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

Proceeding	92032958
Party	Plaintiff TANGO CHIX PRODUCTIONS, INC.
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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

TANGO CHIX PRODUCTIONS, INC.	:	**Cancellation No. 92032958**
Petitioner,	:	
v.	:	
OLIVE INDUSTRIES, LTD.,	:	
Registrant.	:	
OLIVE INDUSTRIES, LTD.,	:	**Cancellation No. 92043001** **Cancellation No. 92043008**
Petitioner,	:	
v.	:	
TANGO CHIX PRODUCTIONS, INC.,	:	
Registrant.	:	

REGISTRANT TANGO CHIX PRODUCTIONS, INC.'S REPLY MEMORANDUM IN SUPPORT OF REGISTRANT'S MOTION TO DISMISS PETITIONER OLIVE INDUSTRIES, LTD.'S PETITIONS FOR CANCELLATION FOR FAILURE TO TAKE TESTIMONY OR OFFER EVIDENCE

Petitioner/Registrant TANGO CHIX PRODUCTIONS, INC. ("Registrant") hereby submits the within Reply Memorandum in support of Registrant's motion to the Trademark Trial and Appeal Board (this "Board") for an order dismissing Cancellation Nos. 92043001 and 92043008 (the "Cancellations"), brought by Registrant/Petitioner OLIVE INDUSTRIES, LTD. ("Petitioner") and currently pending against Registrant. Registrant makes is Reply on the grounds that Petitioner's Opposition to Registrant Tango Chix Productions, Inc.'s Motion to Dismiss (the "Opposition") does not establish good and sufficient cause for Petitioner's failure to

take any testimony or to offer any other evidence in the Cancellations prior to the expiration of Petitioner's testimony period.

I. INTRODUCTION

Petitioner's 30-day testimony period in the Cancellations opened on October 7, 2005, and expired on November 7, 2005. During its testimony period, Petitioner failed to take testimony, and failed to submit any evidence whatsoever in support of the Cancellations (or otherwise) to the Board. On December 5, 2005, Registrant moved to dismiss the Cancellations for failure to prosecute pursuant to 37 C.F.R. § 2.132(a) (the "Motion to Dismiss").

Petitioner's Opposition now seeks to re-open Petitioner's testimony period. Petitioner's argument, which is wholly without merit, can be synthesized into one salient plea: That Petitioner's stated excuse for failing to offer testimony or evidence – an alleged docketing error – constitutes "excusable neglect," thus providing good cause to reopen Petitioner's testimony period. Petitioner argues that the Board must deem Petitioner's docketing error excusable principally because the Board previously ruled that a docketing error constituted good cause to excuse Registrant's previous failure to timely answer Petitioner's Amended and Restated Petitions for Cancellation in this matter.

Petitioner's argument fails for two clear and dispositive reasons. First, under precedent applicable to the determination of "excusable neglect" under the standard set forth in *Pioneer Investment Services Company v. Brunswick Associates Ltd. Partnership*, 507 U.S. 380 (1993) and adopted by the Board in *Pumpkin Ltd. v. The Seeds Corps*, 43 U.S.P.Q.2d 1582 (T.T.A.B. 1997), docketing failure does not constitute *excusable neglect* sufficient to avoid a timely motion to dismiss under 37 C.F.R. § 2.132(a). Second, the Board's determination to excuse Registrant's failure to timely answer Petitioner's Amended and Restated Petitions for Cancellation was made

under a different legal standard applicable to different factual and legal circumstances, and is thus completely inapposite to the current situation. Thus, the Board's prior determination regarding Registrant's answers is inapplicable to the Board's analysis of "excusable neglect" in connection with Registrant's Motion to Dismiss. For these reasons, the Board should hold that Petitioner's docketing error does not constitute excusable neglect, and grant Petitioner's Motion to Dismiss.

II. ARGUMENT

A. A Docketing Error Does Not Constitute Excusable Neglect Under § 2.132(a)

Upon a timely and proper motion to dismiss under 37 C.F.R. § 2.132(a),[1] to avoid dismissal the petitioner must demonstrate why dismissal should not issue. The Board has taken the position that to avoid dismissal a petitioner must demonstrate that its failure to take testimony or offer evidence was the result of "excusable neglect." "Excusable neglect," in turn, must be analyzed by the Board in view of the standard espoused by the Supreme Court in the case of *Pioneer Investment Services Company v. Brunswick Associates Ltd. Partnership*, 507 U.S. 380 (1993). *See*, *Pumpkin Ltd. v. The Seeds Corps*, 43 U.S.P.Q.2d 1582 (T.T.A.B. 1997). Under the *Pioneer* standard, up to four factors are relevant to the analysis of whether a proffered excuse rises to the level of excusable neglect: (1) the danger of prejudice to the non-moving party; (2) the length of delay and its potential impact on judicial proceedings; (3) the reason for the delay, including whether it was within the reasonable control of the moving party; and, (4) whether the moving party has acted in good faith. 43 U.S.P.Q.2d at 1586.

