

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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COACH, INC. and COACH SERVICES, INC.,

Plaintiff,

-against-

LINDA ALLEN and COURTNEY L. ALLEN,
individually and doing business as
BELLAFASHIONS.NET and "BELLA
FASHIONS"; UNKNOWN WEBSITES 1-10; "JOHN
DOES" 3-10; AND "UNKNOWN ENTITIES" 1-10,

Defendants.

x

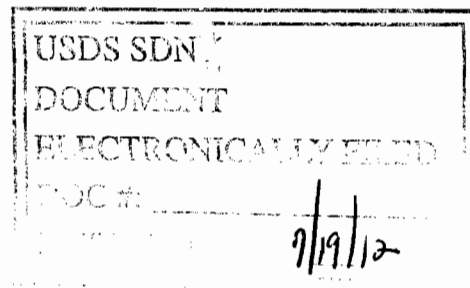
**DECISION AND ORDER GRANTING PLAINTIFFS' MOTION
FOR SUMMARY JUDGMENT**

McMahon, J.:

INTRODUCTION

This is an action for counterfeiting and trademark infringement involving defendants Linda Allen and Courtney L. Allen (hereinafter collectively referred to as "Defendants"), who allegedly counterfeited and so infringed on seventeen Coach, Inc. and Coach Services, Inc. (Plaintiffs hereinafter collectively referred to as "Coach") federally registered trademarks on eleven types of goods for a total of twenty-two separate infringements.

Defendant Linda Allen is an admitted counterfeiter who has previously been sued for trademark infringement. During the course of this case, Defendants proclaimed their innocence despite emails, letters, website registrations and testimony evidencing their infringing activities. Defendants refused to respond meaningfully to legitimate requests to produce documents that



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detail such illegal sales. Only through subpoenas to the third parties did Coach discover any meaningful information about Defendants' illegal activities, and it may just be the tip of the iceberg.

There is no genuine issue of material fact that counterfeit and infringing Coach merchandise was being offered for sale and sold on BellaFashions.net (the "Website") and that defendants Linda Allen and Courtney L. Allen personally engaged in the conduct that forms the basis of this action.

Defendants are *pro se*. Their opposition to the motion was originally due on May 29, 2012. Defendants missed the deadline. However, on June 5, 2012, they faxed *unsworn* letters to the Court containing general denials of affiliation with the Website and a reliance on the disclaimers. See Declaration of Linda Allen in Opposition of Plaintiffs' Motion for Summary Judgment Against Defendants Linda Allen and Courtney L. Allen at ¶¶ 4-8 and 18; Declaration of Courtney L. Allen in Opposition of Plaintiffs' Motion for Summary Judgment Against Defendants Linda Allen and Courtney L. Allen at ¶¶ 4-8. Defendants presented no admissible evidence in opposition to the summary judgment motion.

Accordingly, Plaintiff's motion for summary judgment is granted, and Coach is awarded the maximum amount of statutory damages due to Defendant's willful infringement of Coach's trademarks; and a permanent injunction in order to prevent Defendants from further infringing Coach's trademarks.

STATEMENT OF FACTS

Based on the admissible evidence, the following facts are undisputed:

I. BACKGROUND OF COACH'S BUSINESS

Coach is a world-renowned producer of high quality merchandise. See Declaration of Ethan Lau in Support of Plaintiffs' Motion for Summary Judgment Against Defendants Linda Allen and Courtney L. Allen ("Lau Dec.") at ¶¶ 7-18. Coach Services, Inc. has adopted over forty-five (45) trademarks, including the marks at issue, which are protected by Federal Trademark Registrations (collectively the "Coach Registered Trademarks"). Id. at ¶ 10. Coach has expended substantial time, money, and other resources developing, advertising, and otherwise promoting the Coach Registered Trademarks. Id. at ¶ 13. As a result, members of the consuming public readily identify merchandise bearing the Coach Registered Trademarks as being high quality merchandise. Id. at ¶ 16.

The Coach Registered Trademarks have been used for many years and have not been assigned or licensed to Defendants in this matter. Id. at ¶ 18. By virtue of the sustained use of the marks, the registrations, the high quality products and substantial advertising and publicity for the marks, the Coach Registered Trademarks are now famous and have been famous since well prior to the activities of this case. Id. at ¶¶ 9-18

II. DEFENDANTS' CONDUCT

In March, 2011, Coach discovered the website BellaFashions.net which was being used to promote and offer for sale handbags, duffle bags, wristlets, wallets, scarves, hats, umbrellas, shoes, key chains and sunglasses. See Lau Dec. at ¶ 19. The products distributed on the Website were explicitly identified as Coach handbags and accessories. Id. at Exhibit 2. However, the

Website contained several disclaimers stating that the products were not “original” and that the Website was “in no way affiliated with the authentic manufacturers.” Id. Coach examined the Website and determined that the products being offered for sale contained counterfeits and infringements of the Coach Registered Trademarks. See id. at ¶¶ 19-21 and Exhibit 2.

