UNITED STATES PATENT AND TRADEMARK OFFICE
Trademark Trial and Appeal Board
2900 Crystal Drive
Arlington, Virginia 22202-3513

Baxley

Mailed: September 3, 2004

Cancellation No. 92032958

Tango Chix Productions, Inc.

v.

Olive Industries, Ltd.

Before Hohein, Rogers and Drost,
Administrative Trademark Judges:

By the Board:

This case now comes up for consideration of respondent's motion (filed January 15, 2004) under Fed. R. Civ. P. 60(b) to vacate the judgment by default that the Board entered herein on April 10, 2003; and (2) respondent's request (filed January 15, 2004) to expedite the Board's decision on respondent's motion to vacate judgment.

In view of the time that has unavoidably lapsed between the briefing of respondent's motion under Fed. R. Civ. P. 60(b) and the issuance of this decision, respondent's request to expedite the Board's decision thereon is moot. The delay is regretted.

Turning next to respondent's motion under Rule 60(b) to vacate the default judgment, a brief review of the relevant

procedural history of the parties' applications and registrations at issue in this proceeding will be helpful.

1. On February 28, 2001, petitioner filed applications to register the marks OLIVE'S and design[1] and OLIVE'S NYC and design[2] for "restaurant services, [and] restaurants featuring home delivery" in International Class 42. Registration of both marks was refused under Trademark Act Section 2(d), 15 U.S.C. Section 1052(d), based on a likelihood of confusion with respondent's involved Registration No. 1629630.[3] Following petitioner's responses to the refusals of registration, the refusals of registration were made final.

2. On May 16, 2002, following the issuance of the final refusals of registration of petitioner's marks, petitioner filed a petition to cancel respondent's involved Registration No. 1629630 on the ground of abandonment. The petition to cancel included respondent's address as set forth in the USPTO's Trademark Reporting and Monitoring (TRAM) system for its involved registration.

3. The Board, on June 28, 2002, mailed the notice instituting this proceeding to respondent at its address of

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[1] Application Serial No. 76218069.

[2] Application Serial No. 76218070.

[3] Such registration, which issued on December 25, 1990, is for the mark OLIVE'S GOURMET PIZZA and design for "restaurant services" in International Class 42; renewed, but cancelled in light of the default judgment entered herein.

record and allowed respondent until August 7, 2002 to file its answer.

4. No answer having been received, the Board issued a notice of default under Fed. R. Civ. P. 55(a) on December 14, 2002. No response to the notice of default having been received, the Board entered judgment by default on April 10, 2003. The Commissioner for Trademarks issued an order canceling respondent's Registration No. 1629630 on July 14, 2003.

5. In view of the cancellation of respondent's registration, the refusals of registration of the marks in petitioner's application Serial Nos. 76218069 and 76218070 were withdrawn, and those applications were published for opposition on November 4, 2003 and no notice of opposition or request to extend time to oppose was timely filed. Registration No. 2807709 (from application Serial No. 76218069) and Registration No. 2807710 (from application Serial No. 76218070) were issued on January 27, 2004.

6. Respondent filed its motion under Fed. R. Civ. P. 60(b) to set aside the default judgment on January 15, 2004 and concurrently filed an answer. Petitioner timely filed a brief in response.

In support of its motion under Rule 60(b), respondent contends that it had been representing itself with regard to its involved registration until its attorney filed its

motion under Rule 60(b); that it did not receive either the Board's order instituting this proceeding or the notice of default that was entered herein because both papers were sent to its former address; that it included its current address in the affidavit under Trademark Act Sections 8 and 9, 15 U.S.C. Section 1058 and 1059, that it filed in connection with its involved registration; that, on March 13, 2002 during the prosecution of petitioner's applications, petitioner's attorney sent a letter to respondent's current address to inquire about concurrent use agreement with regard to the parties' marks; that, on May 16, 2002, petitioner, despite being aware of respondent's current address, filed a petition to cancel that set forth respondent's former address as its correspondence address; that respondent did not become aware of this proceeding until its new counsel discovered the cancellation proceeding in December 2003 while investigating another matter; and that, had respondent been aware of the proceeding earlier, it would have vigorously contested the allegations in petitioner's petition to cancel. Accordingly, respondent asks that, pursuant to Fed. R. Civ. P. 60(b)(1), (3) and (6), the Board vacate the judgment by default, set aside the notice of default, reinstate its involved Registration No. 1629630, "extend" its time to oppose petitioner's

application Serial Nos. 76218069 and 76218070,[4] and accept its concurrently filed answer.

