

ARGUMENT

Inasmuch as the Federal district court civil action involves issues common with the instant cancellation proceeding before the TTAB, Petitioner believes that the District Court action is dispositive of issues for the instant cancellation proceeding. Whenever it comes to the attention of the Board that parties to a pending case are involved in a civil action which may be dispositive of the TTAB case, the Board may suspended its case until final determination of the civil action. 37 C.F.R. §2.117(a).

WHEREFORE, Petitioner respectfully requests that the Trademark Trial and Appeal Board order a suspension of the instant cancellation proceeding.

Dated: December 9, 2002

Respectfully Submitted,

BOYDS COLLECTION, LTD.

By: 

Michael J. Cherskov
CHERSKOV & FLAYNIK
20 N. Wacker Drive, Suite 1447
Chicago, IL 60606
O: (312) 621-1330
Attorney for Petitioner

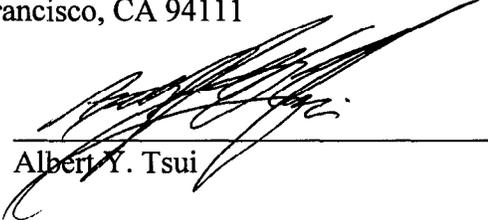
CERTIFICATE OF SERVICE

I hereby certify that on December 9, 2002, I served a copy of the foregoing Petitioner's Response to Registrant's Motion For Judgment upon Registrant Herrington and Company's counsel of record Elizabeth Moreno McArthur, by mailing a true and correct copy thereof via Certified First Class Mail having label No. 70011940000657139799 by the United States Postal Service to the following address:

Elizabeth Moreno McArthur, Esq.
SQUIRE SANDERS & DEMPSEY L.L.P.
1 Maritime Plaza, Suite 300
San Francisco, CA 94111

Dated: December 9, 2002

By:


Albert Y. Tsui

IN THE UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF PENNSYLVANIA

THE BOYDS COLLECTION, LTD.) Case No.

Plaintiff

1 : CV
Judge:

02-2221

v.

HARRISBURG, PA.

DEC 9 5 2002

HERRINGTON & COMPANY,

MARY E. DIANDREA, CLERK

Per

Deputy Clerk

Defendant

JURY TRIAL DEMANDED

COMPLAINT

COMES NOW PLAINTIFF, The Boyds Collection, Ltd. (hereinafter "Plaintiff"), by and through its attorneys McNEES WALLACE & NURICK LLC, and CHERSKOV & FLAYNIK for its claim for relief against Herrington & Company (hereinafter "Defendant"), for: (1) infringement of Plaintiff's federally registered trademark "The Boyds Collection Ltd." under Section 32(1) of the Lanham Act, 15 U.S.C. §1114(1); (2) unfair competition under §43(a) of the Lanham Act, 15 U.S.C. §1125(a); (3) dilution under Section 43(c) of the Lanham Act, 15. U.S.C. §1125(c), (4) dilution under the Pennsylvania Antidilution Law, 54 P.S. §1124, and (5) unfair competition under the Pennsylvania Unfair Trade Practices and Consumer Protection Law, 73 P.S. §201-3. Plaintiff seeks injunctive relief and damages against Defendant.

Jurisdiction and Venue

1. This court has jurisdiction over the Lanham Act claims set forth below by virtue of 15 U.S.C. §1121, 28 U.S.C. §1331, 28 U.S.C. §1337, 28 U.S.C. §1338(b), and under its supplemental jurisdiction under 28 U.S.C. §1367. This Court further has jurisdiction

under 28 U.S.C. §1332 inasmuch as Plaintiff is a corporation organized under the laws of the state of Maryland and Defendant is a corporation organized under the laws of the state of California, and the amount in controversy is in excess of \$75,000 dollars. In addition, Pennsylvania's long arm statute by virtue of 42 Pa.C.S.A. § 5322(a) authorizes the court jurisdiction over non-resident defendants.

2. Venue is proper in this district under 28 U.S.C. §§ 1391(b), (c) and 1400(a) and 15 U.S.C. §§ 15 and 22. Plaintiff's headquarters is located in this District. On information and belief, Defendant uses the Internet by means of a webpage and vendor services eBay, Inc. to sell goods and transact substantial business in this district.

Parties

3. Plaintiff is a corporation organized in 1985 under the laws of the state of Maryland, having its principal place of business at 350 South Street, McSherrystown, Pennsylvania 17344.

4. On information and belief, Defendant is a corporation organized under the laws of the state of California, having its principal place of business at 150 McCormick Avenue, Costa Mesa, California 92626.