A. Defendant Linda Allen’s Conduct.

The Website was registered to “Linda Allen, 342 Cold Spring Road, Syosset, NY 11791.” See Declaration of Walter-Michael Lee in Support of Plaintiffs’ Motion for Summary Judgment Against Defendants Linda Allen and Courtney L. Allen (“Lee Dec.”) at Exhibits 1 and 10 (pg. GD000110). The administrative contact was listed as “Allen, Linda” at the same address indicated above with the following contact information: frog342@aol.com and phone number (516) 921-9391. Id. “342 Cold Spring Road, Syosset, NY 11791” is the home address of defendants Linda Allen and Courtney L. Allen. Id. at Exhibits 11 and 32. Frog342@aol.com is the current e-mail address of defendant Linda Allen. Id. at Exhibit 14. (516) 921-9391 is the fax number for the Defendants’ home office. See id. at Exhibit 35.

This is not the first time that defendant Linda Allen has been sued for trademark counterfeiting and infringement. In 2007, in Chanel, Inc. v. Linda Allen, et. al.; 07-CIV-4858 (NRB) (S.D.N.Y. 2007), defendant Linda Allen was sued for the same exact illegal conduct that forms the basis of this case in connection with the following businesses and websites, among others: “My Classy Fashion,” “MyClassyFashion.com,” “Ultimate Designer Handbags,” and “UltimateDesignersHandbags.com.” See Lee Dec. at ¶ 26 and Exhibit 40. Defendant Linda Allen admitted that she was the owner and operator of “My Classy Fashion” and MyClassyFashion.com and is subject to a permanent injunction concerning her distribution of

counterfeit Chanel goods. *Id.* at ¶ 27 and Exhibits 41 and 42. The websites MyClassyFashion.com and UltimateDesignersHandbags.com advertised for sale “Coach” products. *See* Lee Dec. at ¶¶ 25-27 and Exhibits 38 and 39.

In the course of conducting discovery, Coach subpoenaed records from Paypal, Inc. and discovered that MyClassyFashion.com, the business admittedly owned by defendant Linda Allen, had been converted into the website, BellaFashions.net. *Id.* at ¶ 16 and Exhibit 26 (Spreadsheet 1, pgs. 5, 60, 61, 115, 170, and 225). Further, these records indicate that defendant Linda Allen’s Paypal, Inc. account received money and notes from the merchant account for the Website. *See id.* at ¶ 16 and Exhibit 26 (Spreadsheet 1, pgs. 5, 60, 61, 115, 170, and 225).

On April 7, 2011, in connection with his attempt to make a purchase from the Website, Coach’s agent received two emails from “Bella Fashions” which were sent from defendant Linda Allen’s e-mail address, frog342@aol.com. *See* Declaration of Benjamin Kwapisz in Support of plaintiffs’ Motion for Summary Judgment Against Defendants Linda Allen and Courtney L. Allen (“Kwapisz Dec.”) at ¶ 5; Lee Dec. at Exhibits 14 and 17. The first e-mail addressed Coach’s agent’s technical difficulties in placing an order and was signed “Linda, Bella Fashions, (516) 449-9000.” *See* Kwapisz Dec. at ¶ 6 and Exhibit 2. The second email referenced Coach’s agent’s e-mail address and offered to send a “great picture” if Coach’s agent placed an order. *Id.* at ¶ 7 and Exhibit 3. It is undisputed that defendant Linda Allen sent these e-mails to Coach’s agent and that (516) 449-9000 is her cell phone number. *See id.* at ¶¶ 5-7 and Exhibits 2 and 3; Lee Dec. at Exhibits 11, 14, and 17.

On April 8, 2011, Coach’s agent purchased one (1) “Coach” handbag from the Website for \$81. Kwapisz Dec. at ¶ 4. The confirmation of payment listed, among other things, the e-mail address designerbags15@aol.com. *Id.* at ¶ 4 and Exhibit 1. In addition, the payment confirmation

had the logo for “My Classy Fashion” emblazoned on it. It is undisputed that defendant Linda Allen owned the e-mail address designerhandbags15@aol.com and operated the business “My Classy Fashion.” Id.; Lee Dec. at Exhibits 15 and 16.

