

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

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REEBOK INTERNATIONAL LTD., :
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 : **TTAB**
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 : Petitioner, :
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 :
 : v. : Cancellation no. 92043428
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 : DERRICK E. VAUGHAN, :
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 : Registrant, :
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REGISTRANT'S MOTION TO SUSPEND CANCELLATION PROCEEDINGS

COMES NOW the Registrant, Derrick E. Vaughan, by and through his attorneys, McCarthy Wilson, Richard W. Evans and Michael B. De Troia, pursuant to 37 C.F.R. §§ 2.127 and 2.117(a) and TBMP § 510.02 and hereby moves to suspend the cancellation proceedings initiated by Petitioner, Reebok International, LTD., and in support thereof, states as follows:

1. Registrant Derrick E. Vaughan is the owner and registrant of the mark "DUNKADELIC", which was applied for in May of 1997 and registered on the supplemental register on June 29, 1999 (Reg. No. 2,258,190). Mr. Vaughan is also the owner and registrant of the DUNKADELIC logo, which was registered on the principal register on December 5, 2000 (Reg. No. 2,410,840).

2. Beginning in 1997, the Registrant created and aggressively marketed DUNKADELIC to various sports clothiers, sports organizations, and other companies in an effort to license DUNKADELIC and the athletic apparel line developed by Registrant.

3. Such marketing included the use of products bearing the DUNKADELIC mark at various athletic exhibitions.



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4. Petitioner was one of the companies solicited by Mr. Vaughan.

5. Petitioner rejected Mr. Vaughan's business proposal on February 12, 1998.

6. Despite Mr. Vaughan's registration of DUNKADELIC on the Supplemental Register and despite having actual knowledge of Mr. Vaughan's use of the DUNKADELIC mark, Petitioner introduced into commerce its line of basketball shoes, the Reebok "Dunkadelic" sneaker in the winter of 2002.

7. Petitioner's use of the "Dunkadelic" mark clearly violated state and federal and trademark laws and unfair competition laws.

8. Undersigned counsel promptly sent several cease and desist letters to Petitioner upon learning of Reebok's "Dunkadelic" products, which prompted settlement negotiations.

9. On June 12, 2003, Petitioner filed a declaratory judgment action in the Superior Court of Massachusetts while settlement negotiations were ongoing, asking the Court to determine that Petitioner did not infringe Mr. Vaughan's and Dunkadelic, Inc.'s rights, and, that Petitioner did not engage in any unfair competition. *See* Complaint for Declaratory Judgment, attached hereto and incorporated herein as Exhibit A.

10. Mr. Vaughan promptly filed a complaint (which had already been prepared) in the United States District Court for the Northern District of Maryland, alleging Federal Trademark Infringement, Federal Unfair Competition, Common Law Unfair Competition, Misappropriation of Advertising Idea, Intentional Interference with Prospective Advantage, Unjust Enrichment, and for Declaratory Judgment. See Complaint, attached hereto and incorporated herein as Exhibit B.

11. Mr. Vaughan removed the Massachusetts action to the U.S. District Court for the District of Massachusetts. *See* Notice of Removal, attached hereto and incorporated herein as

Exhibit C. Mr. Vaughan then moved to transfer the Massachusetts action to the U.S. District Court for the District of Maryland. The Court denied Mr. Vaughan's motion to transfer venue to Maryland and the U.S. District Court for the District of Massachusetts retained jurisdiction over this action and all claims and issues to be resolved between the parties. *See* Opinion and Order, attached hereto as Exhibit D. As a result, Mr. Vaughan then filed a counterclaim identical to the complaint previously filed in Federal court in Maryland, asserting claims of Federal Trademark Infringement, Federal Unfair Competition, Common Law Unfair Competition, Misappropriation of Advertising Idea, Intentional Interference with Prospective Advantage, Unjust Enrichment, and for Declaratory Judgment against the Petitioner in this action, Reebok. *See* Answer and Counterclaim, attached hereto as Exhibit E.

12. On June 1, 2004, Petitioner filed the instant cancellation proceeding seeking to cancel Mr. Vaughan's trademark on the grounds that the mark was fraudulently obtained.

13. The issue before the Board, the validity of Mr. Vaughan's marks, is identical to the issues presented by Petitioner's Declaratory Judgment Complaint and Petitioner's anticipated defenses to Mr. Vaughan's counterclaims in the action currently pending before the U.S. District Court for the District of Massachusetts, styled *Reebok International, Ltd. V. Dunkadelic, Inc. and Derrick E. Vaughan*, Civil Action No. 03-CV11471-GAO.

14. In addition to the trademark validity issue, the U.S. District Court will also decide Mr. Vaughan's various other causes of action as set forth in his Counterclaim.

15. In light of the commonality of issues, undersigned counsel requested consent from Petitioner to suspend these proceedings pending the outcome of the civil action, but Petitioner has refused to consent to such a suspension.

16. Despite Petitioner's objection, suspension of this proceeding is warranted because the civil action and this cancellation proceeding involve common legal and factual issues.

17. Moreover, suspension would avoid the undesirable result of the parties litigating the same issue in two forums, with potentially inconsistent results, and would minimize waste of both the parties' and the Board's resources.

18. As set forth more fully in the accompanying Brief in Support of Registrant's Motion to Suspend, the Board should suspend this action pending the outcome of the civil action involving the identical issues currently pending in the U.S. District Court for the District of Massachusetts, styled *Reebok International, Ltd. V. Dunkadelic, Inc. and Derrick E. Vaughan*, Civil Action No. 03-CV11471-GAO.

Respectfully submitted,

McCARTHY WILSON

By: _____



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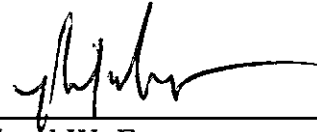
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CERTIFICATE OF MAILING

I HEREBY CERTIFY that on this 8th day of September, 2004, a copy of the foregoing Motion to Suspend was mailed via first class, postage prepaid to:

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

ATTN: TTAB/No Fee

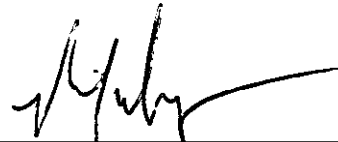


Richard W. Evans

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 8th day of September, 2004, a copy of the foregoing Motion to Suspend was mailed first class, postage prepaid to:

Larry C. Jones
Alston & Bird LLP
101 S. Tryon St., Suite 4000
Charlotte, NC 28280-4000



Richard W. Evans

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