5. On information and belief, Defendants are owners of the website <http://www.herringtonteddybear.com>. Defendant transacts much of its business through said website. Defendant sells goods such as plush animals, pins, and clothing on said website.

6. On information and belief, Defendant transacts additional Internet business through the Internet vendor services of eBay, Inc. Defendant sells plush animal goods through an Internet bidding process on eBay's website.

7. On information and belief, Defendant does not sell its goods through store retailers. Defendant only sells its goods through its website or through eBay's bidding process.

Plaintiff's Protected Marks

8. Plaintiff is actively engaged in producing quality plush animal toys, resin figurines, and related collectible items. Plaintiff has used "THE BOYDS COLLECTION" as the name of their corporation and in interstate commerce, since at least 1980. Plaintiff has also used TBC as shorthand for "THE BOYDS COLLECTION" on displays and on product tags accompanying aforementioned goods.

9. Plaintiff owns the trademark "THE BOYDS COLLECTION," having United States Patent and Trademark Office Registration No. 1,968,106, issued April 16, 1996 for collectible stuffed toy animals and clothing, costumes and accessories, cast resin collectible figurines, and costume jewelry of cast resin.

10. Plaintiff owns the trademark "THE BOYDS COLLECTION," having United States Patent and Trademark Office Registration No. 2,018,285, issued November 19, 1996 for decorative cloth flags.

11. The Registrations are valid and in full force and effect. They serve as prima facie evidence of (1) the validity of the registered trademark, and (2) Plaintiff's exclusive rights to use the trademarks in connection with its goods.

12. In addition to the federal registrations, since at least 1979, Plaintiff has used the acronym "TBC" worldwide in connection with the sales of collectible goods. "TBC" has been used in conjunction with, but not limited to all the goods listed in Plaintiff's federal trademark registrations for "THE BOYDS COLLECTION LTD."

13. The relevant consumers in the collectible toy market have come to associate

"TBC" with the registered mark "THE BOYDS COLLECTION LTD." (Collectively, "TBC" and the "THE BOYDS COLLECTION, LTD." are referred to herein as the Marks).

14. Since 1979, Plaintiff has used "TBC" in conjunction with but not limited to catalog publications, newsletters, hangtags, advertising material, and plush animal sew-in tags. Attached as Group Exhibit A are photographs of Plaintiff's plush animals with a close-up shot of sew-in tags displaying the mark "TBC."

15. Plaintiff has spent a substantial portion of its sales income over the last 23 years in advertising and promoting plush and resin related goods using the Marks.

16. Plaintiff's goods and Marks enjoy an excellent reputation. The Marks designate high quality plush goods, resin figurines, and licensing, and have gained great value in the marketplace. Plaintiff's extensive use and promotion of the Marks have made the Marks well known, identifying and distinguishing goods and services emanating from, symbolizing, or authorized by Plaintiff.

17. In a continuing effort to expand goods associated with Plaintiff's goodwill, Plaintiff has applied for and has a pending federal trademark application for "THE BOYDS COLLECTION" in conjunction with cosmetics, paper goods and printed materials, leather goods, housewares and glass, clothing, and wall and floor coverings.

18. Defendants are not and have never been authorized by Plaintiff to use the Marks in connection with any business or service.

Defendant's Unlawful Use of Plaintiff's Marks

19. Defendant is in the same business and targets the same customers as does the Plaintiff, namely consumers of plush products.

20. In approximately August 2000, Plaintiff learned of Defendant's use of "TBC" via "TBC HERRINGTON TEDDY BEAR CLUB".

21. Upon notice of Defendant's use of "TBC" for plush toys, Plaintiff filed cancellation proceedings with the United States Patent and Trademark Office against two "TBC HERRINGTON TEDDY BEAR CLUB" registrations. (Registration numbers 2,372,585 and 2,382,866) Both Defendant registrations are for plush toys. Said cancellation proceedings are now pending.

22. On information and belief, Defendant has continually used "TBC" in classes of goods and/or services that coincide with Plaintiff's goods.

23. Upon information and belief, Defendant has Trademark registrations for "TBC HERRINGTON TEDDY BEAR CLUB" for retail services in the field of toys and clothing, adult and children's clothing, and fan club services in connection with teddy bears.

24. Defendant has continued to use "TBC" on stuffed plush animals, pins, and clothing. Attached as Group Exhibit B are images of plush animals, pins, and clothing bearing "TBC" as advertised and sold on Defendant's website.