On April 13, 2011, Coach’s agent received a package containing a handbag bearing counterfeits of the Coach Registered Trademarks (the “Counterfeit Bag”). See Kwapisz Dec. at ¶ 7 and Exhibit 3. The return address on the package was “342 Cold Spring Road, Syosset, NY 11791,” defendants Linda Allen and Courtney L. Allen’s home address. Id. at ¶ 9 and Exhibit 4; Lee Dec. at Exhibit 11. It is undisputed that both the return and recipient addresses on the packaging were handwritten by defendant Linda Allen and that she sent the package. See Lee Dec. at Exhibit 18. Inside the package with the Counterfeit Bag was a copy of a team photo of the New York Yankees with a sticky note placed on it. See Kwapisz Dec. at ¶ 10 and Exhibit 4. It is undisputed that the message on the sticky note was handwritten by defendant Linda Allen. See id. at ¶¶ 8-10 and Exhibit 4; Lee Dec. at Exhibits 18 and 19.

Coach examined the Counterfeit Bag and determined that none of its parts were of genuine Coach origin. See Lau Dec. at ¶ 21. The bag contained numerous counterfeits and infringements of the Coach Registered Trademarks and is of very poor quality. Id.

Consequently, on April 29, 2011, Coach sent Defendants a cease and desist letter requesting that they remove all web page content relating to the unlawful use of the Coach Trademarks from the Website. Id. at ¶ 4 and Exhibit 2. On May 3, 2011, Coach’s counsel, received an e-mail response to Coach’s Cease and Desist Letter, dated April 29, 2011 (“May 3, 2011 E-mail”). Id. at ¶ 5 and Exhibits 3, 14, and 20. The e-mail was sent from frog342@aol.com, defendant Linda Allen’s e-mail address, and signed “Linda Allen.” Id. The May 3, 2011 E-mail states in part: “I have no further merchandise as I purchased items upon demand from

customers... I sold very little..." Id. at Exhibit 3. It is undisputed that defendant Linda Allen sent the May 3, 2011 E-mail to Coach's counsel. See Lee Dec. at ¶ 4 and 5 and Exhibits 2, 3, and 20.

On May 4, 2011, after Coach's counsel responded to the May 3, 2011 E-mail, Coach's counsel received a second e-mail from frog342@aol.com which was signed "Linda" and contained the alleged breakdown of Defendants' infringing sales ("May 4, 2011 E-mail"). See Lee Dec. at ¶ 6 and Exhibits 4, 14, and 21. It is undisputed that Linda Allen sent the May 4, 2011 E-mail to Coach's counsel and the hard copy of the e-mail that followed. Id. at ¶¶ 6-8 and Exhibits 4, 5, and 22.

Significantly, one of the documents included in the hard copy of the May 4, 2011 E-mail was a redacted version of the e-mail confirmation of the sale made to Coach's agent on April 8, 2011 and referenced above. See Lee Dec. at ¶ 9 and Exhibit 5 (pg. 8); Kwapisz Dec. at Exhibit 1. One piece of information that was redacted is the "My Classy Fashion" logo which was prominently displayed on the e-mail confirmation sent to Coach's agent. Id. Defendant Linda Allen concedes that she was the owner of "My Classy Fashion." See Lee Dec. at ¶ 9 and Exhibit 5; Kwapisz Dec. at Exhibit 1.

On May 29, 2011, Coach filed a motion for summary judgment against Defendants. On September 19, 2011, Coach filed its First Amended Complaint adding Defendants Courtney L. Allen and John Vanasco, Jr.

On July 27, 2011, Coach served Plaintiffs' First Set of Interrogatories and First Request for the Production of Documents ("L. Allen Discovery Requests") on defendant Linda Allen. Id. at ¶ 10 and Exhibits 6 and 7. In her August 8, 2011 response, defendant Linda Allen failed to produce any documents other than the four (4) sales records included in the hard copy of the May 4, 2011 E-mail. See id. at ¶¶ 11 and 12 and Exhibits 8 and 9. In these responses, defendant

Linda Allen asserts that she had no further information concerning other individuals involved in the Website. Id. Despite this assertion, while being deposed by Coach, defendant Linda Allen was immediately able to identify another individual involved in the operations of the Website, defendant John Vanasco, Jr. See Lee Dec. at ¶¶ 10-12 and Exhibits 6-9, 24, and 25.