In opposition thereto, petitioner contends that respondent did not receive the papers at issue because respondent failed to keep its address current in USPTO records; that respondent is improperly attempting to blame petitioner for its failure to receive those papers; that petitioner's attorney sent a letter to respondent in March 2002 at its former address, which was returned as undeliverable by the United States Postal Service, resent that letter to respondent on March 13, 2002 at its current address, which its attorney located after conducting further

[4] Application Serial Nos. 76218069 and 76218070 were published for opposition on November 4, 2003. Accordingly, respondent had until not later than December 4, 2003 to file its first extension of time to oppose registration thereof. See Trademark Rules 2.101(c) and 2.102(c). There is no provision that allows for reopening a party's time to oppose following the expiration of that time. Because respondent did not file any request to "extend" time to oppose until January 15, 2004, that request is hereby denied as untimely.

Rather, respondent's remedy was to petition to cancel those registrations, which it did on February 25, 2004 when it filed separate petitions to cancel the registrations at issue. The petition to cancel Registration No. 2807709 was instituted as Cancellation No. 92043008, and the petition to cancel Registration No. 2807710 was instituted as Cancellation No. 92043001.

In addition, the Board notes that, with regard to respondent's request to extend time to oppose, that request is in connection with applications that are not involved in this proceeding. As such, the better practice would have been to file requests to extend time to oppose registration of those applications as a separate paper for each application, rather than embedding the request in a motion in this proceeding. Had respondent done so, and subsequently filed notices of opposition, it could have moved to consolidate them with this cancellation proceeding. See TBMP Section 511. Except when consolidated, Board proceedings are to be prosecuted or defended as individual proceedings.

research, and received a return receipt for delivery of the resent letter; that petitioner filed the petition to cancel after respondent did not respond to that letter; that the petition to cancel listed respondent's former address because that was respondent's address according to USPTO records for the involved registration; and that, in view of respondent's apparent nonuse of its involved mark, respondent does not have a meritorious defense to the allegations set forth in the petition to cancel. Accordingly, petitioner asks that the Board deny respondent's motion and allow the default judgment to stand.

Fed. R. Civ. P. 55(c), which applies here, says that "[f]or good cause shown, the court may set aside an entry of default and, if a judgment by default has been entered, may likewise set it aside in accordance with Rule 60(b)." Rule 60(b) states in relevant part as follows:

> On motion and upon such terms as are just, the [Board] may relieve a party ... from a final judgment ... for the following reasons: (1) mistake, inadvertence, surprise, or excusable neglect; ... (3) fraud (whether heretofore denominated intrinsic or extrinsic) misrepresentation, or other misconduct of an adverse party... or (6) any other reason justifying relief from the operation of the judgment. The motion shall be made ... for reasons (1), ... and (3) not more than one year after the judgment, order, or proceeding was entered or taken.

Our primary reviewing court, the Court of Appeals for the Federal Circuit, has provided extensive guidance on the

applicable standards for determining whether a motion to set aside a default judgment should be granted. Three factors must be considered: (1) whether the non-defaulting party will be prejudiced; (2) whether the defaulting party has a meritorious defense; and (3) whether the culpable conduct of the defaulting party led to the default. *Information Systems and Networks Corp. v. United States,* 994 F.2d 792, 795 (Fed. Cir. 1993). The Court held that close cases should be resolved in favor of setting aside a default judgment, and that the three factors should be balanced to determine whether to grant relief. *Id.* Indeed, the Federal Circuit has stated that "Rule 60(b) is applied most liberally to judgments in default." *Id.*, quoting *Seven Elves, Inc. v. Eskenazi*, 635 F.2d 396, 403 (5th Cir. 1981).

