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

Proceeding	91239222
Party	Defendant Tat Lee
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Date	05/14/2018
Attachments	Reply to App Motion to Set Aside Default.pdf(58909 bytes)

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

Sterling Jewelers Inc., Opposer, v. Tat Lee, Applicant.	Opposition No.: 91239222 Mark: **TITANIUM KAY** Serial No.: 87/435,559

APPLICANT'S REPLY TO OPPOSER'S RESPONSE TO MOTION TO SET ASIDE NOTICE OF DEFAULT

I. INTRODUCTION

The failure to timely respond to the Opposition (occasioning the Notice of Default which this Motion seeks to set aside), was the result of pro se Applicant's: (1) inexperience as a layperson; (2) erroneous expectation that service would be by U.S. mail, not an email; and (3) misunderstanding of communications with an attorney (who was only later retained to represent Applicant in this matter) and was not the result of either willfulness or neglect.

Opposer invites the Board to exercise its discretion and deny Applicant's Motion, justifying that exercise by recasting Applicant's inexperience, error and misunderstanding as "gross neglect"; by arguing that it is "prejudiced" because it must respond to Applicant's motion; and by arguing the merits of Applicant's factually supported equitable and "no likelihood of confusion" defenses. Opposer's arguments are without merit particularly in view of the strong policy to decide cases on their merits and to resolve any doubt in favor of Applicant. TMEP 312.02.

Accordingly, Applicant requests the Board to exercise its discretion and grant Applicant's motion to withdraw and set aside the notice of default and permit this opposition to proceed to resolution on the merits.

II. INEXPERIENCE, ERROR AND MISUNDERSTANDING IS NOT "GROSS NEGLECT"

Gross neglect occurs when a failure to timely file is due to a deliberate, willful, or intentional decision not to file with knowledge that the filing was due and required. See *Paolo's Associates L.P. v. Bodo*, 21 USPQ2d 1899, 1903-04 (Comm'r 1990); *DeLorme Publishing Co v. Eartha's Inc.*, 60 USPQ2d 1222, 1224 (TTAB 2000).

Therefore, inadvertence is not "gross neglect." *Fred Hayman Beverly Hills, Inc. v. Jacques Bernier, Inc.*, 21 USPQ2d 1556, 1557 (TTAB 1991). Neither is a planned and intended filing that was untimely because of the inexperience of a pro se Applicant, the mistaken belief of that pro se Applicant that service would be by mail, or the error of the pro se Applicant in assuming, based on instructions from non-record counsel[1], that the opposition would be served by mail.

Opposer argues that pro se Applicant's non-record counsel was sent a courtesy copy of the Opposition and that therefore knowledge of the TBMP opposition rules and procedures should be inputted to pro se Applicant and that therefore the failure to follow those rules and procedures by pro se Applicant was per se "gross neglect." This rationale is without legal or factual support. Indeed, Applicant submits it would be an abuse of discretion to characterize pro se Applicant's untimely filing of its answer under these circumstance as "gross neglect."

Equally untenable is Opposer's argument that there was a failure docket and that failure amounted to "gross neglect." Until receiving the Notice of Default, pro se Applicant did not know there was a due date or what that due date was. That there may have been ways for a knowledgeable pro se Applicant to have determined that information is irrelevant in view of pro se Applicant's expectation that such information would be obtained in due course when it received service. Under such circumstances, there was no reason for pro se Applicant to initiate any investigation and failing to do so cannot be characterized as "gross neglect."

Finally, Opposer argues that pro se Applicant was inattentive and careless. However, the cases cited by Opposer deal only with the inattentiveness and carelessness of an Applicant's counsel. Again, when Opposer initiated the opposition proceeding, Applicant was pro se. Only

[1] Mr. Wood did not become record counsel in this matter until after Applicant received the notice of default, sent it to Mr. Wood and instructed Mr. Wood to respond to that notice.

after receiving the Notice of Default was an appearance made by counsel representing Applicant. Accordingly, the "careless inattention" cases are inapplicable to this fact situation.

