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

Proceeding	92051638
Party	Defendant Hugh Lord and Linda Lord
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Attachments	Response to Motion to Extend time.pdf (8 pages)(1349828 bytes)

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

Napco, Inc.)	
)	
Petitioner)	
)	
v.)	Cancellation No. 92051638
)	
)	Registration No. 3,198,902
Hugh Lord and)	Mark: PAPALATTE
Linda Lord)	Reg. Date: Jan. 16, 2007
)	
Respondents)	

**RESPONDENTS' RESPONSE TO PETITIONER'S MOTION FOR EXTENSION OF
TIME TO RESPOND TO RESPONDENT'S MOTION FOR SUMMARY JUDGMENT**

NOW COME Respondents Hugh Lord and Linda Lord ("Respondents" or "Registrants"), by and through their attorneys, and oppose Petitioner's motion to extend time to respond to Registrants' motion for summary judgment, and state in support thereof as follows:

Introduction

Petitioner ("Petitioner," "Napco," or "movant") seeks a two-month extension to file its response based on the existence of supposed settlement negotiations. Because these negotiations were not entered into in good faith by the movant for the instant motion, the movant should not receive the benefit of the extension.

Alternatively, even if the Board determines that there was a period of good faith settlement negotiations warranting an extension, said period terminated on November 19, 2010 when Petitioner reneged on a verbal agreement in principle¹ by

¹ November 19, 2010 is also the date of Petitioner's motion for extension of time to respond.

proposing a settlement document containing, *inter alia*, two material differences that were rejected by Registrants over ten months prior.²

In addition, denying the extension would be equitable in this case, given that the issues raised in the motion for summary judgment do not create surprise for Petitioner³ and Petitioner's failure to prosecute the case.

Facts

The Discovery Conference for this case was held on January 6, 2010. During that conference, Registrants' counsel rejected a settlement offer proffered by Petitioner to Registrant by letter dated November 20, 2009. Counsel for the Petitioner was informed that the offer was unacceptable due to two material terms (the "Non-Negotiable Terms").

Petitioner again initiated settlement discussions by a telephone call on September 28, 2010 from an officer of Petitioner. By e-mail of September 30, 2010, counsel for Petitioner extended consent for Registrants' counsel to speak with the officers regarding settlement, and was thus aware of the negotiations.

By e-mail dated October 1, 2010, Petitioner's Chief Operating Officer, Paul Goudreault extended a written settlement offer. There was no mention or inclusion of the Non-Negotiable Terms.

On October 6, 2010, counsel for Registrants and Mr. Goudreault held a conference call and came to an agreement in principle. This agreement in principle

² By telephone conference on December 2, 2010, counsel for Petitioner stated to counsel for Registrants that Petitioner would not settle without these two material differences, yet did not include these supposed non-negotiable points in the verbal settlement discussion.

³ Each of the elements/affirmative defenses in the summary judgment motion were in the Answer.

likewise did not include the Non-Negotiable Terms. Counsel for Registrants agreed to reduce to writing the verbal agreement.

Petitioner did not submit its pretrial disclosures, which were due on October 13, 2010.⁴ Petitioner has not moved to suspend the case or sought assent for same.⁵

On October 28, 2010, Registrants' counsel forwarded to Mr. Goudreault and Petitioner's counsel a draft settlement agreement. Because they were undesirable to Registrant and were in no way part of the verbal agreement in principle, the draft did not include the Non-Negotiable Terms.

Also on October 28, 2010, Registrants filed a motion for judgment on the pleadings and motion for summary judgment, based on issues and affirmative defenses plead in the Answer. Registrants informed Petitioner that the filing was made to preserve Registrants' rights.⁶

Petitioner's response to the motion for judgment on the pleadings was due on November 12, 2010.⁷ No response was filed.

On November 19, 2010, Petitioner's counsel provided an alternative settlement agreement, which did contain the Non-Negotiable Terms.

⁴ Order of the Board (July 1, 2010).

⁵ "Proceedings may . . . be suspended, for good cause, upon motion or a stipulation of the parties approved by the Board." 37 C.F.R. § 2.117(c). "The deadlines for pretrial disclosures and the testimony periods may be rescheduled by stipulation of the parties approved by the Board, or upon motion granted by the Board, or by order of the Board." 37 C.F.R. § 2.121(a).

⁶ October 28, 2010 was the date thirty days prior to the first testimony period. *See* Board Order dated July 1, 2010 (setting end of Plaintiff's thirty day trial period at November 27, 2010). "A motion for summary judgment, if filed, should be filed prior to the commencement of the first testimony period, as originally set or as reset, and the Board, in its discretion, may deny as untimely any motion for summary judgment filed thereafter." 37 C.F.R. § 2.127(e)(1).

⁷ 37 C.F.R. § 2.127(a)(fifteen days).

Petitioner's response to Registrants' motion for summary judgment was due on November 29, 2010.⁸ No response was filed.

By telephone conference between counsel for the parties on December 2, 2010, counsel for Petitioner informed counsel for Registrants that the inclusion of the Non-Negotiable Terms are likewise non-negotiable from the perspective of Petitioner. During this call, Petitioner's counsel declined to explain how he could have sent his client to the settlement table without the Non-Negotiable Terms and also refused to go back to his client with our willingness to settle based on the October 6, 2010 verbal agreement in principle. Given the obvious impasse regarding the Non-Negotiable Terms, settlement negotiations were clarified to be terminated at that point.

Argument

I. Because Petitioner's Settlement Negotiation Tactics were not in Good Faith, Petitioner's Extension Request Should be Denied.

