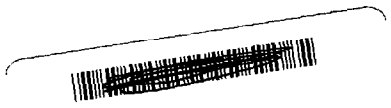
TTAB

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

In the matter of trademark registration Serial No. 2,352,015

For the mark BENEFEET



LANGER, INC.
Plaintiff,

v.

Cancellation Proceeding No. 92041018

REFAELY AND SONS, INC.
Defendant.

Law Offices of Andrew Lachman
834 N. Fuller Ave.
Los Angeles, CA 90046

Box TTAB NO FEE
Trademark Trial and Appeals Board
2900 Crystal City
Arlington, VA 22202-3513

Reply to Plaintiff's Response to Motion for Relief From Final Default Judgment

Dear Sir:

While rules permit a reply brief, normally such briefs are not required or encouraged. However, in this case, the Langer, Inc. (Plaintiff) makes sufficient misrepresentations of the facts and disregards the current case law on the issue such that Defendant believes a response is required.

I. PLAINTIFF CONCEDES EXISTING CASE LAW, THEN ATTEMPTS TO USE IRRELEVANT FACTS TO DISAGREE.

The key issue addressed in the Plaintiff's Response Memorandum is whether the reason for the delay in Refaely's response was due to excusable neglect. Plaintiff has conceded that Defendant's analysis of the law is correct, including the liberal application of the Motions for

Relief for Final Judgment under Rule 60(b) of the Federal Rules of Civil Procedures, which states that courts must use an equitable test reviewing, 1) the reason for the delay, including whether the cause was within the control of the movant; 2) whether the movant acted in good faith 3) the length of the delay, 4) the danger of prejudice to the nonmoving party. Pioneer Inv. Servs. Co. v. Brunswick Assocs. Ltd. Partnership, 507 U.S. 380. 395, 113 S.Ct. 1489, 1498 (1993), Briones v. Riviera Hotel & Casino, 116 F.3d. 379 (9th Cir. 1997), S.E.C. v. McNulty, 137 F.3d 732 (2nd Cir. 1998), Students Against Genocide v. Dept. of State, 257 F.3d 828 (D.C. Cir. 2001), Fed. R. Civ. P 60(b), Langer Memorandum In Opposition to Repondent's Motion For Relief From Final Default Judgment at 3. Plaintiff then tries, but fails, to show bad faith and gross negligence on the part of Refaely as the reason for Defendant's failure to timely respond

A. THE COMBINATION OF REFAELY'S LIMITED ENGLISH-SPEAKING ABILITIES, DIVORCE, PRO SE STATUS, LIMITED UNDERSTANDING OF THE U.S. LEGAL SYSTEM AND RELIANCE ON STAFF IS TEXTBOOK EXCUSABLE NEGLECT

There is no need to review the law on what constitutes excusable neglect as both sides agree as to the law itself. Plaintiff's Response, however, then tries to call the very basis for excusable neglect "immaterial." Langer Memorandum at 3. This makes no sense. The Pioneer test itself makes the reasons for delay very material as such reason is the second prong of the test. Pioneer, 507 U.S. 380. 395, 113 S.Ct. 1489, 1498. In fact, every one of the reasons for excusable neglect put forward by Plaintiff has been reviewed and upheld by the Board and other courts, namely: 1) limited English-speaking abilities and short residence in the U.S. (Regatta Sport Ltd. v. Telux Pioneer, Inc., 20 U.S.P.Q.2d 1154 (TTAB 1991) (Chinese businessman who had limited English-speaking abilities and had lived and carried on a business in the U.S. seven

years (one year longer than Refaely) entitled to vacation of final judgment due to excusable neglect). 2) overwhelming personal and business events, in part beyond the control of the petitioner (Pioneer 507 U.S. at 396, 113 S.Ct at 149, TCI Group Life Ins. Plan v. Knobbler 244 F.3d 691, 697 (9th Cir. 2001) (failure to attend to proceeding occurring during move of recent widow from California to Florida constitutes excusable neglect), 3) Pro se status and mix up by assistants handling matters, even with diligence of a supervisor who has limited understanding of the legal system (Regatta , 20 U.S.P.Q.2d at 1156 (Chinese businessman relied on assistants to handle matters without counsel), Briones v. Riviera Hotel & Casino, 116 F.3d. 379 (9th Cir. 1997) (Spanish speaking pro se plaintiff in workplace discrimination suit entitled to receive vacated judgment due to lack of understanding of legal system and mix up by assistants on whom he relied in handling paperwork). In short, Plaintiff can present no law contradicting Plaintiff's claim of excusable neglect because there is little or none for him to present in the face of such overwhelming precedent that appears to so closely mirror the facts in this case.