Despite defendant Linda Allen's responses to the L. Allen Discovery Requests, Coach was able to obtain, via subpoena, hundreds of documents relating to Defendants' sale of merchandise bearing counterfeits of the Coach Registered Trademarks. Id. at ¶ 24 and Exhibits 10, 26, 31, and 36. Among the documents subpoenaed were records from eBay, Inc., PayPal, Inc., GoDaddy.com, Inc., and AOL, Inc. Id. at ¶ 24 and Exhibits 10, 26, 31, and 36. In the course of reviewing the subpoenaed documents, Coach discovered that Linda Allen used her credit card to register the Website. Id. at ¶ 22 and Exhibits 10 (pg. GD000137) and 36. Further investigation also revealed user feedback statements for defendant Linda Allen's eBay, Inc. account that reflect purchaser statements that defendant Linda Allen had been selling counterfeit products through eBay.com. Id. at Exhibit 37.

B. Defendant Courtney L. Allen's Conduct.

It is undisputed that defendant Courtney L. Allen is the registrant of the domain name "Ultimate Designer Handbags.com" and that her home address and cell phone number appear on its registration. Id. at ¶ 28 and Exhibits 10 (pg. GD000035-37) and 43. Further, GoDaddy.com, Inc. records indicate that defendant Courtney L. Allen called GoDaddy.com, Inc. for assistance regarding the website UltimateDesignersHandbags.com. Id. at ¶¶ 17 and 18 and Exhibits 10 (pgs GD000007 and GD000035-37), 27-30 and 33. UltimateDesignersHandbags.com distributed counterfeit Coach products. See Lee Dec. at Exhibit 39. On October 11, 2011, Coach served

Plaintiffs' First Set of Interrogatories and First Request for the Production of Documents ("C. Allen Discovery Requests") on defendant Courtney L. Allen. Id. at ¶ 17 and Exhibits 27 and 28. Among its requests, Coach explicitly requested documents relating to the registration of any website. Id. In her responses, dated October 27, 2011, defendant Courtney L. Allen failed to produce any documents. See id. at ¶ 18 and Exhibits 29 and 30.

While defendant Courtney L. Allen stated that she has never sold Coach merchandise through eBay.com, subpoenaed records indicate that Coach items were sold through her registered eBay, Inc. username. See id. at Exhibits 31 and 34. Furthermore, subpoenaed records indicate that the registration for the Website was renewed with the e-mail address babyblue15@aol.com, which was identified as belonging to defendant Courtney L. Allen by her mother, defendant Linda Allen. Id. at ¶ 14 and Exhibits 10 and 23.

On February 7, 2012, Coach filed the motion that is the subject of this opinion.

Defendants opposition was originally due on May 29, 2012. Defendants missed the deadline. However, on June 5, 2012, they faxed unsworn letters to the Court containing general denials of affiliation with the websites and a reliance on the disclaimers. See Declaration of Linda Allen in Opposition of Plaintiffs' Motion for Summary Judgment Against Defendants Linda Allen and Courtney L. Allen at ¶¶ 4-8 and 18; Declaration of Courtney L. Allen in Opposition of Plaintiffs' Motion for Summary Judgment Against Defendants Linda Allen and Courtney L. Allen at ¶¶ 4-8.

The Court will accept these papers as timely; however, they are utterly devoid of substance and do not suffice to raise any general issues of material fact.

ARGUMENT

I. STANDARD OF REVIEW

A party is entitled to summary judgment when there is no "genuine issue of material fact" and the undisputed facts warrant judgment for the moving party as a matter of law. Fed. R. Civ. P. 56 ; Anderson v. Liberty Lobby, Inc., 477 U.S. 242, 248 (1986). On a motion for summary judgment, the court must view the record in the light most favorable to the nonmoving party and draw all reasonable inferences in its favor. Matsushita Elec. Indus. Co. v. Zenith Radio Corp., 475 U.S. 574, 587 (1986).

Whether any disputed issue of fact exists is for the Court to determine. Balderman v. U.S. Veterans Admin., 870 F. 2d 57, 60 (2d Cir. 1989). The moving party has the initial burden of demonstrating the absence of a disputed issue of material fact. Celotex v. Catrett, 477 U.S. 317, 323 (1986). Once the motion for summary judgment is properly made, the burden shifts to the non-moving party, to "set forth specific facts showing that there is a genuine issue for trial." Anderson, 477 U.S. at 250. The nonmovant "may not rely on conclusory allegations or unsubstantiated speculation," Scotto v. Almenas, 143 F. 3d 105, 114 (2d Cir. 1998), but must support the existence of an alleged dispute with specific citation to the record materials, Fed. R. Civ. P. 56(c).

