

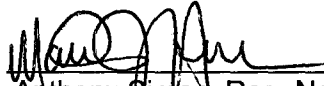
TTAB

Attorney Docket No: 53109/0047

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

CERTIFICATE OF MAILING

I hereby certify that this correspondence is being deposited in the United States Postal Service as first class mail in an envelope addressed to: Box TTAB NO FEE, Assistant Commissioner for Trademarks, 2900 Crystal Drive, Arlington, VA 22202-3513 on the 12th day of October, 2002.



Anthony Simon, Reg. No. 40,813
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10-21-2002

U.S. Patent & TMO/TM Mail Rcpt Dt. #70

William J. Snell, III

Petitioner,

v.

Priority Healthcare Benefits, Inc.

Registrant.

Cancellation No. 31,365

Reg. No.: 1,947,473

Issued: January 9, 1996

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COMMUNICATIONS SECTION

CONSENTED REQUEST FOR RELIEF FROM FINAL JUDGMENT

COMES NOW Registrant, Priority Healthcare Benefits, Inc. ("PHB"), and pursuant to Fed. R. Civ. Pro. 60(b) and TMBP §545, respectfully requests relief from the entry of default judgment in the above-referenced case. It is believed that Petitioner consents or will consent to this request.

FACTUAL BACKGROUND

The registration at issue in this Cancellation was issued by the Trademark Office on January 9, 1996. The Petition to Cancel was filed on January 5, 2001, and the registration was cancelled on October 18, 2001 after entry of default judgment against PHB.

PHB did not receive the Petition to Cancel and was unaware that such a proceeding had been instituted with the Board. PHB never received any pleadings or motions filed in the proceeding nor the Board's order entering judgment against it. PHB never received a request from the Commissioner of Trademarks requesting surrender of the certificate of registration.

PHB, believing it to be the owner of a subsisting and valid registration, filed its Section 8 and 15 Declaration in the above-referenced registration on January 9, 2002. It was only after receiving notice from the Post Registration Division of the Trademark Office that PHB learned that its registration was canceled.

After discovering of the reasons for the cancellation of its registration, PHB contacted Petitioner and the parties exchanged proposals to settle their differences and to allow for reinstatement of PHB's registration. The parties are currently in the process of finalizing the agreement. In the process of finalizing the agreement, PHB contacted Petitioner regarding the filing of this motion and although PHB does not yet have Petitioner's consent as of the filing of this motion, PHB believes from previous discussions with Petitioner's counsel that Petitioner will consent to the relief requested herein.

ARGUMENT

PHB's request for relief from the default judgment entered in this matter is clearly warranted given the circumstances. As a fundamental matter of American jurisprudence, a trial on the merits is always favored over a default judgment and close cases should be resolved in favor of the party seeking to set aside a default judgment. *Information Sys. & Networks Corp. v. United States*, 994 F.2d 792, 795 (Fed. Cir. 1993). Among the factors to be considered in determining a Rule 60(b) motion to vacate a default judgment are the following: (1) whether the non-defaulting party will be prejudiced; (2) whether the default was willful; and (3) whether the defendant has a meritorious defense. *Djeredjin v. Kashi Co.*, 21 U.S.P.Q.2d 1613 (TTAB 1991). Each of the three factors is considered together and a finding on any one of the factors which is favorable to the defaulting party requires granting of the motion for relief. *Information Sys.*, 994

F.2d at 795-6; *Zawadski De Bueno v. Bueno Castro*, 822 F.2d 416, 419 (3d Cir. 1987). Here, all three factors weigh in favor of PHB.

First, there is no prejudice against the Petitioner and this is demonstrated by Petitioner's consent to the relief requested herein. Moreover, the parties are in the process of settling their differences where the parties will have ample opportunity to negotiate their requirements for settlement. In the event settlement is not reached, the parties will have ample opportunity to litigate the merits of the case. No discovery has been served in the matter and PHB is unaware of any motions that have been filed in the matter. Accordingly, there is no prejudice to the Petitioner in setting aside the default judgment.

Second, PHB's actions were not willful. PHB was not aware that the cancellation proceeding had been instituted against it. PHB assumed its registration was in good standing and filed its Section 8 and 15 Declaration timely in accordance with the Trademark rules. It was only after its Section 8 and 15 Declaration was rejected by the Trademark Office that PHB learned that its registration had been cancelled. Upon further investigation and searching the public records at the Trademark Office, PHB finally learned that its registration was canceled pursuant to a cancellation proceeding filed by the Petitioner. PHB immediately contacted Petitioner in a good faith effort to resolve any potential disputes. The parties are now in the process of finalizing a settlement agreement. PHB moved promptly and in good faith to request relief from the judgment after learning of the circumstances giving rise to the entry of judgment against it.

Third, PHB has a meritorious defense by virtue of its registration being prima facie evidence of the validity of the registration and of the registration of the mark, of its ownership of the mark, and of its exclusive right to use the registered mark in commerce on or in connection with the services specified in the registration. 15 U.S.C. §1115(a). PHB has continually used the mark shown in the registration in commerce since its inception and the mark is distinctive and symbolizes the services of PHB.

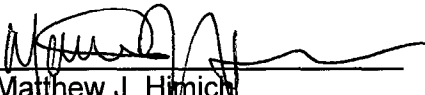
Lastly, as stated before PHB believes that Petitioner has or will consent to this motion. A consented request for relief from final judgment ordinarily will be granted by the Board. TMBP, § 545.

In view of the above, good cause is clearly present and it would otherwise be a miscarriage of justice for the Board to maintain the entry of default against PHB.

CONCLUSION

In view of the foregoing, PHB respectfully requests the entry of judgment against it be vacated and that the proceedings be reinstated with the Petition to Cancel being served upon PHB's counsel as undersigned below.

Respectfully submitted,
THOMPSON COBURN LLP

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of this document has been sent via First Class U.S. Mail on OCTOBER 18, 2002, to Michael Elbein, Shughart Thomson & Kilroy, P.C., 120 West 12th Street, Kansas City, MO 64105, attorneys for Petitioner.