Instead the Plaintiff is merely seeking to ignore the law and the facts assuming that Refaely's small business runs with the same efficiency and experience as Langers' multimillion dollar orthotics empire run by MBAs and Ph.Ds. Plaintiff also tries to call into doubt Refaely's veracity by pointing to Refaely's use recent use of this counsel for another matter. As the Affidavit attached as Exhibit 1 states, the counsel was contacted only weeks before hand for an opposition matter for another trademark. The fact that Refaely chooses to learn from his mistakes and use counsel for a matter almost three years after the application for the BENEFEET mark was registered is irrelevant to the instant case. Secondly, Mr. Refaely's statement in his sworn affidavit that he learned of the cancellation from counsel should be enough (counsel has

provided an affidavit to this reply as Exhibit 2), as lying on a sworn statement would subject Refaely to perjury charges.

B. FACTS PRESENTED TO ESTABLISH BAD FAITH ARE NOT RELEVANT TO THIS CASE.

Under the Pioneer test, Defendant must prove he acted in good faith and that his actions were not an attempt to avoid the process. Pioneer, supra at 395, supra at 1498. "A credible, good faith explanation [of excusable neglect] negating any intention to take advantage of opposing party to interfere with judicial decision making or otherwise manipulate the legal process," may be used to indicate good faith in a failure to respond. TCI Group Life Ins. Plan v. Knobbler 244 F.3d 691, 697 (9th Cir. 2001), Regatta, supra at 1156.

Here, a credible explanation of excusable neglect has been presented above, citing a combination of pro se status, limited English skills, an ill-timed move and the loss/divorce of the business partner on which Defendant relied to be able to understand and deal with American legal processes created a unique set of circumstances which caused Defendant to unintentionally fail to respond. This credible explanation negates any proof of bad faith intent to undermine the judicial process. Furthermore upon finding out about the default judgment, Refaely immediately obtained counsel to address the situation and file a Rule 60(b) motion to vacate the default. Similar to Mr. Chaing in Regatta, Refaely has presented in his motion, a spirited effort to defend his mark, further evidencing good faith. Regatta, supra at 1156.

Willful or bad-faith actions to avoid process must be proven by the nonmovant. American Alliance Ins. Co., Ltd. V. Eagle Ins. Co., 92 F.3d 57, 60-61 (2nd Cir. 1996). To prove bad faith, Plaintiff points to three facts 1) problems with the zip code 2) the existence of a post office box

address prior to the move of Defendant Offices 3) the "assumption" that notices sent to the physical address were received. Plaintiff overlooks several important facts.

First, packages are delivered with bad zip codes all the time. While a zip code problem may delay receipt of the package, it is well established that the U.S. Postal Service is capable of delivering packages with the wrong postal code, even those send via certified mail. If the zip code was a problem this Board would be dealing with a slight delay or missing of an early deadline under rule 55(c) of the Federal Rules of Civil Procedure, not a final default judgment under Rule 60(b).

Second, as Exhibit 1 establishes, Wanda applied for the BENEFEET mark using the physical address not the post office box, where Defendant had received mail forwarded by the other tenant of the building under the belief that the physical address was required. Therefore, Wanda used the physical address where Defendant was located. While this may constitute some form of excusable neglect, it does not constitute bad faith.

Finally, Plaintiff misstates the law with regards to the "assumption" that packages delivered to an address are received. More accurate is the statement that such packages are presumed received, but such presumptions may be rebutted. In the instant case, Refaely has offered two sworn affidavits stating that he never received USPTO notices and explaining that the other tenant at his prior physical address refused to forward mail. Since Plaintiff has offered no further evidence of attempts to contact Defendant except by the USPTO notices sent to the physical address and the two letters, one delivered via certified mail to the Defendant's post office box and one sent via federal express to the physical address after Defendant had moved offices (no phone calls or other means of communication), this explanation rebuts the presumption of receipt, thus further rebutting any evidence of bad faith.

D. GRANTING RELIEF FROM DEFAULT JUDGMENT WILL NOT PREJUDICE PLAINTIFF

The final part of the Pioneer test requires that a motion for relief judgment will not unduly prejudice plaintiff. Pioneer, supra at 395, supra at 1498. As stated in the memorandum of support, a multitude of courts across the country have held that the mere loss of a "quick victory" or additional costs of litigation are not sufficient prejudice to require the refusal to vacate a default judgment. Lacey v. Sitel Corp., 227 F.2d 290, 293 (5th Cir. 2000) ("there is no prejudice where the setting aside of default has done no harm except to require it to prove its case. . . especially where the delay is minor and the defendant shows a meritorious defense"). In the instant case, Plaintiff has offered no claim or evidence of demonstrable harm from the vacation of this default judgment. As such, the third prong of the Pioneer test has been satisfied.