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[1] A motion under section 2.132(a) must be brought prior to opening of the party in the position of defendant's testimony period. 37 C.F.R. § 2.132(a). Registrant brought its motion to dismiss on December 5, 2005, two days before the opening of its testimony period on December 7, 2005.

Notwithstanding these four factors, however, the Board has acknowledged and held that the single most important determinative factor of the *Pioneer* test is the third (3rd) factor: the reason for the delay, including whether it was within the reasonable control of the moving party. *See*, *Pumpkin Ltd. v. The Seeds Corps*, 43 U.S.P.Q.2d at 1586 n.7. For that reason, the Board has taken the position that notwithstanding the adoption of the *Pioneer* factors by the Board, "docketing errors and breakdowns ..." are "wholly within the reasonable control of ..." the moving party, and thus "do not constitute excusable neglect." *Baron Philippe de Rothschild, S.A. et al. v. Styl-Rite Optical Mfg. Co.*, 55 U.S.P.Q.2d 1848, 1851 (T.T.A.B. 2000); *cf. Pumpkin Ltd.*, 43 U.S.P.Q.2d at 1586.[2]

Indeed, prior to the Board's adoption of *Pioneer* in *Pumpkin*, the Board consistently held that docketing errors did not constitute excusable neglect. See, e.g., TBMP § 509.01(b). Although those cases are no longer technically controlling in view of *Pumpkin*'s adoption of the *Pioneer* factors, the Board nevertheless recognized explicitly in *Pumpkin* that those cases, and other cases decided pre-*Pioneer*, remain highly relevant to determinations made under the all-important third (3rd) factor of the *Pioneer* case. *Pumpkin Ltd. v. The Seeds Corps*, 43 U.S.P.Q.2d at 1586-87, n.8; *see, also*, TBMP § 509.01(b) at pp. 500-37 – 500-38; *Litton Business Systems, Inc. v. J. G. Furniture Co.*, 190 U.S.P.Q. 428 (T.T.A.B. 1976), *recon. denied*, 190 U.S.P.Q. 431 (T.T.A.B. 1976).

In view of the Board's post – *Pumpkin* decision in *Baron Philippe de Rothschild, S.A.*, it can be stated that certain "excuses" – particularly those that must be deemed to be within the

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[2] In *Pumpkin*, as in *Baron Philipe de Rothschild, S.A.*, the Board found that a docketing error was not excusable neglect, on the grounds that docketing was a matter wholly within the movant and its attorney's control, and also on the grounds that due to the Board's increasingly full docket, failures to heed testimony deadlines impacted negatively upon the judicial process

control of the moving party – cannot rise to the level of excusable neglect under *Pioneer*. As stated succinctly by the Board, "[d]ocketing errors and breakdowns do not constitute excusable neglect." *Baron Philippe de Rothschild, S.A.*, 55 U.S.P.Q.2d at 1851. Accordingly, Registrant's proffered excuse for failing to take testimony or offer evidence during its testimony period is, simply, insufficient as a matter of law.

B. The Board's Finding That Petitioner's Failure To Answer Registrant's Amended and Restated Petitions For Cancellation Was Excusable Neglect Has No Bearing On The Board's Analysis Of Petitioner's Failure To Take Testimony Or Offer Evidence

Registrant repeats throughout its Opposition the argument that the Board must view Registrant's docketing error through the prism of Petitioner's initial failure to answer Registrant's Amended and Restated Petitions for Cancellation. See Opposition at pp. 2, 5-6, and 7-8. Briefly, on Registrant's motions for consolidation and for leave to amend, in December, 2004 the Board consolidated the Cancellations, together with Registrant's initial Petition for Cancellation (Cancellation No. 92032958), under the "parent" case number (papers filed and/or entered post-cancellation are now found solely on the Board's docket for Cancellation No. 92032958). Thereafter, Petitioner filed Amended and Restated Petitions for Cancellation in the now consolidated Cancellations, but Registrant's docketing system retained the original docket numbers for the Consolidations and thus did not docket response dates for answers to the Amended Petitions for Cancellation. Registrant thus failed to timely answer, but petitioned the Board to vacate the resulting default on the grounds that good cause existed to do so. The Board found that, under the circumstances, Registrant's docketing error constituted "good cause."

In reaching this decision, however, the Board properly followed a "good cause" standard

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and thus impacted on the second *Pioneer* factor. *Pumpkin*, 43 U.S.P.Q.2d at 1586.

specifically related to obtaining relief from a default entered for failure to answer – a standard that was, and is markedly different from, and irrelevant to, the "excusable neglect" standard applicable to motions made under 37 C.F.R. § 2.132(a). In its decision on Registrant's prior motion to vacate, the Board stated:

> Good cause why default judgment should not be entered against a defendant, for failure to file a timely answer to the complaint, is usually found when the defendant shows that (1) the delay in filing an answer was not the result of willful conduct or gross neglect on the part of the defendant, (2) the plaintiff will not be substantially prejudiced by the delay, and (3) the defendant has a meritorious defense to the action. Board Order, May 17, 2005 (Baxter), at pp. 2-3.

