

16-3488-CV

United States Court of Appeals *for the* Second Circuit

LVL XIII BRANDS, INC., a New York Corporation,

Plaintiff-Counter Defendant-Appellant,

– v. –

LOUIS VUITTON MALLETIER SA,
LOUIS VUITTON NORTH AMERICA, INC.,

Defendants-Counter Claimants-Appellees,

LVMH MOET HENNESSY LOUIS VUITTON SA,

Defendant.

ON APPEAL FROM THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK

BRIEF FOR PLAINTIFF-COUNTER DEFENDANT- APPELLANT

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CORPORATE DISCLOSURE STATEMENT

Pursuant to Federal Rule of Appellate Procedure 26.1, plaintiff-appellant states that it has no parent corporation and that no publically held corporation owns 10% or more of its stock.

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PRELIMINARY STATEMENT

Plaintiff-Appellant LVL XIII Brands, Inc. (“LVL XIII”) submits this brief in support of its appeal from the Final Judgment of the United States District Court for the Southern District of New York, dated September 13, 2016 entering judgment against LVL XIII and dismissing this action in its entirety. (SPA¹-201-202.) LVL XIII appeals from a far-ranging trademark summary judgment decision denying its claims for infringement by Louis Vuitton Malletier S.A. and Louis Vuitton North America Inc. (collectively, “Louis Vuitton”) of LVL XIII’s brand-wide application of a metallic toe-plate, essentially a label or logo, on a line of exotic men’s “luxury athletic footwear” rapidly adopted by major celebrities and whose popularity was reflected by both social media enthusiasm and actual confusion in the face of Louis Vuitton’s conduct.

The district court nonetheless made sweeping determinations on secondary meaning and likelihood of confusion based on extensive and frank weighing of evidence, including contested survey evidence and a dozen affidavits evidencing actual confusion. While it is undeniable, in confronting the district court’s 107-page opinion, that the district court unabashedly weighed a great deal of evidence, volume is not a virtue where, as here, evidence is not to be weighed at all. Indeed,

¹ All references to “SPA-___” are to the Special Appendix.

by virtue of the multitude of its factual determinations, the gravity of the district court's weighing of evidence on this summary judgment motion is inescapable.

The district court not only improperly assumed the role of factfinder, treating a summary judgment motion as a bench trial and, even then, basing key finding of facts on vague and conclusory factual determinations that do not even cite to the record. It erred, materially and with potentially far-reaching effect, in the realm where it is empowered to act, i.e., in ruling on the law. The district court not only misapplied basic tenets of trade dress law but introduced a new, unprecedented and reckless "test" for determining, as an outcome-determinative hard-and-fast rule, whether a configuration of features is entitled to trademark protection: If a configuration is "two dimensional," the district court held, it is a trademark; and if it is "three dimensional," it is not. This "standard" was distilled by the district court essentially from thin air, has no basis in law and threatens to undo decades of development of an esoteric but increasingly critical legal doctrine, trade dress law.

The court then went on to rule on acquired distinctiveness while completely disregarding record evidence or, where it acknowledged it, passing on it based on anticipated challenges for bias, probative value or other factors—again, acting as a finder of fact, and then, unfortunately, not a very careful one. It continued this error by denying a motion to exclude a survey on secondary meaning on the

ground that its manifest flaws went to weight, not admissibility—following which the district court went on to give the survey complete credence in reaching its conclusions that LVL XIII could not prove acquired distinctiveness as a matter of law.

This Court must act to prevent damage in other cases from the broad, erroneous rulings made by the district court and to undo the injustice rendered in this one. The current judgment, as to both the existence of trademark infringement and the admissibility of demonstrably suspect survey evidence, should be vacated, summary judgment granted in favor of LVL XIII as to all of its claims or, at a minimum, the action remanded to the district court for a trial as to all issues to vindicate LVL XIII's rights, rights that were wrongfully denied by the district court by its misapplication of Fed. R. Civ. P. 56 and key components of basic trademark law as enunciated by this Court and the United States Supreme Court.

JURISDICTIONAL STATEMENT

The district court granted Louis Vuitton's motion for summary judgment and denied LVL XIII's motion for the same by Opinion and Order dated September 13, 2016 (the "Opinion"). (SPA-94.) LVL XIII appeals from that Opinion and the Clerk's Entry of Judgment dated September 13, 2016 by timely filing a Notice of Appeal dated October 13, 2016. (A²-4406.)