25. All of Defendant's Trademark Registrations and applications have first use dates that are junior to Plaintiff's first use dates in commerce for the registered trademarks and common law trademarks.

COUNT I—FEDERAL TRADEMARK INFRINGEMENT

26. Defendant's continued use and claim of ownership to "TBC" and its use of the mark in connection with plush animals, retail services in the field of toys and clothing, adult and children's clothing, and fan club services in connection with teddy bears infringes Plaintiff's exclusive rights to its federally registered trademark "THE BOYDS

COLLECTION" in violation of §32(1) of the Trademark Act of 1946, 15 U.S.C. §1114(1), in that the public is likely to be confused, deceived or mistaken regarding the source or sponsorship of Defendant's goods.

27. Defendant's infringements of Plaintiff's trademark are willful and deliberate and with an intent to reap the benefit of Plaintiff's goodwill.

28. The aforesaid conduct of Defendant is causing Plaintiff immediate and irreparable injury. Plaintiff has no adequate remedy at law.

29. By reason of the foregoing, the Plaintiff has been injured in an amount not yet ascertained and is entitled to the remedies provided for in 15 U.S.C. §1116 et seq.

COUNT II-FEDERAL UNFAIR COMPETITION

30. Plaintiff hereby incorporates by reference the allegations contained in paragraphs 1-29 as if fully stated herein.

31. Since 1979, Plaintiff has used "TBC" as a trademark indicating source on plush goods in interstate commerce, including the Commonwealth of Pennsylvania. Since at least 1993, Plaintiff has expanded the scope of goods associated with "TBC" in conjunction with resin goods. Plaintiff has continually expanded goods associated with the trademark by using "TBC" in conjunction with clothes.

32. Plaintiff has not granted Defendant or any person or entities related to Defendant a license or assignment of any rights to the trademark "TBC".

33. Upon information and belief, Defendant started using "TBC" on plush animals in 1997, fully 18 years after adoption by Plaintiff. Defendant's use of "TBC" on plush animals, clothing, and pins is likely to cause confusion, mistake or deception among

purchasers and potential purchasers of products bearing the "TBC" trademark as to the source or origin of the services rendered and goods sold by Defendants by reason of the fact that purchasers are likely to believe that Defendants' goods and services originate from, or are in some way properly connected with, approved by, sponsored by, or endorsed by Plaintiff.

34. The confusion, mistake or deception referred to herein arises out of the aforesaid acts of Defendant which constitute false designation of origin and unfair competition in violation of section 43(a) of the Trademark Act of 1946, as amended, 15 U.S.C. § 1125(a).

35. Upon information and belief, the aforesaid acts were undertaken willfully and with the intention of causing confusion, mistake or deception.

36. By reason of the acts of Defendant alleged herein, Plaintiff has suffered, is suffering and will continue to suffer irreparable damage and, unless said Defendant is restrained from continuing these wrongful acts, the damage to Plaintiff will increase.

37. The aforesaid conduct of Defendant is causing Plaintiff immediate and irreparable injury. Plaintiff has no adequate remedy at law.

**COUNT III--VIOLATION OF LANHAM ACT
SECTION 43(c), 15 U.S.C. §1125(c)-DILUTION**

38. Plaintiff hereby incorporates by reference the allegations contained in paragraphs 1-37 as if fully stated herein.

39. This cause of action arises under Section 43(c) of the Lanham Act, 15 U.S.C. §1125(c).

40. By virtue of Plaintiff's extensive use, sales, advertising, and promotion of goods and services under the Marks, said Marks have become famous throughout the United States.

41. Defendant's use of Plaintiff's marks as alleged hereinabove constitutes dilution of the distinctive quality of said Marks in violation of the Federal Trademark Dilution Act of 1995, Section 43(c) of the Lanham Act, 15 U.S.C. § 1125(c).

42. Plaintiff is without an adequate remedy at law because Defendant's acts of dilution have caused great and irreparable injury to Plaintiff, and unless said acts are enjoined by this Court, they will continue and Plaintiff will continue to suffer great and irreparable injury.

43. Defendant has willfully diluted Plaintiff's marks in violation of 15 U.S.C. §1125(c), and Plaintiff is therefore entitled to the remedies set forth in 15 U.S.C. § 1117(a).

44. By reason of the foregoing, Plaintiff asserts a claim against Defendant for damages, injunctive relief, costs and attorneys' fees pursuant to 15 U.S.C. §§1125(c), 1117 and 1116, with respect to the dilution of Plaintiff's collective marks caused by Defendant's unlawful use of said marks.

