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

Proceeding	91179911
Party	Plaintiff Formula4Media
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Submission	Other Motions/Papers
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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD  
FORMULA4MEDIA, LLC. )

Opposer, )  
Opposition No. 91180049 )  
Serial No. 78/958601 )

v. )  
SPORTING GOODS INTELLIGENCE, INC., ) Mark: SGI THE MAGAZINE  
Applicant. )  
\_\_\_\_\_ )

FORMULA4MEDIA, LLC )  
Opposer, )  
Opposition No. 91179911 )  
Serial No. 77/026,496 )  
v. )  
SPORTING GOODS INTELLIGENCE, LLC., ) Mark: SGI  
Applicant. )  
\_\_\_\_\_ )

OPPOSITION TO MOTION TO SUSPEND BROUGHT BY  
SPORTING GOODS INTELLIGENCE, INC.

I. INTRODUCTION

This response is submitted on behalf of Opposer Formula 4 Media LLC (hereinafter referred to as "F4M") in the above-captioned actions and is submitted in opposition to the Motion to Suspend of Sporting Goods Intelligence, Inc. (hereinafter referred to as "SGI"). SGI's Motion should be denied on the grounds that (a) SGI has chosen this forum by filing the above trademarks with the trademark office after initiating the Arbitration proceeding; and (b) by violating the arbitration clause of the License Agreement by previously filing an Opposition with the TTAB for other marks which ownership was disputed between the parties.

STATEMENT OF FACTS

a. The License Agreement

On or about June 23, 2005, F4M and SGI entered into an agreement (hereinafter referred to as the "License Agreement") pursuant to which SGI purported to license to F4M the rights to certain trademarks which SGI and its principal represented they owned in full, and which SGI further represented it had the right and ability to license exclusively to F4M. Please refer to a copy of the Affidavit of Jeff Nott dated September 5, 2007, which was initially annexed to an Order to Show Cause for an Order to Stay and Then Dismiss an Arbitration in the Supreme Court for the State of New York, Nassau County, annexed hereto as Exhibit "A" (hereinafter the "Nott Affidavit").

Specifically, SGI represented that it owned the following trademarks,

which it agreed to license to F4M under the License Agreement: SGI The Magazine, SGI Team Intelligence, SGI Footwear Intelligence, SGI Textile Intelligence, SGI Resort Intelligence, SGI Outdoor Intelligence, and Sporting Goods Intelligence. See Nott Affidavit.

Up to and including the time that the License Agreement was in effect, SGI represented that it owned the trademarks that they purported to license under the License Agreement. See Nott Affidavit.

Then, in August, 2006, SGI commenced an arbitration proceeding before the American Arbitration Association (hereinafter referred to as the "AAA"), which proceeding is currently ongoing. Please refer to a copy of the Demand for Arbitration, which is SGI's Exhibit "A".

The License Agreement specifically provided for arbitration as being the sole remedy for any party to the License Agreement as set forth in Section 4.12 therein. Specifically, the License Agreement provides as follows:

Section 4.12 - Disputes. Any controversy or claim arising out of or relating to this Agreement, or breach thereof, shall be submitted to arbitration in accordance with the applicable commercial rules of the American Arbitration Association (the "AAA") and venued in the New Jersey Regional Office of AAA. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. A copy of the License Agreement is SGI's Exhibit "B". F4M has complied with all provisions of the License Agreement, including participation in the arbitration proceeding. See Nott Affidavit.

b. Opposer Filed trademark applications for SGI and SGI THE MAGAZINE which at the time of filing were already part of an arbitration proceeding initiated by Applicant