While the Court must view the record "in the light most favorable to the non-moving party," Leberman v. John Blair & Co., 880 F. 2d 1555, 1559 (2d Cir. 1989) (citations omitted), and "resolve all ambiguities and draw all reasonable inferences in favor of the party against whom summary judgment is sought," Heyman v. Commerce and Indus. Ins. Co., 524 F. 2d 1317, 1320 (2d Cir. 1975) (citations omitted), the non-moving party nevertheless "must do more than simply show that there is some metaphysical doubt as to the material facts." Matsushita Elec.,

475 U.S. at 586 (citations omitted). Not every disputed factual issue is material in light of the substantive law that governs the case. "Only disputes over facts that might affect the outcome of the suit under the governing law will properly preclude the entry of summary judgment."

Anderson, 477 U.S. at 248.

Summary judgment may be granted to plaintiffs in cases alleging trademark infringement and counterfeiting. Lang Retirement Living Publishing Co, Inc., 949 F. 2d 576 (2d Cir. 1990).

Specifically, summary judgment in a trademark action is appropriate "where the undisputed evidence would lead only to one conclusion as to whether confusion is likely." Medici Classics Prods. LLC v. Medici Group LLC, 683 F. Supp. 2d 304, 308 (S.D.N.Y. 2010).

In the present matter, summary judgment against the Defendants is appropriate because, as will be demonstrated below, the undisputed factual evidence wholly supports Coach's allegations of trademark counterfeiting and trademark infringement and Defendants have no valid defenses as a matter of law.

II. COACH IS ENTITLED TO SUMMARY JUDGMENT ON ITS CLAIMS OF TRADEMARK COUNTERFEITING AND TRADEMARK INFRINGEMENT

In order to prevail on a trademark infringement claim, a plaintiff must show that "(1) it has a valid mark that is entitled to protection under the Lanham Act; and that (2) the defendant used the mark, (3) in commerce, (4) 'in connection with the sale... or advertising of goods or services,' (5) without the plaintiff's consent." 1-800 Contacts, Inc. v. WhenU.Com, Inc. 414 F. 3d 400, 407 (2d Cir. 2005) (internal citations omitted). Additionally, a plaintiff must show that the defendant's use of the mark is "likely to cause confusion as to the affiliation, connection, or associate of defendant with plaintiff, or as to the origin, sponsorship, or approval of the

defendant's goods, services, or commercial activities by plaintiff." Id. (quoting 15 U.S.C. § 1125(a)(1)(A)).

There is no genuine issue of material fact and Coach satisfies all five elements for counterfeit trademark infringement as a matter of law.

A. The Registered Coach Trademarks are Valid

All of the Coach Registered Trademarks are valid and apply to the infringing products at issue in this action. See Lau Dec. at ¶¶ 11 and 22 and Exhibit 1. The certificates of registration with the United States Patent and Trademark Office establish the validity of the marks and Coach's exclusive right to use the marks in connection with the goods specified in the certificate. See 15 U.S.C. § 1057(b).

In addition, many of the Coach Registered Trademarks have been in use for more than five years. See Lau Dec. at ¶¶ 10 and 22. Those marks have become incontestable. 15 U.S.C. § 1065. Their incontestable status is conclusive evidence of the validity of the registered marks and Coach's exclusive right to use the registered marks in commerce. See 15 U.S.C. § 1115.

Thus, there is no dispute that Coach has valid and exclusive rights to the trademarks at issue.

B. Defendants Used The Coach Registered Trademarks in Commerce In Connection With The Sale or Advertising Of Goods Without Coach's Consent

Seventeen Coach Registered Trademarks were used on eleven types of goods by Defendants in their sale of counterfeit merchandise for a total of twenty-two separate infringements. See Lau Dec. at ¶ 22. Defendants were offering for sale and selling unauthorized

products bearing counterfeits and infringements of the Coach Registered Trademarks. These marks were used in commerce in connection with the sale or advertising of goods without Coach's consent. See 15 U.S.C. § 1127; see also Lau Dec. at ¶ 18 and Exhibit 2; Kwapisz Dec. at Exhibit 4. For example, Defendants offered for sale a Jean Reversible Tote bag with Coach Registered Trademarks. See Lau Dec. at ¶ 22 and Exhibit 2 (at pg. 8).

C. Defendants' Use Of The Coach Registered Trademarks Is Likely to Cause Confusion

Defendants' use of the Coach Registered Trademarks is likely to cause consumer confusion. In the Second Circuit, courts generally determine whether there is a likelihood of confusion to the origin or sponsorship of the defendant's goods by applying the eight-factor test found in Polaroid Corp. v. Polaroid Electronics Corp., 287 F. 2d 492, 495 (2d Cir. 1961). See Fendi Adele S.R.L. v. Filene's Basement, Inc., 696 F. Supp. 2d 368, 383 (S.D.N.Y. 2010). However, such analysis is not necessary when Defendants use a counterfeit mark because such marks are inherently confusing. See id., at 383. Courts need only determine the fundamental question of "whether the items at issue are, in fact, counterfeit and whether defendants sold those items, or offered those items for sale." See 15 U.S.C.A. § 1114(1).