² All references to "A-___" are to the Joint Appendix.

The district court had federal question jurisdiction over the action pursuant to 28 U.S.C. § 1131. This Court has appellate jurisdiction from a final decision of a United States District Court under 28 U.S.C. §§ 1291 and 1294. LVL XIII filed a timely Notice of Appeal pursuant to Rule 4 of the Federal Rules of Appellate Procedure.

PROCEDURAL HISTORY

LVL XIII commenced this action by filing a Complaint and Jury Demand in the United States district court for the Southern District of New York on June 30, 2014. (A-27.) On September 22, 2014, Louis Vuitton filed an Answer with Counterclaims. (A-49.) On October 9, 2014, LVL XIII filed an Answer to Louis Vuitton's Counterclaims. (A-8.) On December 26, 2014, with leave of court, Louis Vuitton filed an Amended Answer and Counterclaims. (A-371-73.) On January 16, 2015, LVL XIII filed an Answer to the Amended Counterclaims. (A-456.)

On December 1, 2015, following the close of all discovery, the district court conducted a pre-motion conference in connection with the parties' anticipated cross-motions for summary judgment, setting forth a briefing schedule as well as requesting the parties' submit Joint Stipulated Facts. (A-637.)

On January 15, 2016, the parties filed the Joint Stipulated Facts, in anticipation of their respective forthcoming motions for summary judgment. (A-

661.) On January 21, 2016, Louis Vuitton moved to preclude the report and testimony of LVL XIII's expert witness, Charles E. Colman (A-669), and filed a memorandum of law (A-673), and a declaration by its counsel (A-698) in support. That day, Louis Vuitton also filed a motion for summary judgment, (A-768), along with a Fed. R. Civ. P. 56.1 statement, (A-1760), a memorandum of law (A-848), and supporting declarations, (A-772, 897, 1809, 1826.)

On February 16, 2016, LVL XIII filed an opposition to Louis Vuitton's motion to preclude LVL XIII's expert. (A-2776.) That day, LVL XIII moved to preclude the testimony of Louis Vuitton's expert witness, Michael Bernard Mazis. (CA³-750; A-2802, 2804, 2830.) Also that day, LVL XIII filed a cross-motion for summary judgment (A-2961), along with a memorandum of law (CA-750), and a Fed. R. Civ. P. 56.1 Response and Counterstatement. (CA-911.) LVL XIII also filed eight supporting declarations (A-2964, 3199, 3233, 3237, 3240, 3244, 3247, 3250), including by Erik Pelton, LVL XIII's trademark prosecution counsel. (A-3199.)

On March 15, 2016, Louis Vuitton filed an opposition to LVL XIII's motion to preclude Louis Vuitton's expert. (A-3416, 3447, 3451.) On March 22, 2016, Louis Vuitton filed reply briefs in support of its motion to preclude LVL XIII's expert (A-21), and its motion for summary judgment (A-3514), along with

³ All references to "CA-___" are to the Confidential Joint Appendix.

supporting declarations (A-3479, 3559), and a supplemental Fed. R. Civ. P. 56.1 statement. (A-3627.) On April 4, 2016, LVL XIII filed a reply brief in support of its motion to preclude Louis Vuitton's expert. (A-4176.) On April 21, 2016, LVL XIII filed a reply brief in support of its cross-motion for summary judgment. (A-4201.)

On June 7, 2016, the district court scheduled oral argument for July 28, 2016. (A-22.) On July 21, 2016, the district court issued an order indicating the scope of oral argument on July 28, 2016 would be confined to only the pending motions for summary judgment. (A-4261.) The order further instructed Louis Vuitton to provide it with explanation on July 28, 2016 why it should consider certain submissions filed in connection with Louis Vuitton's summary judgment motion admissible. (A-4262-63.)

On July 28, 2016, the district court heard oral argument on the competing motions for summary judgment, after issuing two bench opinions: the first devoted to Louis Vuitton's motion to strike; and the second, addressing LVL XIII's motion to preclude the report and testimony of Louis Vuitton's expert witness. (SPA-2.) Both motions were denied. (SPA-13, 17, 35-36, 41.)