In early August 2006, the Applicant filed the Arbitration according to the License Agreement signed by both parties. After filing the Arbitration proceeding, and requesting that the Arbitrator determine the ownership of SGI and SGI THE MAGAZINE, Applicant then filed with the United States Trademark Office Applications for SGI and SGI THE MAGAZINE. On August 23, 2006, Applicant filed the mark SGI THE MAGAZINE. On October 21, 2006, Applicant filed the trademark for SGI. In the trademark office filings, applicant claimed a first use of October, 2005. Applicant has since testified during the arbitration proceedings that applicant has never used these marks, and that the use was based on the use of Opposer, such use not being disclosed to the trademark office. Since applicant has put in information in front of the Trademark Office which is of questionable nature, it is only proper that the TTAB make this determination,

d. SGI's Original Opposition

In early July 2007, Opposer was the Applicant of several trademark applications, 7666674 and 7666672, which were allowed and published for opposition. These marks are part of the same arbitration as the current marks filed in the current proceeding. SGI filed for an extension to oppose F4M's trademarks and was given until September 1, 2007 to oppose the marks. Oral Hearing before the Arbitrator was to occur the first week of September, and Opposer could have requested a further extension from the TTAB. Instead, however, SGI filed its Notice of Opposition to those trademarks at issue on July 30, 2007, Opposition Nos. 91178640, 91178639. SGI determined at that point that the TTAB was the proper place to determine the ownership of those

trademark applications. F4M strongly urges that the proper place for the above trademarks is the TTAB.

II. ARGUMENT

a. SGI has never used nor does it own the trademarks at issue

In its trademark applications, Applicant stated that the dates of first use for SGI and SGI THE MAGAZINE were October 2005. Applicant swore under oath that that Applicant has never used these marks as of the date of first use and that the first use was by Opposer for these marks. None of this information was ever disclosed to the Trademark Examiner. However, such information shall be disclosed during the TTAB proceedings.

SGI cannot claim legal right to the marks SGI and SGI THE MAGAZINE since it has never used any of the marks, and since the license agreement was invalid, use by Opposer is not use by the Applicant. For these reasons, this matter before the TTAB should be dismissed rather than suspended.

b. The TTAB is the Proper Forum for the Issues at Bar  
SGI is the party that started TTAB proceedings, while an action was pending in arbitration, and is now trying to suspend further TTAB proceedings. SGI is guilty of forum shopping. F4M believes that the TTAB is the proper forum for all of the marks currently before the TTAB. Therefore, the TTAB proceeding should proceed as scheduled.

The reason the Opposer wishes to suspend the TTAB proceedings is Opposer believes that the same issues will be addressed in both proceedings. However, the Arbitrator has gone out of her way to make sure this will not be the case. The Arbitrator has strictly forbidden the parties to address any issues relating to the opposition. The Arbitrator during the arbitration proceedings last month stated that she is not evaluating the merits of the opposition. The Arbitrator stated that she will not determine what is going on in the opposition and will limit cross and direct examination to what is directly before her, which is specifically the license agreement. The Arbitrator would not let any questions go to evaluate the opposition. Arbitrator Harrison would only let Mr. Levitt, attorney for F4M, ask questions separate and apart from the opposition, and not to ask any questions based on the opposition.

c. Section 510.02(a) of the TBMP  
SGI sites to section 510.02 of the TBMP to state that the board should suspend the proceedings pending the outcome of arbitration. This rule specifically addresses a civil action in a Federal District Court, or a proceeding pending before another board. The Opposer specifically states that in the case at hand, with a decision before an arbitrator, the board may not be bound by the arbitrators' decision. Further in this case, since the arbitrator has already stated that she will not address any issues relating to the opposition proceedings, the arbitrators' rulings should not have any impact on the rulings of the TTAB.

d. SGI has Waived its Right to Arbitrate  
It is, of course, permissible for parties to agree to forego what would otherwise be their right to seek a remedy before an administrative

agency of the United States. See e.g., *Plaskit v. Bechtel International, Inc.*, 243 F.2d 334, 343 (D.C.V.I. 2003). It is contended that by entering into the License Agreement that SGI did precisely that, i.e., it deliberately chose to forego the ability and right which it would otherwise have to make an application to the TTAB to disqualify certain trademarks registered by the F4M. Nevertheless, that provision of the License Agreement has been both breached and waived by SGI by its actions taken outside of the arbitration, with both the USPTO and the TTAB. SGI cannot have their cake and eat it too.

