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

Proceeding	91230071
Party	Defendant Anonymous Alerts, LLC
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Date	09/21/2020
Attachments	ReportItMotionOpposeReopen91230071.pdf(143457 bytes) REPORT IT_Exhibit1.pdf(120933 bytes) REPORT IT_Exhibit2.pdf(86431 bytes)

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

In the Matter of Application Serial No.: 86/794,071
For the Mark: REPORT IT
Filed: October 20, 2015

REPORT IT SYSTEMS INC., **Opposer;** **v.** **ANONYMOUS ALERTS, LLC,** **Applicant.**	**OPPOSITION NO. 91230071**

APPLICANT'S MOTION OPPOSING OPPOSER'S MOTION TO REOPEN TRIAL AND BRIEFING PERIODS

Applicant ANONYMOUS ALERTS, LLC ("Applicant") hereby submits its response to REPORT IT SYSTEMS INC. ("Opposer") Opposer's Combined Response to Board's Order to Show Cause and Motion to Reopen Trial and Briefing Periods ("Opposer's/Movant's Motion") dated August 31, 2020 and hereby moves the Board to treat the failure to file a brief in this case as a concession of the case warranting a judgement dismissing the notice of opposition. *See* TBMP Sections 536 and 801.02(a).

I. Opposer/Movant Has Not Shown Cause

Opposer/Movant has not shown cause as to why the Board should not treat the failure to file a brief in this case as a concession of the case warranting a judgement dismissing the notice of opposition. Opposer/Movant attempts to show cause by asserting settlement negotiations have recently stalled. However, Opposer, the Movant itself, has stalled negotiations for almost a year, at least six (6) months of that year was before we were dealing with Covid-19 issues (July 2019 – January 2020), AND Opposer/Movant has recently negotiated in bad faith.

On July 12, 2019, Applicant, at Opposer's/Movant's request, sent Opposer/Movant a revised settlement agreement. Applicant received no response to the revision until the end of June 2020, almost one (1) year later! So it is misleading, at least, for Opposer/Movant to say in Opposer's/Movant's Motion that "negotiations have recently stalled". (Emphasis added).

When Opposer/Movant finally contacted Applicant in June 2020, it was to see whether the parties could "finalize the agreement", referring to the agreement from July 12, 2019. See Exhibit 1. When Applicant advised Opposer/Movant that the terms of the agreement were agreeable, it turned out that the attorneys for Opposer/Movant had not actually confirmed that their client, Opposer/Movant found the terms agreeable. And, after three days, the attorneys for Opposer/Movant advised Applicant that Opposer/Movant DID NOT find the terms agreeable. See Exhibit 2.

Applicant was taken aback by the bad faith dealing of Opposer/Movant and its attorneys in asking Applicant to agree to "finalize the agreement" one day, and then three days later telling Applicant that Opposer/Movant was "not satisfied with the terms of the settlement agreement". See Exhibit 2.

And this was during the time period Opposer's/Movant's brief was originally due.[1] If they had written their brief instead of faking concluding a settlement and waiting three days to tell Applicant they weren't settling, we wouldn't be here in the first place.

It is important to know that the proposed settlement coexistence agreement did not only include this Opposition; it also included Opposition #s 91231655 and 91231657, which Applicant had brought against Opposer/Movant[2]. One reason it is important to consider all three Oppositions is that Opposer's/Movant's failure to file a brief in this case, which it certainly had time to do if it wanted to, and did not, was relied on by Applicant to drop one of the other

[1] Opposer's/Movant's brief was due June 25, 2020, they emailed Applicant with the settlement offer on June 22, 2020 (See Exhibit 1) and rescinded the offer on June 25, 2020 at 4:11 pm EST (see Exhibit 2).
[2] Opposition # 91231655 against Ser. # 86/875,047 for SEE IT, SAY IT REPORT IT and Opposition # 91231657 against Ser. # 86/875,054 for REPORT IT, SEE IT, SAY IT REPORT IT.

Oppositions that was part of the settlement coexistence agreement.[3] This resulted in additional prejudice to Applicant.

The settlement agreement was set up as a coexistence agreement because both parties claimed prior rights in the marks, For example, applicant has a prior registration for REPORT IT for services in class 38, Reg. # 5,103,109. The application opposed herein being for the same mark, REPORT IT for goods in a different class, class 009.

Opposer/Movant should not be able to avoid the consequences resulting from its delays and bad faith dealing. This is not excusable neglect, this seems like purposeful delay to avoid the oppositions against its marks by making Applicant think Opposer/Movant had lost interest in maintaining this opposition against Applicant. Unfortunately for Applicant, it's a tactical move which could work if justice is not served here. It's certainly not excusable neglect where Opposer/Movant sat around for almost a year with a settlement offer on the table.

Opposer/Movant has not shown cause as to why the Board should not treat the failure to file a brief in this case as a concession of the case warranting a judgement dismissing the notice of opposition.

II. <u>Opposer's/Movant's Neglect Is Not Excusable</u> - TBMP §509.01(b)(1).

Applicant respectfully requests that Opposer's pre-trial and briefing period remain closed. It is submitted that Opposer's/Movant's neglect in not filing its brief was not excusable and should not be rewarded with a reopening of the dates or forcing Applicant into an abbreviated deadline to exchange pre-trial disclosures.

