

UNITED STATES PATENT AND TRADEMARK OFFICE  
Trademark Trial and Appeal Board  
P.O. Box 1451  
Alexandria, VA 22313-1451

Mailed: November 17, 2004

Opposition No. 91158578

NetScout Systems, Inc.

v.

ForeScout Technologies, Inc.

Before Chapman, Bucher and Drost, Administrative Trademark  
Judges.

By the Board.

On November 25, 2003, the Board instituted this proceeding and set applicant's time to file an answer to the notice of opposition to January 4, 2004. On February 3, 2004, applicant filed a consented request for an extension of time to answer, and on April 10, 2004, the Board granted the consented request and reopened and reset the time for filing an answer to April 30, 2004.

This case now comes up on (a) opposer's motion (filed June 14, 2004, via certificate of mailing) for default judgment; (b) opposer's motion (filed June 14, 2004, via certificate of mailing) to suspend the discovery and testimony periods pending a decision on opposer's motion for default judgment; and (c) applicant's "Motion To Set Aside Default, Opposition To Opposer's Motion For A Default

Opposition No. 91158578

Judgment and Motion For Leave To File A Late Answer" (filed July 15, 2004).<sup>1</sup>

We presume familiarity with the parties' briefs and arguments in favor of and in opposition to the pending motions and do not repeat them in this order.

Fed. R. Civ. P. 55(c) provides that "[f]or good cause shown, the court may set aside an entry of default." While applicant's default has not been formally entered by the Board, opposer's motion for default judgment serves as a substitute for issuance of a notice of default. See TBMP § 312.01 (2d ed. rev. 2004).

Moreover, Board policy is explained as follows in TBMP § 312.02 (2d ed. rev. 2004):

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. The showing of a meritorious defense does not require an evaluation of the merits of the case. All that is required is a plausible response to the allegations in the complaint.

The determination of whether default judgment should be entered against a party lies within the sound discretion of the Board. In exercising that discretion, the Board must be mindful of the fact

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<sup>1</sup> Pursuant to Trademark Rules 2.119(c), 2.127(a) and 2.195(a)(3), applicant's response to opposer's motion for default judgment was due by July 6, 2004. Because opposer has not objected to applicant's response, we exercise our discretion and accept applicant's response.

Opposition No. 91158578

that it is the policy of the law to decide cases on their merits. Accordingly, the Board is very reluctant to enter a default judgment for failure to file a timely answer, and tends to resolve any doubt on the matter in favor of the defendant.

We discuss each of the factors required for a showing of good cause, i.e., no willful conduct or gross neglect, no substantial prejudice, and the existence of a meritorious defense, in turn below.

*No willful conduct or gross neglect.*

Applicant contends that its attorney with the law firm of Barnes & Thornburg "simply abandoned its responsibility, never informed management, received no confirmation of or permission to withdraw from either applicant or the Board and indeed remained attorney of record as the deadline for filing an answer came and went without informing applicant." The record in this case supports applicant's contention. Applicant appointed Amanda Pecchoni Thompson and the firm of Barnes & Thornburg as applicant's attorney in each of the two applications which are the subject of this case. The application files and the Board file for this proceeding do not contain any request for withdrawal from Ms. Thompson or from Barnes & Thornburg.<sup>2</sup> Additionally, applicant did not file a revocation of the authority given to Barnes & Thornburg to represent applicant in this opposition

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<sup>2</sup> Patent and Trademark Office Rule 10.40 provides that a practitioner shall not withdraw from employment in a proceeding

Opposition No. 91158578

proceeding.<sup>3</sup> Thus, until applicant filed the revocation of previous power of attorney and grant of power of attorney to Ron Coleman and the firm of Coleman & Weinstein on July 15, 2004, Barnes & Thornburg remained as attorneys of record for applicant in this proceeding.<sup>4</sup>

Despite the lack of a request to withdraw or revocation of power of attorney, applicant maintains that Barnes and Thornburg "quite unceremoniously" sent all of applicant's files "relating to its account" to applicant. T. Kent Elliott, applicant's Chief Executive Officer, states in his declaration provided with applicant's response that on July 13, 2004, that applicant finally opened a "FedEx box," which had been sent to a "junior employee" on April 29, 2004, "from previous counsel."

In view of the foregoing, we conclude that Barnes & Thornburg simply returned the files for this opposition to applicant without taking any other action, such as filing a request to withdraw as applicant's counsel with the Board, and that, as a result, applicant was left without counsel to prepare and file an answer to the notice of opposition.