We note that respondent's motion under Rule 60(b) was filed within one year of the entry of judgment by default. Accordingly, the motion was timely filed, insofar as it is based on Rule 60(b)(1) or 60(b)(3).

With regard to the possible prejudice to petitioner, petitioner has made no showing of prejudice other than that it would be denied a windfall victory and that respondent would be allowed to defend this case on the merits.[5] Accordingly, we resolve this factor in respondent's favor.

[5] Prejudice may not be found from the fact that the defaulting party will be permitted to defend on the merits. See *Swink v. City of Pagedale*, 810 F.2d 791, 792 n.2 (8th Cir. 1987). Setting

Turning to whether respondent has a meritorious defense, by submission of an answer which denies the salient allegations of the notice of opposition, respondent has adequately shown that it has a meritorious defense.[6] See *Fred Hayman Beverly Hills Inc. v. Jacques Bernier Inc.*, 21 USPQ2d 1556, 1557 (TTAB 1991). Accordingly, we resolve this factor in respondent's favor.

With regard to whether the default was willful, we must inquire as to whether respondent "willfully declined to follow [the Board's] rules and procedures." *Information Systems*, 994 F.2d at 796. A review of the registration file indicates that respondent, which had been representing itself, provided its current address in the Section 8 and 9 affidavit that it filed in connection with its involved registration on October 16, 2000. However, the USPTO failed to update the Trademark Reporting and Monitoring system (TRAM) to enter that address. See TMEP Section 603.02(c). Therefore, we find that the default was not willful. Based on the foregoing, we conclude that respondent has shown good

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aside a default judgment must prejudice a plaintiff in a more concrete way, such as "loss of evidence, increased difficulties in discovery, or greater opportunities for fraud and collusion." *Berthelsen v. Kane*, 907 F.2d 617, 621 (6th Cir. 1990).

[6] Petitioner's allegations that respondent does not have a meritorious defense prematurely address the merits of this case, which is a matter to be resolved at trial or upon motion for summary judgment.

cause to set aside the default judgment on the basis of inadvertence under Fed. R. Civ. P. 60(b)(1).

In addition, we note that petitioner admits that the March 2002 letter that its counsel sent to respondent's address of record was returned as undeliverable and that, after its counsel resent that letter on March 13, 2002 to respondent at respondent's current address, its counsel received a return receipt, indicating that the resent letter had indeed been delivered, roughly two months prior to its filing of the petition to cancel. As such, petitioner's petition to cancel should have included respondent's current address instead of setting forth an address for respondent that petitioner's counsel clearly knew was outdated. See Trademark Rule 2.112(a); TBMP Section 309.02(a) ("A petition to cancel should indicate, to the best of petitioner's knowledge, the ... address of the current owner of the registration."). Based on the foregoing, we find that respondent has also shown good cause to set aside the default judgment under Fed. R. Civ. P. 60(b)(3) on the basis of petitioner's misconduct in failing to comply with Rule 2.112(a) with regard to the address for respondent that it set forth in the petition to cancel.

In view thereof, respondent's motion to vacate the default judgment is hereby granted.[7] Respondent's answer is accepted and entered. Involved Registration No. 1629630 will be forwarded to the Office of the Commissioner for Trademarks for reinstatement.

Proceedings herein are resumed. Discovery and trial dates are reset as follows:

DISCOVERY PERIOD TO CLOSE: **12/31/04**

Plaintiff's thirty-day testimony period to close: **4/1/05**

Defendant's thirty-day testimony period to close: **5/31/05**

Plaintiff's fifteen-day rebuttal period to close **7/15/05**

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.l25.

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.l29.

[7] To the extent that respondent's motion relies upon Fed. R. Civ. P. 60(b)(6), such ground is moot.