The US Supreme Court has found four factors, the "Pioneer factors" relevant to determining whether excusable neglect has been shown (these will be restated here since the third one was abbreviated in Opposer's/Movant's motion):

[3] Applicant's response was also due on June 25, 2020, to an Order to Show Cause as to why it did not file its brief in Opposition # 91231657.

(1) Danger of prejudice to the nonmovant
(2) Length of the delay and potential impact on judicial proceedings
(3) The reason for the delay, including whether it was in the reasonable control of the movant (underlined section conveniently omitted in Opposer's/Movant's Motion) and
(4) Whether the movant acted in good faith.

See TBMP 509.01(b)(1) citing Pioneer Investment Servs. Co. v. Brunswick Assocs. L.P., 507 U.S. 380 (US 1993), and which states its adoption by the Board in *Pumpkin Ltd. v. The Seed Corps.*, 43 USPQ.2d 1582 (TTAB 1997).

Opposer/Movant states in Opposer's/Movant's motion that "its failure to submit discovery and a brief in this case did not result from willful conduct or gross neglect, but was instead the result of Opposer's good faith belief that the parties would continue to agree to extensions of time during the discovery period for the purposes of settlement."

This statement does not make sense based on the facts. For one thing, Opposer's/Movant's brief was due June 25, 2020, which was way past its discovery period (as will be explained below), and was way past the usual time that the parties would have agreed to such extensions, namely prior to January 12, 2020, the expiration of the first of what was the last set of trial dates that had been extended.[4]

"It has been held that the third *Pioneer* factor, i.e., "the reason for the delay, including whether it was within the reasonable control of the movant," may be deemed to be the most important of the *Pioneer* factors in a particular case." TBMP 509(b)(1) (citations omitted, underlining added). Accordingly, Factor 3 will be addressed first.

A. Movant Has Greatly Delayed the Proceedings

Opposer/Movant had the latest settlement coexistence agreement for almost one (1) full year prior to contacting Applicant in June 2020. Opposer/Movant could have reached out to Applicant for a further extension of time in January 2020, almost six (6) months prior to contacting Applicant, to extend

[4] January 12, 2020, was the date that Plaintiff's 30-day Trial Period Ends according to the last extension of time dated October 20, 2019, which had been stipulated between the parties October 14, 2019.

the remaining trial dates. When the attorneys for Opposer/Movant finally contacted Applicant in June 2020, they could have explained to Applicant that Opposer/Movant had not yet agreed to the settlement agreement and the attorneys could have filed the brief that was due on June 25, 2020, instead of waiting until the end of that same day to inform Applicant that there was no agreement in fact.[5]

Instead, Opposer/Movant delayed at each step detailed above which resulted in great delays to the present proceedings and Applicant's reliance on those delays for Applicant's strategy in connection with the remaining oppositions forming a part of the original settlement coexistence agreement with Opposer/Movant.

All these delays were caused by Opposer/Movant, however this factor is given short shrift in Opposer's/Movant's brief together with the 4th factor which we will address next.

B. Opposer/Movant Has Acted in Bad Faith

Applicant respectfully submits that Opposer/Movant has acted in bad faith in this Opposition. As discussed above, Opposer/Movant had Applicant believing everything was ready for settlement when its attorneys asked Applicant to "finalize the agreement". See Exhibit 1. However, the attorneys came back to Applicant three days later informing Applicant that Opposer/Movant was "not satisfied with the terms of the settlement agreement". See Exhibit 2.

Then Opposer/Movant dares to say in Opposer's/Movant's Brief that it allowed the time for filing its main brief to close based on its "expectation of an amicable resolution". See Opposer's/Movant's Brief II. E. This was after Applicant waited three days for a rejection of the settlement which Opposer/Movant had presented as a "done deal".

Given the time squeeze forced by Opposer's/Movant's delay, Applicant was even going to consent to extend time further after the settlement agreement was rejected, it being after 4pm on June 25, 2020 when Applicant's response to the Order to Show Cause in Opposition #

[5] Opposer's/Movant's attorneys did not tell Applicant that Opposer/Movant was not "satisfied with the terms of the settlement agreement" until 4:11 pm EST, See Exhibit 2.

91231657 was due along with Opposer's/Movant's brief in the instant Opposition.

However, after seeing Opposer's/Movant's proposed consented motion's reasoning for delayed settlement based on old issues of "first use dates", which have no place in the coexistence agreement, Applicant could not consent, having no belief the parties were any closer to settling.

With respect to Opposer's/Movant's comments about Applicant's delay in Opposer's/Movant's Brief Section II. E, aside from this past year, both Applicant and Opposer/Movant have mutually consented to extensions of time due to delays by either or both parties in the interests of settling this opposition together with the other two oppositions mentioned earlier.