Here, the infringing marks offered for sale are counterfeit. "A 'counterfeit' is a spurious mark which is identical with, or substantially indistinguishable from, a registered mark." See 15 U.S.C. § 1127. Defendants offered for sale products with marks identical to those of Coach's. See Lau Dec. at ¶ 22 and Exhibit 2. Thus, I am not required to perform the step-by-step examination of each Polaroid factor to determine the likelihood of confusion because counterfeit marks are inherently confusing. See Fendi, 696 F. Supp. 2d at 383; see also 15 U.S.C.A. §

1114(1); Lorillard Tobacco Co. v. Jamelis Grocery, Inc., 378 F. Supp. 2d 448, 454-55 (S.D.N.Y.2005).

Therefore, there is a likelihood of confusion in this case.

Since the undisputed facts make out all the elements of trademark infringement, Plaintiffs are entitled to summary judgment as a matter of law.

III. COACH IS ENTITLED TO STATUTORY DAMAGES FOR DEFENDANTS' WILLFUL TRADEMARK COUNTERFEITING

A. Coach is Entitled to Elect Statutory Damages for Trademark Infringement

Under the Lanham Act, a trademark owner may elect to recover, at any time before final judgment is rendered, an award for statutory damages for any use of a counterfeit mark in connection with the sale, offering for sale, or distribution of goods or services. 15 U.S.C. § 1117(c). In this case, by distributing and selling products with the Coach Registered Trademarks thereon, Defendants committed trademark counterfeiting, thereby violating the Lanham Act.

Recovery of statutory damages under the Lanham Act is appropriate. Section 1117(c) of the Lanham Act was created to give victims of trademark infringement and unfair competition an avenue for recovering damages when a defendant hinders, alters, or destroys records. See S. Rep. No. 104-177 § 7 (1995), available in 1995 WL 709282. “‘Counterfeiters’ records are frequently nonexistent, inadequate or deceptively kept in order to willfully reduce the level of counterfeiting activity actually engaged in, making proving actual damages in these cases extremely difficult if not impossible.” Id. In the present case, Defendants only produced four pages of undetailed sales records. It was only through subpoenaed documents did Coach discover Defendants’ illegal activities.

Coach may recover "not less than \$1,000 or more than \$200,000 per counterfeit mark per type of goods or services sold, offered for sale, or distributed, as the court considers just." 15 U.S.C. § 1117(c)(1). However, if the use of the counterfeit mark was willful, the maximum award increases to \$2,000,000 per mark per type of good. 15 U.S.C. § 1117(c)(2). In this Circuit, substantial sums have been awarded in order to both punish and deter counterfeiters. See Coach, Inc. v. Leap, No. 11-Civ-1985 (LBS) (S.D.N.Y. May 25, 2011); Coach, Inc. v. Tirpak, No. 10-Civ-6179 (PGG) (S.D.N.Y. Dec. 7, 2010); North Face Apparel Corp. v. Fujian Sharing Important & Export LTD. CO, 10-Civ-1630 (AKH) (S.D.N.Y. Sept. 13, 2010).

Coach seeks damages "per counterfeit mark per type of goods or services sold, offered for sale, or distributed..." See 15 U.S.C. § 1117(c). Coach has previously been awarded statutory damages on a per trademark, per type of good counterfeited basis. See Coach, Inc. and Coach Services, Inc. v. Ocean Point Gifts, 09-4215(JBS), 2010 U.S. Dist. LEXIS 59003, *20 (Dist. New Jersey June 14, 2010). See also, Nike, Inc. v. Top Brand Co, No. 00 Civ. 8179 (KMW)(RLE), 2006 U.S. Dist. LEXIS 76540, at *8-9 (S.D.N.Y. Oct. 6, 2006); Chanel, Inc. v. Junying Cui, No. 10 Civ. 1142 (PKC), 2010 U.S. Dist. LEXIS 68689, at *9 (S.D.N.Y. July 7, 2010).

Regarding the number of different types of infringing goods, applications to the Patent and Trademark Office identify and treat types of goods separately, despite any similarities between the functions of different products. See Rolls Royce v. Rolls-Royce., 688 F. Supp. 2d 150, 159 (E.D.N.Y. 2010).

As evidenced in the Lau Dec. at ¶ 22 and Exhibit 2 and the Kwapisz Dec. at Exhibit 4, the Defendants infringed seventeen marks on eleven types of goods for a total of twenty-two separate infringements. Coach is entitled to elect statutory damages under the Lanham Act for these twenty-two acts of infringement of the Coach Registered Trademarks.