Based on the only evidence presented in this Motion, Applicant requests that the Board reject Opposer's assertion that pro se Applicant's failure to timely file was "gross neglect."

III. THERE IS NO PREJUDICE TO OPPOSER

Opposer argues that it is prejudiced because it incurred time and spend resources in responding to this Motion. However, the Court in *Paolo's Associates L.P. v. Bodo, 21 USPQ2d 1899, 1903-04 (Comm'r 1990)* held that costs incurred in preparing and filing a motion are not sufficient to support a finding of prejudice. See TBMP 312.02 Fn 2. Accordingly, Opposer also fails to demonstrate "prejudice."

IV. APPLICANT HAS MERITORIOUS DEFENSES

A meritorious defense, for purposes of a Motion to Set Aside a Notice of Default is established when the Applicant makes allegations which, if established in the opposition proceeding, would constitute a complete defense to the action. Likelihood of success of the defense is not the measure. Rather, the Board looks to whether any defenses relied asserted states a defense good at law. A defense is taken as sufficient if it contains even a hint of a suggestion which, if proven during the proceedings, would constitute a complete defense. See *Fred Hayman Beverly Hills, Inc. v. Jacques Bernier, Inc.*, 1991 TTAB LEXIS 45, *3, 21 U.S.P.Q.2D (BNA) 1556, 1556 (Trademark Trial & App. Bd. November 7, 1991) ("By the submission of an answer which is not frivolous, applicant has adequately shown that it has a meritorious defense."). See also *Keegel v. Key West Caribbean Trading Co*., 627 F.2d 372 (CADC 1979).

Applicant filed its Answer and affirmative defenses alleging laches, estoppel, acquiescence and no likelihood of confusion, all defenses recognized as valid under TBMP 311.02(b). If established in the opposition proceeding, any of these defenses would be a complete defense. Opposer's argument fails to address whether these defenses are legally "meritorious." Rather, Opposer invites the Board to summarily adjudicate those defenses in its favor based solely on attorney argument and unsupported allegations. However, the Motion before the Board is a Motion to Set Aside a Notice of Default, not to summarily adjudicate likelihood of confusion or estoppel or acquiescence. Opposer's argument must therefore be rejected. To do otherwise would

be contrary to the strong policy of the Board to decide cases on their merits and to resolve any doubt in a Motion to Set Aside the Notice of Default in favor of the Applicant. TBMP 312.02

V. CONCLUSION

A Motion to Set Aside a Notice of Default lies within the sound discretion of the Board. In exercising that discretion, the Board must be mindful of the fact that it is the policy of the law to decide cases on their merits. Accordingly, the Board should deny a motion to set aside a notice of default very reluctantly and should resolve any doubt on the matter in favor of the Applicant. TBMP 312.02.

The Board should reject Opposer's mischaracterization of pro se Applicant's inexperience, error and misunderstanding as "gross neglect." Applicant has demonstrated that the filing of its Answer was timely within the time allowed to respond to the Notice of Default, and that the untimeliness of the filing of its Answer was unintentional, and was due to inexperience, error and misunderstanding, not gross neglect. Finally, Applicant has demonstrated that Opposer has suffered no cognizable prejudice and that Applicant has meritorious defenses.

The Board should exercise its discretion and grant Applicant's Motion to Set Aside the Notice of Default and Applicant respectfully requests such action.

Dated: May 14, 2018

Respectfully submitted,

/Gregory B. Wood/

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CERTIFICATE OF SERVICE

Consistent with the Trademark Trial and Appeal Board Manual of Procedure Rule 309.02(c)(1) (amended January 14, 2017), I hereby certify that a true and complete copy of the foregoing APPLICANT'S REPLY TO OPPOSER'S RESPONSE TO MOTION TO SET ASIDE NOTICE OF DEFAULT, is being served on Sterling Jewelers, Inc. by forwarding said copy on May 14, 2018, via email to:

Sterling Jewelers, Inc. through its attorney

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