As a result of SGI's acts, F4M was no longer bound by the License Agreement's arbitration provision due to SGI's breach and waiver. Thus, these proceedings need not be suspended and the TTAB has the authority to determine the registerability of the marks at issue herein.

SGI's filing of the TTAB oppositions constituted a breach of the License Agreement. However, SGI's subsequent Motion to Suspend the proceedings in the TTAB for "Footwear Intelligence" and "Textile Intelligence" and in the current Opposition does not rectify the fact that they first waived their rights to arbitration by commencing these proceedings. SGI's request, that the current proceedings be suspended, is thus unjust.

Under these circumstances, the TTAB should not suspend the opposition proceedings in favor of the arbitration.

#### IV. CONCLUSION

For the reasons set forth above, Opposer respectfully moves that the TTAB not suspend the opposition proceedings and continue with the pending action.

Respectfully Submitted,  
Dated: November 6, 2007 /Philip M. Weiss  
/

M. Weiss Philip  
for Applicant Attorney  
Country Road 300 Old  
1 Suite 25  
NY 11501 Mineola,

#### CERTIFICATE OF SERVICE

I, Philip M. Weiss, certify that the attached OPPOSITION TO MOTION TO SUSPEND BROUGHT BY SPORTING GOODS INTELLIGENCE, INC. is being served upon Robert S. Lipton, Esq., counsel for Opposer, Sporting Goods Intelligence, Inc., by First Class mail addressed to him at 201 N. Jackson Street, P.O. Box 934, Media, PA 19063.

Dated: November 6, 2007 /Philip M. Weiss  
/ Philip

M. Weiss

for Applicant

Country Road

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NY 11501

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Attorney

300 Old

Suite 25

Mineola,

SUPREME COURT OF THE STATE OF NEW YORK  
COUNTY OF NASSAU

-----X  
FORMULA 4 MEDIA LLC, MARK SULLIVAN, JEFF  
NOTT, TROY LEONARD and JEFF GRUENHUT,

Index No. 13825/07

Plaintiffs,

**AFFIDAVIT OF  
JEFF NOTT**

v.

JOHN HORAN and SPORTING GOODS  
INTELLIGENCE, INC.,

Defendants.  
-----X

STATE OF NEW YORK     )  
                                  ) SS.  
COUNTY OF NASSAU     )

JEFF NOTT, being duly sworn, deposes and says:

1. I am the Chief Executive Officer of Formula 4 Media LLC (hereinafter referred to as "Plaintiff F4M"), Plaintiff above-named, and make this Affidavit in support of the within Order to Show Cause for an Order, pursuant to CPLR Article 63, granting Plaintiff F4M a Temporary Restraining Order restraining and enjoining the Defendants John Horan and Sporting Goods Intelligence, Inc. from:

- a. Staying the proceeding currently before the American Arbitration Association entitled John Horan and Sporting Goods Intelligence, Inc., (Claimants/Counter-Respondents) v. Formula 4 Media, Inc., LLC, Mark Sullivan, Jeff Nott, Troy Leonard, Jeff Gruenhut, (Respondents/Counterclaimants) under AAA File No.: 18 133 01172 06 presently scheduled for September 10, 2007, and/or any adjourned date thereof;
- b. Dismissing the arbitration proceeding; and
- c. Granting such other and further relief as the Court may deem just and proper.

2. Briefly put, unless the Court grants Plaintiff F4M the injunctive relief requested in the within application, there will be multiple decisions from various forums and our business will be irreparably damaged.

3. On or about June 23, 2005, Plaintiffs and Defendant Sporting Goods Intelligence (hereinafter referred to as "Defendant SGI") and Defendant Horan (hereinafter collectively referred to as "Defendants") entered into an agreement (hereinafter referred to as the "Licensing Agreement") pursuant to which Defendant SGI purported to license to Plaintiff F4M the rights to certain trademarks which Defendants represented they owned 100% of, and which Defendants further represented they had the right and ability to license exclusively to Plaintiff F4M..