COUNT IV-VIOLATION OF PENNSYLVANIA DILUTION LAW

45. Plaintiff hereby incorporates by reference the allegations contained in paragraphs 1-44 as if fully stated herein.

46. Defendant by its acts herein alleged, has willfully, knowingly and intentionally violated the Pennsylvania Antidilution Law, 54 P.S. §1124 by diluting the distinctive quality of Plaintiff's Marks.

47. Plaintiff's Marks have become famous through extensive use, sales, advertising, and promotion of goods and services in Pennsylvania.

**COUNT V--VIOLATION OF PENNSYLVANIA UNFAIR TRADE
PRACTICE AND CONSUMER PROTECTION LAW**

48. Plaintiff hereby incorporates by reference the allegations contained in paragraphs 1-47 as if fully stated herein.

49. The Marks have become famous, recognized marks in the United States, and by reason of Plaintiff's extensive advertisement and use thereof, the Marks are highly distinctive of Plaintiff's goods in the consumer class the parties target.

50. Defendant's use of "TBC" in connection with its commercial activities that are unconnected to Plaintiff and which are neither sponsored by Plaintiff, nor within Plaintiff's control, is likely to dilute the distinctive quality of the Marks and cause injury to Plaintiff's business reputation in violation of the Pennsylvania Unfair Trade Practices and Consumer Protection Law, 73 P.S. §201-3.

51. The foregoing conduct of the Defendant is causing Plaintiff irreparable injury. Plaintiff lacks an adequate remedy at law.

WHEREFORE, PLAINTIFF PRAYS for judgment against Defendant as follows:

1. That the Defendant, its officers, agents, servants, employees and all persons in concert or participation with Defendant be preliminarily and permanently enjoined from:

(a) infringing, displaying or otherwise using Plaintiff's Marks, including its registered trademarks and common law trademarks;

(b) selling or marketing merchandise in any way that tends to deceive, mislead or confuse the public into believing that the Defendant's merchandise is in any way sanctioned by or affiliated with the Plaintiff;

(c) diluting the distinctive quality of Plaintiff's marks;

(d) otherwise competing unfairly with Plaintiff.

2. That the Defendant be required to pay to Plaintiff such damages as Plaintiff has sustained as a consequence of the Defendant's acts of Trademark infringement, trademark dilution, unfair competition, and deceptive and unfair practices, including multiple damages in the amount of three times the damages sustained by Plaintiff, pursuant to Section 35 of the Lanham Act, 15 U.S.C. §1117;

3. That the Defendant offer up for destruction all goods and material that display the mark "TBC".

4. That the Defendant's registered trademarks for "TBC HERRINGTON'S TEDDY BEAR CLUB" be cancelled.

5. That pursuant to 15 U.S.C. §1117, this lawsuit be adjudged an exceptional case and Defendant be required to pay to Plaintiff reasonable attorney fees.

6. That pursuant to Rule 54(d) of the Federal Rules of Civil Procedure, Defendant be required to pay Plaintiff's full costs of this action.

7. That Defendant be required to pay to Plaintiff such damages as Plaintiff has suffered and all profits of Defendant that are attributable to Defendant's

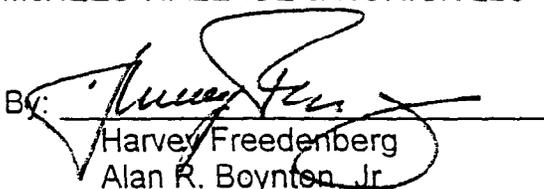
interference of Plaintiff's prospective business advantage.

8. That Defendant's infringing conduct was willful or wanton and done in reckless disregard of Plaintiff's rights, thereby entitling Plaintiff to recover punitive damages.

9. Such other and further relief as the Court deems just or equitable in the circumstances.

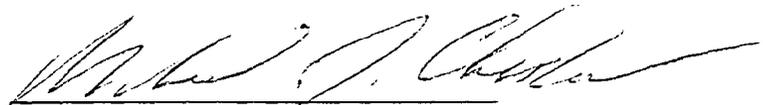
Plaintiff requests a trial by a jury of twelve (12) in this matter.

McNEES WALLACE & NURICK LLC

By: 

Harvey Freedenberg
Alan R. Boynton, Jr.
Michael A. Doctrow
100 Pine Street
P.O. Box 1166
Harrisburg, PA 17108
(717) 232-8000

CHERSKOV & FLAYNIK

By: 

Michael J. Cherskov
20 North Wacker Drive, Suite 1447
Chicago, IL 60606
(312) 621-1330

December 5, 2002

Attorneys for Plaintiff