On August 1, 2016, and following up on two questions the district court asked during oral argument two days earlier as to where within the record certain evidence could be found, LVL XIII identified in the record for the district court

that (i) LVL XIII's Internet social media accounts had over 50,000 "followers" by April 2013 (A-4264-65); and (ii) LVL XIII was not responsible for the manner in which certain images were displayed on a particular third-party website. (A-4265.)

On September 13, 2016, Judge Paul Engelmayer issued his 107-page Opinion, containing 131 densely packed footnotes. (SPA-94-200.) The Opinion granted Louis Vuitton's motion to preclude the report and testimony of LVL XIII's expert witness Charles Colman as well as its motion for summary judgment with respect to all of LVL XIII's claims. (SPA-200.) The Opinion also granted LVL XIII's motion for summary judgment with respect to all of Louis Vuitton's Counterclaims. (SPA-200.) The district court entered judgment later that same day for the reasons set forth in its Opinion (A-201-202), which was subsequently appealed from on October 13, 2016. (A-4406-4407.) Corrected Notices of Appeal were filed the next day. (A-4408-4411.)

STATEMENT OF ISSUES PRESENTED FOR REVIEW

1. Did the district court err in granting summary judgment to Louis Vuitton on the issue of whether LVL XIII's metallic toe plate ("the LVL XIII Toe Plate") is an inherently distinctive product label entitled to trademark protection?

2. Did the district court err in granting summary judgment to Louis Vuitton on the issue of whether the LVL XIII Toe Plate acquired distinctiveness, despite third-party customer testimony concerning actual confusion premised on

their recognition of the LVL XIII brand and significant Internet evidence indicating brand recognition including extensive social media recognition?

3. Did the district court err in granting summary judgment to Louis Vuitton on the issue of likelihood of confusion, particularly the similarity of the marks?

4. Did the district court err in denying LVL XIII's motion to exclude, and in its summary judgment motion weighing and considering the expert testimony of defendants' proffered survey expert Michael Bernard Mazis despite serious errors in his survey methodology, including but not limited to, a complete failure to account for the demographic group constituting the main component of LVL XIII's customer base and the taking of his survey over a year after LVL XIII's products had been withdrawn from the market as a result of Louis Vuitton's actions?

STATEMENT OF THE CASE

When Antonio Brown placed the LVL XIII Toe Plate on the outsoles of his men's luxury athletic footwear beginning in 2013, he created a brand identifier that gained a cascade of recognition just a few short months after it hit the market, achieving substantial recognition by virtue of rapid adoption among internationally-recognized African American celebrities and recording artists, featured treatment in the fashion press and a substantial grass-roots following on

Internet social media. (SPA-98-99.) The United States Patent and Trademark Office (“USPTO”) approved the LVL XIII Toe Plate for registration as an inherently distinctive trademark—recognizing its function as essentially a flashy, durable label on a shoe—notifying LVL XIII that its U.S. Application Serial No. 85/868,102 (the “’102 Application”), filed on March 6, 2013, would be published for opposition. (A-662, 664.) Following the usual course, the USPTO issued a Notice of Acceptance of Statement of Use on July 15, 2014 (A-665).

Before the registration cycle continued to completion, however, luxury fashion giant Louis Vuitton released a luxury men’s athletic shoe called the On the Road Sneaker (“OTR Sneaker”) that mimicked the LVL XIII Toe Plate, which it developed for its Men’s Spring/Summer 2014 fashion show in Paris in June of 2013 (CA-825-847, 909 *with* A-1192-1201, 1835). This lawsuit followed. (A-27.) After this litigation was underway and while settlement negotiations were in progress, however, and before Louis Vuitton responded to the Complaint, on July 18, 2014 the PTO unexpectedly issued a new Office Action in connection with the ‘102 Application. (A-665, 2276.) (the “Second Office Action”). The ‘102 Application remained in limbo during the course of this litigation.

Louis Vuitton’s use of a metal toe plate for its OTR Sneakers that is confusingly similar to the LVL XIII Toe Plate threatened LVL XIII’s exclusive rights to the signature identifier of its brand (A-2358-61, 2367, 2371, 2377, 2386-

88), and deprived LVL XIII of the full benefit of the reward to which it is entitled, both for the creativity it represented and the power that originality had to accrete through phenomenal grass-roots brand awareness around LVL XIII's line of athletic shoes in a remarkably short time. (A-664-65.) The unrebutted evidence shows that, by adopting a rectangular metallic toe plate on luxury men's athletic wear that is confusingly similar to LVL XIII's Toe Plate—a distinctive brand identifier—Louis Vuitton confused customers and even industry professionals as to the source, sponsorship, affiliation or approval of its OTR Sneaker. (SPA-172.) The result was that LVL XIII lost control over a key component of the brand identity it had built up in its line of luxury athletic shoes, eroding not only consumer association of the LVL XIII Metal Toe Plate as the signature of the LVL XIII brand, but affirmatively leading to cancelled sales from important retailers once word got out that LVL XIII was seeking to vindicate its rights. (CA-984; A-2995, 4200.)