C. Applicant Would be Greatly Prejudiced

Opposer/Movant requests that it be permitted "to exchange pre-trial disclosures" and "submit an opening brief." However, Opposer/Movant lost its right to submit pre-trial disclosures after March 3, 2019. The extension granted on December 11, 2018 to make those submissions was the last extension granting those rights. All extensions granted since then have begun with the date that Plaintiff's (Opposer's/Movant's) 30-day trial period ends. Applicant has considered this as being in its favor during settlement negotiations.

"The 'prejudice to the nonmovant' contemplated under the first *Pioneer* factor must be more than the mere inconvenience and delay caused by the movant's previous failure to take timely action, and more than the nonmovant's loss of any tactical advantage that it otherwise would enjoy as a result of the movant's delay or omission." TBMP 509.01(b)(1).

Giving Opposer/Movant the right to make pre-trial disclosures when it has not had that right since March of 2019 is more than mere inconvenience and delay. It is what Applicant has depended upon in the event settlement negotiations soured, as they have. Opposer/Movant should not be permitted to reap the benefits of what they have given up as a result of almost a

past year of delay that was fully in their control and recent delays that were made in bad faith.

Opposer mistakenly cites as evidence of little prejudice that there have been so many extensions of time in this case, but that was because the parties were going to settle the case, not try the case at a later date. Also, It's important to keep in mind that it's not just one case involved here, but three oppositions, and granting Opposer/Movant a tactical advantage in connection with this case also disrupts Applicant's strategy related to the three oppositions that Opposer/Movant has shown bad faith in settling.

Granting Opposer/Movant the motion to reopen would greatly prejudice Applicant's ability to litigate this case, in which Applicant has successfully prevented Opposer/Movant from being able to submit pre-trial disclosures and would greatly prejudice Applicant's ability to litigate the other two Oppositions, which were part of the settlement coexistence agreement. And it is this "prejudice to the nonmovant's ability to litigate the case" which is considered when determining the effect of this factor. TBMP 509.01(b)(1).

D. Length of Delay and Potential Impact on Judicial Proceedings

It has been over one and a half (1.5) years since Opposer/Movant last had the right to make pre-trial disclosures in this case (from March 3, 2019 to September 21, 2020). It has now been eight (8) months since the parties could have agreed to any extension of time in this case (from January 12, 2020 to September 21, 2020). Opposer/Movant has delayed almost an entire year in their response to the latest revision of the settlement agreement, from July 12, 2019 to June 25, 2020 (at least six months of which were prior to Covid-19 issues).

These are lengthy delays and the impact of judicial proceedings on Applicant are great. Opposer/Movant should not have the right to submit pre-trial disclosures in this case. It lost that right a long time ago (over 1.5 years ago) and it should not win that right back by having itself caused delays and acted in bad faith.

III. CONCLUSION

The neglect here is not excusable. Recent, lengthy delays (the past year to year and a half) in this case have all been under the control of Opposer/Movant, who has also shown bad faith during recent settlement negotiations. Additionally, Applicant would be considerably prejudiced if Opposer/Movant were allowed to make pre-trial disclosures. Finally, adjudicating these proceedings on the merits would be unfair without also adjudicating Opposition #s 91231655 and 91231657, which were part and parcel of the settlement negotiations in this case. Accordingly, Applicant respectfully requests that the Board find that Opposer/Movant has not shown just cause and that it denies Opposer's/Movant's motion to reset the pre-trial and trial briefing schedule.

Respectfully submitted,

/Lainie E. Parker/
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Dated: September 21, 2020

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TTAB Opposition Proceeding No. 91230071 - REPORT IT

24 messages

Brian F. Reddy <brianreddy@designip.com> Mon, Jun 22, 2020 at 6:16 PM
To: "parkerptlaw@gmail.com" <parkerptlaw@gmail.com>
Cc: Damon Neagle <damonneagle@designip.com>, "Kelley C. McDonald" <kelleymcdonald@designip.com>

Dear Ms. Parker,

My name is Brian Reddy and I'm writing regarding the above-referenced Opposition Proceeding. James Aquilina is no longer with Design IP and I will be handling this matter going forward with input from our senior partner, Damon Neagle (copied herein). We have a deadline of this Thursday, June 25, 2020 to file a brief in the referenced proceeding.

Our records show that a draft coexistence agreement was being circulated for settlement negotiations (copy attached). What is the status of your client's review of the terms of the agreement? If we can finalize the agreement we would like to do so quickly. If your client is no longer interested in settling through a coexistence agreement, we would like to move to reopen the trial phase of the proceeding so that evidence can be submitted and the Board can decide the case on the merits.

We look forward to hearing from you promptly given the approaching deadline.

Best regards,
Brian Reddy
Attorney

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DESIGN IP
INTELLECTUAL PROPERTY LAW

Coexistence Agmt_Draft Rev 4 July 12 2019.docx
164K

Brian F. Reddy <brianreddy@designip.com> Thu, Jun 25, 2020 at 4:11 PM
To: lainie parker <parkerptlaw@gmail.com>

Lainie,

Our client is not satisfied with the terms of the settlement agreement in its present form. We will forward a new proposed agreement next week in an attempt to continue negotiating a settlement. We are still evaluating our options with regard to the Opposition Proceeding.

Brian