CTRL Sys. Inc. v. Ultraphonics of N. Am. Inc.*, 52 USPQ2d 1300, 1302 (TTAB 1999)). Applicant’s disregard of the Board’s orders and discovery deadlines has consequently resulted in the misuse of Board resources and time (not to mention the cost to Opposer in time and money).

C. Conclusion

We find that Applicant’s counsel failed in his obligation to keep Applicant informed of its obligations, and that Applicant had no reason to know that its counsel should have withdrawn if he was unable to meet his obligations. Accordingly, we give Applicant one final chance before entering judgment, for which Applicant’s current or future counsel’s failures will not constitute an excuse. Opposer’s motion for sanctions is **GRANTED**, to the extent that Applicant is prohibited at trial from introducing any information or documents responsive to Opposer’s discovery requests.

Furthermore, Applicant is ordered to prepare and serve written responses to Opposer’s interrogatories and document requests as required by the Prior Order, without objection on the merits, within **TWENTY DAYS** of the mailing date of this

order; and to copy all responsive documents at its own expense and deliver them to Opposer. *See No Fear Inc. v. Rule*, 54 USPQ2d 1551, 1556 (TTAB 2000); *Unicut Corp. v. Unicut, Inc.*, 220 USPQ 1013 (TTAB 1983).

Additionally, Applicant is prohibited from filing any unconsented motion that would result in either an extension of the remaining trial schedule or a suspension of this proceeding under the Trademark Rules, including a motion for summary judgment, without first:

- 1) contacting both counsel for Opposer and the assigned interlocutory attorney to coordinate a mutually agreeable time for the Board and the parties to participate in a telephone conference to address the basis for any unconsented motion;
- 2) participating in such a telephone conference; and
- 3) receiving the Board's approval to file any proposed unconsented motion.

If Applicant fails to comply with this order, or any future Board orders or trial schedules, sanctions will be entered against it, including the entry of judgment. Applicant is also reminded that **strict compliance with the Trademark Rules of Practice, and where applicable the Federal Rules of Civil Procedure, is expected of all parties.**

III. Motion to Reopen

Discovery in this matter closed on May 13, 2016. Obviously, the motion to reopen it is **DENIED**. The delay that would be wrought on this nearly three year old proceeding is unacceptable. Moreover, Applicant's reasons for needing to reopen the discovery period, as previously discussed, reflect at best carelessness and inattention

on the part of counsel. These are not reasons constituting “excusable neglect” as referred to in Fed. R. Civ. P. 6(b)(1)(B). *See Luemme Inc. v. D.B. Plus Inc.*, 53 USPQ2d 1758, 1761 (TTAB 1999) (“[P]etitioner could have taken steps to avoid this situation in the first instance. For example, petitioner could have diligently pursued discovery earlier in the discovery period, filed a motion to extend earlier in the discovery period ... but petitioner did not do so.”). *See also Williams v. Five Platters, Inc.*, 510 F.2d 963, 184 USPQ 744, 745 (CCPA 1975) (“Counsel’s neglect of duty is not, *per se*, excusable neglect....”); *Gaylord Entm’t Co.*, 59 USPQ2d at 1372.

IV. Dissent

Opinion by Adlin, Administrative Trademark Judge, dissenting in part:

I wholeheartedly concur with the majority’s decision to impose sanctions. But the appropriate sanction here is judgment.

The best that can be said of Applicant’s excuses is that they are lame. Applicant’s counsel faced “crises” and other issues in mid-2016, months prior to being ordered to respond to discovery requests on pain of sanctions. Applicant has not explained what, if anything, prevented it from complying with the Prior Order at the end of 2016. If Applicant had presented evidence of its inability to comply with the Prior Order, the Board would offer sympathy and quite possibly forbearance. But to let Applicant off the hook based on vague references to unspecified crises which occurred months prior is not fair to Opposer, the Board or its processes or other litigants.

The time for Applicant to seek an extension to comply with the Prior Order was December 2016. It is now February 2018. This case should be over now, through the

sanction of judgment, resulting not only from Applicant's failure to comply with the Prior Order but also its failure to even offer a reason why it could not.

V. Schedule

The proceeding is **RESUMED**. The remaining disclosure and trial dates are reset as follows:

30-day Testimony Period for Plaintiff's Testimony to Close	March 23, 2018
Defendant and Counterclaim Plaintiff's Pretrial Disclosures Due	April 7, 2018
30-day Testimony Period for Defendant and Plaintiff in the Counterclaim to Close	May 22, 2018
Counterclaim Defendant's and Plaintiff's Rebuttal Disclosures Due	June 6, 2018
30-day Testimony Period for Defendant in the Counterclaim and Rebuttal Testimony for Plaintiff to Close	July 21, 2018
Counterclaim Plaintiff's Rebuttal Disclosures Due	August 5, 2018
15-day Rebuttal Period for Plaintiff in the Counterclaim to Close	September 4, 2018
BRIEFS SHALL BE DUE AS FOLLOWS:	
Brief for Plaintiff Due	November 3, 2018
Brief for Defendant, and Plaintiff in the Counterclaim Due	December 3, 2018
Brief for Defendant in the Counterclaim and Reply Brief, if any, for Plaintiff Due	January 2, 2019
Reply Brief, if any, for Plaintiff in the Counterclaim Due	January 17, 2019

In each instance, a copy of the transcript of testimony together with copies of documentary exhibits, must be served on the adverse party within thirty days after completion of the taking of testimony. Trademark Rule 2.125.

Briefs shall be filed in accordance with Trademark Rule 2.128(a) and (b). An oral hearing will be set only upon request filed as provided by Trademark Rule 2.129.