The Board has consistently recognized that its "excusable neglect standard," which arises under Fed. R. Civ. P. 6(b)(2), is analytically separate and distinct from the variety of "good cause" standards applied in various situations arising under Fed. R. Civ. P. 6(b)(1). *See, e.g., Baron Philippe de Rothschild, S.A. et al. v. Styl-Rite Optical Mfg. Co.*, 55 U.S.P.Q.2d 1848 (T.T.A.B. 2000) (excusable neglect standard under *Pioneer* not relevant to, and analyzed differently from the "good cause" standard under Fed. R. Civ. P. 6(b)(1)).

It is not difficult to see that the good cause standard properly applied by the Board to Registrant's mistaken failure to answer Petitioner's amended petitions (Registrant had, of course, timely answered Petitioner's original Petitions for Cancellation that had commenced those actions) was, and is far more lenient than the excusable neglect standard that the Board must apply, under *Pioneer* and *Pumpkin* (and relevant earlier cases), to Registrant's Motion to Dismiss. Under the good cause standard, a defendant need only file an answer denying the allegations of a complaint to establish a meritorious defense, and establish that its failure was inadvertent and that the plaintiff has not been *substantially* prejudiced. See Board's Order of

May 17, 2005 at pp. 3-4, *citing Paolo's Associates Limited Partnership v. Paolo Bodo*, 21 U.S.P.Q.2d 1899 (Comm'r 1990); *Pratt v. Philbrook*, 109 F.3d 18 (1st Cir. 1997); and *DeLorme Publishing Co. v. Eartha's Inc.*, 60 U.S.P.Q.2d 1222 (T.T.A.B. 2000).

By contrast, in ruling on a motion to dismiss brought under 37 C.F.R. § 2.132(a), the Board is bound to follow the dictates of *Pioneer* and *Pumpkin*, and specifically to carefully scrutinize the third (3rd) *Pioneer* factor – the extent to which the reason for Petitioner's failure to take testimony or offer evidence was solely within Petitioner's control. Moreover, while the good cause standard under Fed. R. Civ. P. 6(b)(1) requires that a defendant's delay or failure not be intentional, and not cause substantial prejudice, the additional *Pioneer* factors require that Petitioner prove – in addition to proving that its failures were out of its control, that it acted in good faith, that there is no danger of prejudice to the Registrant, and that the delay occasioned by Petitioner's failures will not adversely impact upon the judicial system. *See, e.g., Baron Philippe de Rothschild, S.A. et al. v. Styl-Rite Optical Mfg. Co.*, 55 U.S.P.Q.2d 1848 (T.T.A.B. 2000); *Pumpkin Ltd. v. The Seed Corps.*, 43 U.S.P.Q.2d 1582, 1586.

As stated by the Federal Circuit, "[w]hile it is true that the law favors judgments on the merits wherever possible, it is also true that the Patent and Trademark Office is justified in enforcing its procedural deadlines." *Hewlett-Packard Co. v. Olympus Corp.*, 18 U.S.P.Q.2d 1710, 1713 (Fed. Cir. 1991). Accordingly, the Board's determination that Registrant's earlier docketing failures constituted good cause to vacate an order of default for failure to answer is irrelevant to, and should not influence the Board's determination of Registrant's Motion to Dismiss under 37 C.F.R. § 2.132(a).

III. CONCLUSION

In accordance with all of the above, Registrant respectfully requests that the Board grant Registrant's Motion to Dismiss, and enter judgment in each of the Cancellations in favor of Registrant.

Respectfully submitted,

LACKENBACH SIEGEL LLP

By: _____

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Dated: Westchester, New York
January 12, 2006

CERTIFICATE OF SERVICE

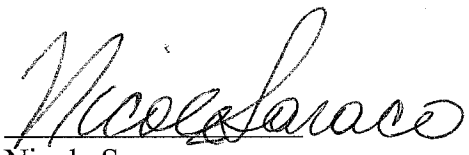
I hereby certify that a true and accurate copy of the enclosed

REGISTRANT TANGO CHIX PRODUCTIONS, INC. REPLY MEMORANDUM IN SUPPORT OF REGISTRANT'S MOTION TO DISMISS PETITIONER OLIVE INDUSTRIES, LTD.'S PETITIONS FOR CANCELLATION FOR FAILURE TO TAKE TESTIMONY OR OFFER EVIDENCE

was served on counsel for Olive Industries, Ltd., this day, by U.S. first class mail, postage prepaid, addressed as follows:

Val D. Hornstein
Hornstein Law Offices
20 California St., 7th Floor
San Francisco, CA 94111

Dated: Westchester, New York
January 12, 2006



Nicole Saraco