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without the permission of the Office. See also TBMP § 116.02 (2d ed. rev. 2004).

<sup>3</sup> Trademark Rule 2.19 requires a written revocation filed with the Board if a party desires to revoke the authority given to a practitioner to represent the party in a proceeding, at any stage of the proceeding. See also TBMP § 116.01 (2d ed. rev. 2004).

<sup>4</sup> A copy of the power of attorney has been entered into the application files for the two applications involved in this proceeding.

**Opposition No. 91158578**

Additionally, the record reflects that on or about June 9, 2004, roughly one month after the answer was due, opposer's attorney called Ayelet Steinitz, one of applicant's employees, "to learn Applicant's position on its default and the opposition." According to applicant, this was the time when applicant "learned of the pending default application by Opposer." Just five weeks later, on July 15, 2004, applicant filed both a response to opposer's motion for default judgment and applicant's power of attorney to Mr. Coleman. Applicant's prompt action in retaining a new attorney and filing a response to the motion for default judgment reflects an interest in this proceeding and suggests that its failure to file an answer was not willful or the result of gross neglect.

In view of the foregoing, we conclude that the delay in filing an answer was not the result of willful conduct or gross neglect on the part of applicant, but rather was inadvertent due to the actions of applicant's prior counsel.<sup>5</sup>

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<sup>5</sup> Opposer argues that the delay in this proceeding was the result of gross neglect, arguing that applicant has admitted that it allowed a "FedEx box" from prior counsel to sit unopened from April to July 2004; that applicant had placed a "junior employee" in charge of an opposition proceeding; and that none of the changes of applicant's counsel are relevant to the facts causing the delay. We disagree. Applicant's prior counsel's actions have left applicant without representation during the period when the answer was to be filed with the Board.

Opposition No. 91158578

*No substantial prejudice to opposer.*

Opposer states that it has been prejudiced by opposer's failure to file a timely answer because "Opposer is harmed by the continued existence of Applicant's marks in the records of the Patent and Trademark Office"; and that "their existence inhibits Opposer's ability to police its marks." Because it is not clear how the continued existence of applicant's marks in Office records harms opposer, and how opposer's ability to police its marks have been inhibited, opposer's contention that "there will be significant prejudice to Opposer if this default is not entered" is not well taken. Additionally, we do not discern any prejudice to opposer by applicant's delay in filing an answer beyond the usual delay and expense involved in any legal conflict. A meritorious defense to the action exists.

The Board typically considers the filing of an answer (in which the salient allegations of the complaint are denied) as evidence of a meritorious defense to the action and as satisfying the third element of the required showing for good cause in the case of a default. In this case, however, applicant has not filed an answer. Applicant has explained that it has not filed an answer because opposer's counsel has not yet responded to applicant's new counsel's request for a copy of the notice of opposition; and that it only "was able to find" - evidently through a different

Opposition No. 91158578

source than opposer's counsel - a copy of the notice of opposition on the date that it filed its reply brief, i.e., on August 18, 2004.

Even though applicant has not filed an answer, applicant has contested opposer's motion for default judgment and has retained new counsel, making it clear to us that applicant believes it has a meritorious defense against the allegations of the notice of opposition and that it intends to defend this matter. In order not to delay these proceedings unnecessarily, for the purposes of this decision, we assume that applicant can assert a meritorious defense. Our assumption will not prejudice opposer's ability to contest whether applicant's answer does actually set out a meritorious defense (i.e., denies the salient allegations.)

In view of the above, we find that there is good cause for curing applicant's default; and that default judgment should not be entered against applicant at this time. Accordingly, opposer's motion for default judgment is denied, and applicant's motions to set aside default and for leave to file an answer are granted. Fed. R. Civ. P. 55(c). Applicant is allowed until **thirty days** from the mailing date

Opposition No. 91158578

of this order to serve and file an answer to the notice of opposition.<sup>6</sup>

Proceedings are now resumed, and discovery and testimony periods are reset as indicated below. 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 2.125.

- DISCOVERY TO CLOSE: June 1, 2005
- 30-day testimony period for party in position of plaintiff to close: August 30, 2005
- 30-day testimony period for party in position of defendant to close: October 29, 2005
- 15-day rebuttal testimony period to close: December 13, 2005

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 2.129.

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<sup>6</sup> Additionally, opposer's motion to suspend is granted as well taken and proceedings are considered to have been suspended pending this decision.