UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE DIRECTOR

In re Confectionery Arts International, LLC, Applicant.	Decision on Request for Extension of Time under 37 C.F.R. § 2.145(e) Application Serial No. 86/925,125

MEMORANDUM AND ORDER

On December 2, 2019, Applicant Confectionery Arts International, LLC ("Applicant"), filed a request for an extension of time of 30 days within which to either seek judicial review of the Trademark Trial and Appeal Board's September 30, 2019, decision affirming the refusal to register the mark of Applicant's Application Serial No. 86/925,125. The request is DENIED for the reasons set forth below.

Background

Under 37 C.F.R. § 2.145(e)(1)(i), the Director may extend the time for seeking judicial review of a Board decision for good cause if the request is made in writing before the period for filing an appeal or commencing a civil action expires. Under 37 C.F.R. § 2.145(d), the period for filing a notice of appeal or a civil action expires sixty-three (63) days from the date of the final decision of the Board. The Board's final decision was mailed on September 30, 2019, making the filing of any notice of appeal of such decision due no later than December 2, 2019. Accordingly, this request for an extension of time is timely and considered under the good cause standard.

Applicant's request sets forth two related reasons for the requested extension. First, it states that Applicant has not yet determined whether to file a direct appeal to the United States Court of Appeals for the Federal Circuit under 15 U.S.C. § 1071(a), or whether instead to file a civil action in United States District Court under 15 U.S.C. § 1071(b). The excuse Applicant offers for not as yet having made that decision is that the United States Supreme Court has heard oral argument but has not yet rendered a decision in *Peter v. NantKwest, Inc.*, No. 18-801 ("*NantKwest*"). *NantKwest* concerns the scope of the expense repayment provision of 35 U.S.C. § 145, which requires a disappointed patent applicant who files a district court civil action contesting the rejection of a patent application to pay all the expenses of the proceeding. More specifically, the issue in *NantKwest* is whether section 145's expense repayment provision includes the pro rata labor expense of the USPTO lawyers and paralegals who represent the USPTO in district court. If it does, the expense repayment provision would be higher; if it does not, expenses would be lower. Applicant notes that the Fourth Circuit has previously ruled that the similar expense repayment provision in 15 U.S.C. § 1071(b) requires repayment of the USPTO's labor expenses. *See Shammas v. Focarino*, 784 F.3d 219 (4th Cir. 2015), *cert. denied*, 136 S. Ct. 1376 (2016). Applicant asserts that, if the Supreme Court rules in *NantKwest* that the expense repayment provision in 35 U.S.C. § 145 does not include USPTO labor expenses, that may cause the Fourth Circuit to re-assess the correctness of its *Shammas* decision in a subsequent appeal raising that issue.

Applicant's second reason for the requested extension is related to its first. It asserts that it and its counsel are located in Connecticut and that, if it decides to file a district court action, "in all likelihood the venue for such action would be the … Eastern District of Virginia, the district in which the USPTO is located." Applicant states that, given the "uncertainty" surrounding whether section 1071(b)'s expense repayment provision includes the USPTO's labor expenses, it would like additional time after *NantKwest* is decided to consult with local counsel in the Eastern District of Virginia.

Discussion

The Director finds that good cause has not been shown. Waiting for a decision concerning patent proceedings under 35 U.S.C. § 145 that may have some impact on the expense of a district court proceeding under 15 U.S.C. § 1071(b) is in essence a request for an indefinite delay. While the "good cause" standard under 37 C.F.R. § 2.145(e)(1)(i) is not stringent, it must and does have limits. The Supreme Court may not decide *NantKwest* within the requested 30 days. Indeed, the Court's opinion does not have to be issued until the end of the Court's current term at the end of June 2020. In addition, Applicant does not assert that *NantKwest* would have a direct effect on the *merits* of the Board's decision, just a potential indirect effect on the relative expense associated with one of two avenues of judicial review available to disappointed trademark applicants.

Applicant's second reason is even more attenuated than its first. Applicant does not set forth any reasons why it could not already have initiated pre-engagement consultations with local counsel in the event it chose to file a district court action in the Eastern District of Virginia. Indeed, the request does not state that Applicant has made *any* efforts in that regard during the entire appeal period (which expired on the date Applicant filed this request).

Conclusion

Good cause has not been shown and the request for extension of time is DENIED. By filing its request for an extension on the day that the period to seek judicial review expired, Applicant did not leave itself time to file for judicial review in the event its request was denied. Nevertheless, the Director will allow Applicant one additional week from the date of this order to seek judicial review of the Board's September 30, 2019, decision.

ANDREI IANCU,
Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office

Date: December 10, 2019

By: _____
Thomas W. Krause
Deputy General Counsel for Intellectual Property Law and Solicitor

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