The district court acknowledged the uncontradicted testimony regarding LVL XIII's development of the LVL XIII Toe Plate and the fact that LVL XIII had priority of use of any design like it as a brand identifier. (SPA-99.) The court conceded that the evidence showed the LVL XIII Toe Plate achieving recognition among consumers and celebrities. (SPA-98.) And it discussed over a dozen incidents of actual confusion at the consumer and trade levels. The district court,

however, improperly weighed this evidence on summary judgment. Weighing the evidence on issues such as the significance and quality of the reports of actual confusion, the assumed bias of affiants and the significance of Louis Vuitton's (challenged) expert report, the district court produced an exquisitely detailed, though inconsistent and error-strewn, Opinion concluding that this evidence was insufficient as a matter of law.

The district court's analysis appears, on a superficial reading, carefully granular with respect to its treatment of the facts. On closer inspection, however, it becomes clear that the district court overstepped its role by weighing the facts set forth in an extensive evidentiary record. Moreover, the district court repeatedly misstated, misapplied and even invented, without either analytical justification or reference to *bona fide* authority, key principles of trade dress law, one of the most controversial and dynamic aspects of Lanham Act jurisprudence today, especially in this Circuit. Left uncorrected, the district court's erroneous characterizations of the substantive and evidentiary standards for establishing at least a right to go to trial for trade dress claims under the Lanham Act will wreak havoc on this developing area of law and result in legally incorrect and unjust outcomes that this Court will eventually have to address.

The Court should take this opportunity to avoid injustice in this case, now, in order to forestall a raft of inevitably incorrect judicial results based on the legal

errors made by the district court. Accordingly, the district court's decision should be reversed, a permanent injunction should be entered in favor of LVL XIII enforcing its LVL XIII Toe Plate mark, and damages in the stipulated amount of at least \$764,000 should be entered in favor of LVL XIII. (CA-802; A-529, 667.)

STATEMENT OF FACTS

The district court summarized many key factual and procedural points in its Opinion, from which most of the following is taken from their original sources as identified in the record and relied upon in the Opinion.

1. LVL XIII and its Toe Plate Sneaker Collection.

a. The Launch of LVL XIII's Toe Plate Sneaker Collection

LVL XIII is a New York start-up company founded by African American Antonio Brown who was looking to introduce a line of luxury athletic footwear. (A-661-62, 664, 2427, 3088). Brown long had the goal of starting a luxury footwear company; in the mid-2000s, he began to collect images of shoes as a hobby. (CA-975.) In summer 2012, Brown began soliciting capital contributions from friends and family, and recruiting artists and graphic designers, to help bring his visions to life. (CA-976.) The designs that would serve as the basis for LVL XIII's first sneaker collection were developed in September and October 2012⁴.

⁴ The Opinion erroneously states "[t]he designs that would serve as the basis for LVL XIII's first sneaker collection were developed in September and October 2013." (SPA-97.) However, the designs were developed a year earlier. (CA-820, 824-827 (designs evidencing date of "9/12"), 976.)

(CA-976.) Sometime thereafter, they were submitted to a factory in Hong Kong to be made into samples. (CA-976.) Each design featured the LVL XIII Toe Plate—a rectangular metal toe plate with a “L-V-L-X-I-I-I” inscription secured to the front outsole of the sneaker by metal screws. (CA-841-847.) Brown testified that he wanted the LVL XIII Toe Plate to “distinguish [his] brand from the market”—to be something that could “identify [his] shoe design from the rest of the shoes,” i.e., a brand. (A-2986.)