B. The Requested Amount of Statutory Damages is Proper Because Defendants Willfully Infringed the Coach Registered Trademarks

The next question is whether Coach is entitled to enhanced statutory damages based on Defendants' willfulness. The answer is yes.

Although the Lanham Act does not provide guidelines for courts to consider in awarding statutory damages, courts look to the analogous provision of the Copyright Act, which gives the court wide discretion to determine what amount of damages should be awarded within the minimum and maximum bounds proscribed under the Lanham Act. Union of Orthodox Jewish Congregations of America v. Royal Food Distribs. LLC., 665 F. Supp. 2d 434, 436-37 (S.D.N.Y. 2009); Fitzgerald Publ'g. Co., Inc. v. Baylor Publ'g. Co., Inc., 807 F. 2d 1110, 1116 (2d Cir. 1986).

In order to be awarded the statutory maximum of \$2,000,000 per counterfeit trademark, the trademark owner must prove, and the court must find, that the Defendant was willful in its acts of counterfeiting and infringement. "Willful conduct denotes intentional, knowing and voluntary acts. It may also indicate a reckless disregard for obvious or known risk." Thomsen v. United States, 887 F. 2d 12, 17 (1st Cir. 1989). In this Circuit, courts have defined willful infringement as "knowledge that a Defendant's conduct represented infringement or perhaps recklessly disregarded the possibility." Bravada Int'l Group Merch. Serves., Inc. v. Ninna, 655 F.

Supp. 2d 177, 191 (E.D.N.Y. 2009) (internal citations omitted). Other courts find that willful conduct must include an “aura of indifference to plaintiff’s rights or a deliberate and unnecessary duplicating of a plaintiff’s mark... in a way that was calculated to appropriate otherwise benefit from the goodwill the plaintiff has nurtured.” Securacomm Consulting Inc. v. Securacom Inc., 166 F. 3d 182, 187 (3d Cir.1999) (citation omitted).

Defendants’ willfulness is established for several reasons. First, Defendants knowingly offered for sale merchandise bearing counterfeits of the Coach Registered Trademarks. The fact that the goods being sold bore the marks that were identical to such strong and established marks conclusively demonstrates Defendants’ intention and purpose to trade upon Coach’s goodwill. See Microsoft Corp. v. CMOST Tech., 872 F. Supp. 1329, 1335 (D.N.J. 1994). The fact that Defendants used identical marks establishes that Defendants desired to confuse consumers into believing that the counterfeit merchandise was affiliated with and originated from Coach. See PetMed Express, Inc. v. MedPets.com, Inc., 336 F. Supp. 2d 1213, 1220 (S.D. Fla. 2004).

Second, Defendants’ willfulness is evidenced by the fact that they described the goods they sold as “not original” and specifically stated that they were “in no way affiliated with the authentic manufacturers.” Chanel, Inc. v. Cui, 10 Civ. 1142, 2010 U.S. Dist. LEXIS 68689, at *8 (S.D.N.Y. July 7, 2010).

Third, Defendants’ willfulness is evidenced by the fact that Defendants failed to be forthcoming with discovery. Defendants failed to respond meaningfully to Coach’s Discovery Requests. Coach, through research and investigation, including conducting depositions of Defendants and issuing subpoenas to Defendants’ service providers, was able to uncover requested documents relating to this action. Defendants clearly had the requested information in their possession, as evidenced by the fact that defendant Linda Allen was able to identify another

individual involved in the operations of the Website during her deposition. See Lee Dec. at ¶¶ 11, 12, 17 and 18 and Exhibits 6-9, 24, 25, and 27-30. Furthermore, Defendants made several misrepresentations to Coach over the course of discovery, which also evidences willfulness. Defendant Linda Allen produced a redacted copy of the sales confirmation sent to Coach's agent, hiding the fact that the logo for her former business was prominently displayed on it, which directly links her to the Website. Id. at ¶ 16. Additionally, Defendant Courtney L. Allen made misrepresentations in her deposition when she indicated that she had never sold Coach products through eBay.com. Id. at Exhibit 34. However, records subpoenaed from eBay, Inc. indicate that she sold Coach items from her account. Id. at Exhibit 34.