4. Specifically, Defendants represented that they owned the following trademarks, which they agreed to license to Plaintiff F4M under the License Agreement: SGI The Magazine, SGI Team Intelligence, SGI Footwear Intelligence, SGI Textile Intelligence, SGI Resort Intelligence, SGI Outdoor Intelligence, and Sporting Goods Intelligence.

5. Up to and including the time that the Licensing Agreement was in effect, Defendants represented that they owned the trademarks that they purported to license under the Licensing Agreement.

6. In point of fact, Defendants had no such right, had no ownership in said marks, were not authorized to license any rights in the subject trademarks and, in fact, defrauded Plaintiffs in connection with their attempt to do so.

7. Upon discovering the Defendants' fraud, Plaintiffs promptly stopped using Defendants' purported trademarks and began using new trademarks.

8. In August, 2006, Defendants commenced an arbitration proceeding before the American Arbitration Association, which proceeding is currently ongoing.

9. The Licensing Agreement specifically provided for arbitration as being the sole remedy for any party to the Licensing Agreement as set forth in Section 4.12 of the Licensing Agreement. Specifically, the Licensing Agreement provides as follows:

**Section 4.12 - Disputes.** Any controversy or claim arising out of or relating to this Agreement, or breach thereof, shall be submitted to arbitration in accordance with the applicable commercial rules of the American Arbitration Association (the "AAA") and venued in the New Jersey Regional Office of AAA. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof.

10. Plaintiffs have complied with all provisions of the Agreement, including participation in the arbitration proceeding.

11. Notwithstanding that provision however, the Defendants have just filed an application before the Trademark Trial & Appeal Board (hereinafter referred to as "TTAB") opposing our applications for new trademarks, claiming we were barred under the Licensing Agreement to file for those new trademarks, and claiming we are not allowed to use any trademarks other than those they had fraudulently tried to license to us.

12. The proceedings before the TTAB are the equivalent of a separate plenary proceeding, i.e., a trial on the merits. (Attached as Exhibit A are the Notices of Opposition that Defendants filed with the TTAB, and the discovery schedule set by the TTAB). Proceedings before the TTAB involve substantial document discovery on an accelerated schedule, depositions and a trial or hearing just as in any other judicial forum.

13. It is respectfully contended that by entering into the arbitration agreement herein, the Defendants deliberately chose to forego the ability and right which they would otherwise have to make an application to the TTAB to disqualify certain trademarks registered by the Plaintiffs.

14. As a result of their decision to seek relief before the TTAB, the Defendants have clearly commenced a parallel proceeding. In addition, they have cynically decided to use the TTAB as “arbitration insurance” to safeguard themselves from the effects of an adverse ruling resulting from their prior fraudulent behavior in purporting to license trademarks which they never possessed.

15. Defendants’ commencement of an action in the TTAB is blatant forum shopping and constitutes an election of remedy such that Plaintiffs are no longer required to arbitrate. Defendants have waived the remedy of arbitration.

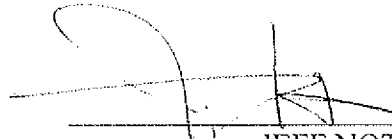
16. My attorneys have explained that this behavior is actionable at law, and, as a result, we have brought the within action, to safeguard our rights. Clearly, as Defendants have now violated the Licensing Agreement which specifically limits dispute resolution to arbitration, Plaintiffs are no longer required to arbitrate the parties’ differences either.

17. We respectfully submit to the Court that for each day that Defendants are permitted to expend resources and litigate in all of these forums, Plaintiff’s trademarks are at

risk. Without the Court's immediate intervention, there is a possibility that there will be inconsistent orders from the forums involved with the parties' disputes.

18. The relief requested herein has not been previously requested.

**WHEREFORE**, I respectfully request the Court to grant the relief requested in the Order to Show Cause herein.

  
\_\_\_\_\_  
JEFF NOTT

Sworn to before me this  
5<sup>th</sup> day of September, 2007

  
\_\_\_\_\_  
NOTARY PUBLIC

**CATHERINE B. SILLIMAN**  
Notary Public, State of New York  
No. 02S16095037  
Qualified in Nassau County  
Commission Expires June 30, 20 11