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

In the matter of trademark application Serial Nos. 78/126,968 and 78/126,971
For the marks ACTIVESCOUT and FORESCOUT
Published in the Official Gazette on November 12, 2002

NETSCOUT SYSTEMS, INC.,

Opposer,

v. Opposition No. 91158575

FORESCOUT TECHNOLOGIES, INC.,

Applicant.

Box TTAB
Commissioner for Trademarks
2900 Crystal Drive
Arlington, VA 22202-3513

MOTION TO SET ASIDE DEFAULT, OPPOSITION TO OPPOSER'S MOTION FOR A DEFAULT JUDGMENT AND MOTION FOR LEAVE TO FILE A LATE ANSWER

Applicant ForeScout Technologies, Inc., by its undersigned attorneys, submits the herein pursuant to 37 C.F.R. § 2.116(a) and Fed. R. Civ. P. 6(b) and the Certification of T. Kent Elliottin opposition to Opposer's motion for default judgment and moves on the same grounds for leave to file a late Answer in the within Opposition proceeding.

MEMORANDUM OF LAW

I. STATEMENT OF FACTS AND PRELIMINARY STATEMENT

The facts as set forth in the Opposer's Motion for Default Judgment are accurate, but incomplete. As set forth in the

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Certification of T. Kent Elliot, filed herewith[1], Applicant – a small company still in its early stages of development – experienced a daunting combination of factors hardly within its control, as well as mixed and confusing signals from the Opposer, in connection with this Opposition.

In February of 2002, ForeScout received correspondence from counsel for Opposer, demanding that ForeScout cease use of the FORESCOUT and ACTIVESCOUT trademarks that are the subject of this Opposition. FORESCOUT is Applicant's name, and ACTIVESCOUT is the name of one of its two products. Applicant's products are sold in the area of network security.

Applicant responded to Opposer's cease and desist letter by a letter dated March 14, 2002, rejecting Opposer's contentions. This March 14, 2002 letter is significant, because it carefully explained Applicant's reasoning to Opposer – and because there was no response to it. This silence reinforced Applicant's belief that Opposer had no valid grounds to object to our use of the marks, and that Opposer recognized this fact. Therefore, Applicant having heard no response to its March 14, 2002 letter, Applicant's prior outside counsel filed the subject Application on May 7, 2002. Significantly, in that entire time Applicant continued its use of the FORESECOUT and NETSCOUT marks in the market and received no objection from Opposer regarding that use.

[1] All facts set forth in this brief are based on this Certification.

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The mark was published for opposition on November 12, 2002 and the Opposition followed on March 14, 2003, but the first, and most significant, delay, the fault of neither party, intervened: After the March 14th filing by Opposer, it was not until November 25, 2003 that the Consolidated Notice of Opposition was mailed. Thus, as Opposer says, the first due date for an Answer in this Opposition was January 5, 2004. Ultimately a final due date of April 30, 2004, was established, but Applicant only learned of the pending default application by Opposer by a phone call, approximately one month after the due date for filing of an Answer, requesting, as Opposer says, "Applicant's position on its default and the opposition."

Applicant's ability to comply with the deadline is largely the result of the unilateral "withdrawal" of representation by its counsel of record. Indeed, until the appearance of this office – effected by the Power of Attorney filed simultaneously with this paper – previous counsel remained counsel of record in this matter and apparently forwarded critical papers and correspondence in this matter to an executive who no longer existed.

II. LEGAL ARGUMENT

In considering whether to open or set aside a default judgment, the TTAB has stated that "[t]he 'good and sufficient cause' standard, in the context of [37 C.F.R. § 2.132(a)], is

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equivalent to the 'excusable neglect' standard which would have to be met by any motion under FRCP 6(b) to reopen the plaintiff's testimony period." *HKG Indus., Inc. v. Perma-Pipe Inc.*, 49 USPQ2d 1156, 1157 (T.T.A.B.1998). Thus ForeScout's motion to reopen the opposition proceeding is made pursuant to that Rule. In analyzing excusable neglect, the TTAB has relied on the Supreme Court's discussion of excusable neglect in *Pioneer Investment Services Co. v. Brunswick Associates Limited Partnership*, 507 U.S. 380, 113 S.Ct. 1489, 123 L.Ed.2d 74 (1993). *See*, e.g., *Mattel, Inc. v. Henson*, 88 Fed. Appx. 401 (Fed. Cir. 2004) (confirming applicability of *Pioneer* factors to TTAB proceedings).

The *Pioneer* case dealt with a bankruptcy rule permitting a late filing if the movant's failure to comply with an earlier deadline 'was the result of excusable neglect.'" 507 U.S. at 382, 113 S.Ct. 1489. The Supreme Court defined the inquiry into excusable neglect as:

> at bottom an equitable one, taking account of all relevant circumstances surrounding the party's omission. These include . . . the danger of prejudice to the [non-moving party], the length of the delay and its potential impact on judicial proceedings, the reason for the delay, including whether it was within the reasonable control of the movant, and whether the movant acted in good faith.

Id. at 395, 113 S.Ct. 1489. In practice before this Board in particular, the TTAB "is lenient in accepting late-filed answers"

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when the delay is not excessive. *See, Mattel, Inc. v. Henson*, 88 Fed. Appx. at 401, n.1.

Under the circumstances, the Board has ample reason to employ its leniency and authorize the late filing of an Answer. It is hard to imagine how Opposer could have been prejudiced in the time between April 30, 2004 and now. For the last several years Applicant's common law marks and Opposer's registered trademark have coexisted, with no objection from Opposer. Applicant does not, however, urge estoppel on this motion (as to the substance of the Opposition). Applicant merely raises this issue to demonstrate that Opposer has not been harmed in any quantum greater than it had already been for the previous several years, by virtue of the delay since the April 30, 2004 deadline, and cannot demonstrate prejudice.

Indeed, the lack of prejudice is clear from Opposer's several communications seeking a definitive resolution of the Opposition – clearly Opposer did not believe it had been prejudiced by the delay between April 30th and its phone call a month later "to learn Applicant's position on its default and the opposition." Opposer's Motion at 2. Similarly, Opposer's followup inquiry of June 15, 2004, Exhibit B to the Certification of T. Kent Elliott, seeking "ForeScout's plans with regard to this action," do not suggest any urgency.

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Nor is the length of the delay significant in this context. There is no impact on other pending judicial proceedings. The reason for the delay is fairly characterized as honest error largely out of Applicant's control, because the attorney of record 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 this deadline came and went without informing Applicant. Nor is there any issue of bad faith.

Default judgment is an extreme sanction, and "a weapon of last, not first, resort." *Martin v. Coughlin*, 895 F. Supp. 39 (N.D.N.Y. 1995). Ultimately, there is no reason in this situation to depart from the well-known preference in the federal courts that litigation disputes by resolved on their merits. *See*, *Richardson v. Nassau County*, 184 F.R.D. 497, 501 (E.D.N.Y. 1999).

III. CONCLUSION

For the foregoing reasons, Applicant respectfully requests that the default entered in this matter be set aside, that leave be granted to file a late Answer, and that Opposer's motion for a Default Judgment be denied.

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Dated: July 15, 2004

CERTIFICATION OF SERVICE

I hereby certify that on this date, a true and correct copy of the foregoing Motion to Set Aside Default, Opposition to Opposer's Motion for a Default Judgment and Motion for Leave to File a Late Answer as well as the Certification of T. Kent Elliott is being deposited with the U.S. Postal Service as first class mail, postage prepaid, to counsel for Opposer, and that courtesy service is being made by facsimile as well.

Ronald D. Coleman