Finally, defendant Linda Allen's willfulness is established because this is not the first time she has been sued for trademark counterfeiting and trademark infringement. She was sued for the same exact illegal conduct in 2007 in connection with the operation of the websites MyClassyFashion.com and UltimateDesignersHandbags.com. See Lee Dec. at Exhibit 38. Both of these websites advertised for sale "Coach" products. Id. at ¶ 26 and Exhibits 39 and 40. Defendant Linda Allen admitted that she is and has been aware of the illegality of counterfeiting since the prior Chanel action. Id. at ¶ 13. Thus, there is no doubt that she acted willfully, here, since she was aware counterfeiting was illegal long before the conduct that forms the basis of this action occurred.

Since Defendants' actions were clearly willful, Coach is entitled to the maximum award of statutory damages allowable by law per trademark, per type of good infringed by Defendants.

C. The Requested Amount of Statutory Damages is Proper Because it Deters Further Counterfeiting

I have taken into account the ability of the award to act as a deterrence to further counterfeiting. “The purpose of § 1117 of the [Lanham] Act is to take the incentive out of counterfeiting and strengthen the civil remedies against counterfeiters.” S. Rep. No. 117 (104th Cong. 1995). “As those cases indicate, where, as here, a defendant is shown to have acted willfully, a statutory award should incorporate not only a compensatory, but also a punitive component to discourage further wrongdoing by the defendant and others.” Burberry Ltd. V. EuroModa, Inc., 08 Civ 5781, 2009 WL 4432678, at *4 (S.D.N.Y. Dec. 4, 2009) (internal citations omitted).

Further, the Coach Registered Trademarks have been the subject of mass counterfeiting attacks worldwide. Defendants are not the only subject of Coach’s attention. Coach has pursued multiple legal actions against counterfeiters and has gone to great lengths to protect its name and enforce its trademarks. Defendant and others are being unjustly enriched from their use of the Coach Registered Trademarks. Coach is in need of a substantial award in order to deter Defendants and hundreds of other counterfeiters from selling and offering for sale merchandise bearing counterfeits of the Coach Registered Trademarks.

Linda Allen plainly requires substantial deterrence because she has not been deterred by prior judgments. She persists in her contumacious behavior. This award may be crippling, but it is plainly needed to prevent Allen from going back once again into the business of counterfeiting. There is no allegation that Courtney L. Allen has been involved in the prior instances of counterfeiting – there has never been a judgment entered against her. However, the

evidence against her establishes willfulness, so it is perfectly appropriate to award maximum statutory damages against her. See infra pp. 17-18.

Because Defendants have clearly acted in bad faith by distributing counterfeit versions of Coach's merchandise, I grant the request that Coach receive the maximum amount of statutory damages for willful infringement for twenty-two separate acts of infringement.

IV. COACH IS ENTITLED TO ITS COSTS OF SUIT

Coach is entitled to the recovery of some of its costs of suit, including but not limited to, reasonable attorneys' fees. However, Coach agreed to waive these costs if it is granted the maximum amount of statutory damages. Therefore, I am not awarding attorneys fees.

V. DEFENDANTS ARE PERMANENTLY ENJOINED FROM FUTURE INFRINGEMENT OF THE COACH REGISTERED TRADEMARKS

Pursuant to the Lanham Act, 15 U.S.C. § 1116, a plaintiff is entitled to permanent injunction to prevent any future trademark infringement by a defendant. Injunctive relief is one of the standard remedies in a trademark infringement case. See William R. Warner & Co. v. Eli Lilly & Co., 265 U.S. 526, 532-33 (1924). Circuit Courts have held that permanent injunctive relief is proper even if there is no evidence that a Defendant is currently engaging in illegal sales. Polo Fashions, Inc. v. Dick Bruhn, Inc., 793 F. 2d 1132, 1135-36 (9th Cir. 1986).

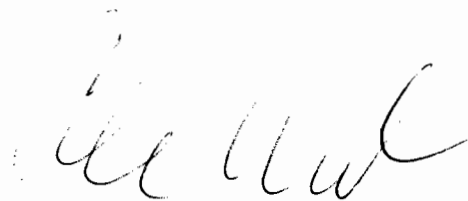
Coach has shown willful trademark infringement. Consequently, I issue a permanent injunction restraining further infringements of the Coach Registered Trademarks.

CONCLUSION

Coach's Motion for Summary Judgment Against Defendants Linda Allen and Courtney L. Allen is granted, which provides Coach: 1) the maximum amount of statutory damages due to Defendant's willful twenty-two (22) separate acts of infringement of Coach's Registered Trademarks; and 2) a permanent injunction in order to prevent Defendants from infringing Coach's trademarks in the future.

Coach should submit a form of judgment with injunction for the Court's signature. When the judgment is signed, the Clerk will remove docket entry 26 from the Court's list of pending motions and close the case.

Dated: July 18, 2012



U.S.D.J.

BY EFC TO ALL COUNSEL