

## Mistake does not block The Payroll People's opposition, rules Federal Circuit

By Brian E. Banner

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In *Custom Computer Services Inc v Paychex Properties Inc*, the US Court of Appeals for the Federal Circuit has reversed a US Patent and Trademark Office (PTO) decision refusing an opposition action filed by a company called The Payroll People on the grounds that it was untimely. The court held that the PTO should have allowed the opposition because extensions of time had been erroneously filed in the name of Custom Computer Services Inc.

The Payroll People, a US company, filed two extensions of time to oppose Paychex Properties's application to register the service mark PAY-AS-YOU-GO for payroll preparation services. Unfortunately, both extensions identified the potential opponent as "Custom Computer Services Inc, formerly known as The Payroll People". As a result of a client database error, the attorney who filed the extensions thought that The Payroll People had changed its name to Custom Computer Services when, in fact, it had not done so. Custom Computer Services is a separate legal entity that is represented by the same attorney and is owned by the founder of The Payroll People.

Following the filing of The Payroll People's notice of opposition within the extension's deadline, the PTO dismissed the action on the grounds that it was untimely. It refused to give The Payroll People the benefit of the earlier extensions in the name of Custom Computer Services and stated that there was no qualifying mistake pursuant to Chapter 37 of the Code of Federal Regulations §2.102, which states that:

*"Any opposition filed during an extension of time should be in the name of the person to whom the extension was granted, but an opposition may be accepted if the person in whose name the extension was requested was misidentified through mistake or if the opposition is filed in the name of a person in privity with the person who requested and was granted the extension of time."*

The Federal Circuit overturned the decision stating that the PTO had not produced any evidence to support its conclusion that there was no qualifying mistake. It noted that the regulation plainly sets forth two separate conditions under which an opponent may claim the benefit of the extension granted to another named entity: privity and misidentification by mistake. In the case at hand, the court concluded that an entity named Custom Computer Services Inc, formerly known as The Payroll People had never existed and that there had been a qualifying mistake in the form of the potential opponent's name. It was not an attempt to substitute one entity with a different one. The Payroll People could therefore benefit from the extensions of time and had timely filed its opposition.

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