II. PLAINTIFF'S FACTS DO NOT MEET THE OVERWHEMLING REQUIREMENTS FOR NEGATING THE PRESENTATION OF A MERITORIOUS DEFENSE.

The meritorious defense is not a complete presentation of the case, nor must it be shown upon a preponderance of the evidence. S.E.C. v. McNulty, 137 F.3d 732, 740 (2nd Cir.1998), Central Operating Co. v. Utility Workers Union of America, 491 F.2d. 245, 252 n.8 (4th Cir. 1974), Tri-Continental Leasing Corp. v. Zimmerman, 485 F.Supp. 495, 499 (N.D.Ca. 1980). Rather, a light burden of proof is placed on movant to provide a competent defense that establishes a factual or legal basis for the tendered defense. Gomes, 420 F.2d at1366, McNulty, 137 F.3d at 740.

In the instant case, plaintiff does nothing to dispel the claim that Defendant has a factual and legal basis for a tendered defense. Defendant seeks to present evidence that Langer tried,

and failed at a venture to sell athletic socks 10 years prior to purchasing the BENEFOOT mark and Benefoot, Inc. First of all, the complete failure to build goodwill for a general use product such as athletic socks should not be evidence of anything except for the fact that Defendant was not capable of expanding or building goodwill in that market. If anything, Plaintiff is playing a sleight-of-hand with dates in an attempt to confuse the Board as to the differences between Plaintiff, Langer's products sold under the Langer name and the specialized medical insert and orthotic products sold under the former Benefoot, Inc. which was not purchased until 2000, a year after Plaintiff received the registration for its mark and 10 years after Langer left its alleged sock business.

Second, in the time since, Langer has done nothing but continue to concentrate on it's core business of selling medical related products as evidenced by its websites, the fact that they use physicians to provide the first contact for their products (including the distribution of the pamphlets made part of the supplemental memorandum) and the recent acquisitions of Benefoot, Inc. and Bi-Op. Even though Langer's Diab-a-sox could be used by anyone, the truth is that the product is clearly intended for diabetics, based on the "Diab" in the name.

Third, the Plaintiff's contention that it sells medical support hose and socks for diabetics further emphasizes Defendant's point that Plaintiff's products are marketed for those with particular medical conditions, making them very discriminating in their purchases. While Plaintiff's arguments may seek to weaken the basis for Defendant's meritorious defense, none of these arguments makes incompetent the factual or legal basis for Plaintiff's meritorious defense.

Since Plaintiff has failed to negate Defendant's showing of excusable neglect or lack of prejudice and has further failed to render Defendant's meritorious defense incompetent,

Since Plaintiff has failed to negate Defendant's showing of excusable neglect or lack of prejudice and has further failed to render Defendant's meritorious defense incompetent, Defendant requests that the default judgment be vacated, the dates for response be reset and a trial be held on the merits of the case.

Respectfully Submitted,

Andrew Lachman

Attorney for Refaely & Sons, Inc.

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Los Angeles, CA 90046

(323) 935-0662

CERTIFICATE OF MAILING

I hereby certify that this paper is being deposited with the United States Postal Service as First Class Express Mail in an envelope addressed to: Box NO FEE, Patent and Trademark Office Trademark Trial and Appeal Board, 2900 Crystal Drive, Arlington, VA 22202-3513, on:

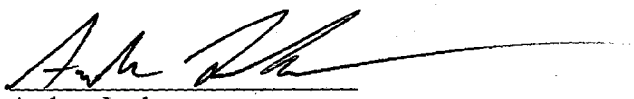
Date of Mailing: 4/14/03
Printed Name of Depositor: Andrew Lachman
Signature of Depositor:

Date of Signing: 4/14/03

Certificate of Service

The undersigned hereby certifies that a copy of the foregoing REPLY TO MEMORANDUM OPPOSING MOTION FOR RELIEF FROM DEFAULT JUDGEMENT has been served upon the attorney for Petitioner by depositing same in United States Mail, first class postage prepaid, in an enveloped addressed as follows:

HAROLD JAMES
JAMES & FRANKLIN, LLP
60 EAST 42ND STREET, SUITE 2915
NEW YORK, NY 10165



Andrew Lachman