In its motion for extension of time, Petitioner requests a two-month extension because, it alleges, the parties are in settlement negotiations. Conspicuously absent from Petitioner's motion was a mention of request for assent to the motion; assent was never requested. The supposed settlement negotiations were at best case carelessly executed and at worst a ruse to draw information from

⁸ "If no motion under Rule 56(f) is filed, a brief in response to the motion for summary judgment shall be filed within thirty days from the date of service of the motion unless the time is extended by stipulation of the parties approved by the Board, or upon motion granted by the Board, or upon order of the Board. If a motion for an extension is denied, the time for responding to the motion for summary judgment may remain as specified under this section." 37 C.F.R. § 2.127(e)(1). As at November 29, 2010, no such Board order or stipulation was in place. Having opted to not seek assent to its motion, Petitioner could have filed its motion to extend time to respond before November 10, 2010 to at least give the Board (and Petitioner) a day to consider both the motion and the existence or non-existence of a response thereto. Had Registrants' deadline to respond to the motion passed without a filing, Petitioner would then know it needed to file a response.

Registrants under the guise of settlement. Petitioner knew the exclusion of the Non-Negotiable Terms was non-negotiable for Registrants.⁹ Petitioner also knew that inclusion of those same terms was non-negotiable for Petitioner.¹⁰ Nonetheless, Petitioner's counsel sent its officer (Mr. Goudreault) to negotiate a settlement agreement – that was agreed to in principle with sufficient enough terms to write a clear agreement . Mr. Goudreault did not raise the Non-Negotiable Terms.¹¹

Even if the settlement negotiations were merely carelessly executed, Petitioner's counsel presumably discovered this by November 19, 2010 (when he provided his alternative settlement documents to Registrants). This was sufficient time prior to Petitioner's November 29, 2010 deadline to file a response or a request for assent for an extension. Petitioner did neither.

“Parties engaged in proceedings before the Board frequently discuss settlement, but the existence of such negotiations or offers, without more, does not excuse them from complying with the deadlines set by the Board or imposed by the rules.” *Atlanta-Fulton County Zoo Inc. v. DePalma*, 45 USPQ2d 1858, 1859 (TTAB 1998).

Based on this set of facts, it is reasonable to conclude that the supposed settlement negotiations were not entered into in good faith by the movant for this instant motion (either because they were carelessly executed or were a ruse to learn

⁹ Registrants' objection to the Non-Negotiable Terms was unequivocally stated at the January 6, 2010 Discovery Conference.

¹⁰ Registrants learned this later, during a December 2, 2010 conference call, which was corroborated by the November 19, 2010 alternative settlement proposal sent by Petitioner.

¹¹ Mr. Goudreault did not raise the Non-Negotiable Terms in either his October 1, 2010 e-mail or the October 6, 2010 settlement discussions.

information); consequently, the movant should not receive the benefit of the extension.

II. Petitioner has Failed to Prosecute this Case, and Should not be Afforded this Extension.

Other than the instant motion seeking an extension, Petitioner has failed to substantively prosecute its claim in this proceeding. Registrants' interrogatories, requests for production, and requests for admissions propounded on August 28, 2010 went unanswered. Petitioner failed to produce its Pretrial Disclosures, which were due on October 13, 2010. Petitioner, the party supposedly driving the entire proceeding, could have suspended the proceeding for the supposed settlement negotiations, but did not.¹² Given that the issues and defenses raised in Registrants' dispositive motions were plead in the Answer, and in light of Board rules governing filing deadlines, Petitioner should have known that Registrant would be filing dispositive motions by October 28, 2010 and acted accordingly.

Petitioner failed to respond to Registrants' Motion for Judgment on the Pleadings, which response was due on November 12, 2010. Finally, despite the fact that Petitioner's motion to extend time to respond does not stay Petitioner's deadline to respond, Petitioner failed to either (a) file the motion to extend time early enough to ensure a decision before Petitioner's November 29, 2010 deadline to respond, or (b) file a response to the motion for summary judgment by November

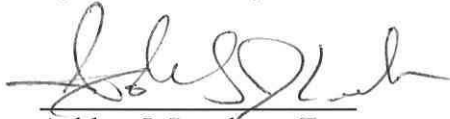
¹² *Atlanta-Fulton County Zoo Inc. v. DePalma*, 45 USPQ2d 1858, 1859 (TTAB 1998).

29, 2010. In short, the Petitioner has failed to prosecute this case and should not now be rewarded with a late extension of its deadline.

Conclusion

Registrants respectfully argue that Petitioner's motion to extend time to respond to the motion for summary judgment should be denied. In support of this response, Registrants have detailed a chain of facts – use of a non-lawyer to negotiate settlement wherein non-negotiable terms were omitted from the discussion despite prior notification that they would be a significant problem, renegeing on a verbal agreement in principle, failure of Petitioner to seek assent to the motion to extend, a trend of missed deadlines, and a failure to seek suspension of the proceedings when Petitioner should have known Registrants' dispositive motions deadline was arriving – tending to indicate that this extension request was unnecessary and is now inappropriate.

Respectfully Submitted
Hugh and Linda Lord
By their Attorney:



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Dated: December 6, 2010

CERTIFICATE OF SERVICE

I Ashlyn J. Lembree, Esq hereby certify that on December 6, 2010, I caused and true copy of the foregoing response to be served electronically upon Counsel for the Petitioner to his email address, joseph.schmidt@huschblackwell.com which electronic service was agreed upon at the Discovery Conference, with a further courtesy copy of the foregoing document being mailed to Counsel for the Petitioner by mailing a copy of the same to him via first-class mail, postage pre-paid, to Joseph F. Schmidt, Husch Blackwell Sanders Welsh & Katz, 120 S. Riverside Plaza, Suite 2200, Chicago, IL 60606.



Ashlyn J. Lembree, Esq.