In December 2012, LVL XIII was incorporated in New York. (A-662.) By March 2013, it began preparing a formal business plan with the help of a third-party vendor. (CA-976.) The business plan was completed and distributed to investors sometime after November 2013. (CA-976.) It states that “LVL XIII believes its typical consumer will be an affluent male between the ages of 17 and 35 years of age who appreciates luxury goods and typically shops for designer labels.” (A-662.) In January 2013, LVL XIII hired Lamont Johnson, an African-American marketing specialist in Atlanta, to serve as its publicist. (A-1862, 2994.) Brown testified that because LVL XIII was operating on a “shoestring budget,” he and Johnson knew it would be hard to obtain formal ad placements in major publications. (A-2995.) Accordingly, he testified, the two men “creatively came together. . . [and devised] creative ways to submit the brand for press and

publicity[,] like ceding shoes to celebrities and . . . editors . . . [to] garner[] interest.” (A-2995.)

The record shows that they achieved some considerable success, “placing” LVL XIII footwear and drawing attention to the LVL XIII Toe Plate on the feet of a number of African-American celebrities and in fashion media publications published by and focused predominantly on African-American men. One of those celebrities was pop star Jason Derulo, who, on July 19, 2013, performed on *Good Morning America* wearing LVL XIII sneakers. (CA-977.) Darius Baptist, Derulo’s stylist, attested that, in spring 2013, after learning about Brown and LVL XIII through online media “buzz,” he approached Brown to obtain shoes for Derulo’s performance. (A-3250-53.)

Another celebrity who helped raise the profile of LVL XIII sneakers was African-American pop star Chris Brown, who, in September 2013, wore a pair of LVL XIII sneakers during a photo shoot for *Annex Man* Magazine. (CA-978; A-3078.) There was undisputed testimony that Chris Brown’s stylist reached out to LVL XIII. (A-1881.) After the photo shoot, a photo of Chris Brown wearing LVL XIII sneakers was posted on the “Chris B. Fashion” Tumblr page—a fan page dedicated to tracking clothes worn by Brown. (CA-978, 982-83.) According to Brown and Johnson, LVL XIII sneakers were also publicly worn by Kroy Biermann, Jim Jones, DeRay Davis, and Chris Rock. (SPA-98; CA-978.)

In the months that followed, Antonio Brown and LVL XIII were featured in a handful of online magazines including *Details*, *Ebony*, *Paper*, and *Footwear News*. (CA-977-78.) The majority of the brand's media coverage, however, was on social media platforms and online blogs. Brown began posting images of LVL XIII sneakers on his Instagram account in April of 2013, which, by then, had 50,000 followers. (SPA-99; CA-682-84, 978.) In June 2013, LVL XIII posted its first Instagram. (CA-682; A-1918.) Brown testified that social media has been a cornerstone of LVL XIII's brand development. (CA-682-83, 978.) LVL XIII estimates that, in 2013, it spent a total of approximately \$82,000 in connection with marketing, advertising, and promotion. (A-665.) Of that, approximately \$15,000 was spent on the New York launch party, approximately \$10,000 on the Project Sole Trade Show, approximately \$10,000 on the Magic Show, and approximately \$30,000 on monthly payments to LVL XIII's publicist. (CA-949, 982; A-2994-95.)

In November 2013, LVL XIII's first sneaker collection became available for purchase at retail. (CA-965.) LVL XIII produced 1,000 pairs of sneakers for its first collection, each of which featured the LVL XIII Toe Plate. (CA-981; A-664.) The sneakers were sold at prices between \$495 and \$1,200, with most priced between \$495 and \$595. (CA-947.) Between November 2013 and March 2014, they were sold in at least ten locations, all of which have significant African

American populations, including Houston, Texas; Atlanta, Georgia; Los Angeles, California; Harvey, Illinois; Chicago, Illinois; Miami, Florida; and Washington D.C.(CA-965-66.) They were also sold through the Carbon Bazaar website, which catered to African American online shoppers. (CA-967-68; A-2318-42.) LVL XIII estimates that it sold approximately 500 pairs of sneakers from its first collection. (A-664.) The remaining 500 pairs were returned to LVL XIII to be donated. (A-664.) In total, LVL XIII achieved \$141, 241 in product sales in 2013. (A-665.)

b. LVL XIII's Efforts to Obtain Trademark Protection for its Marks

In March 2013, LVL XIII filed two trademark registration applications with the U.S. Patent and Trademark Office (“PTO”). (A-662.) The first (the “370 Application”), filed on March 4, was for the word mark “LVL XIII.” (A-662.) The second (the “102 Application”), filed on March 6, sought registration for a “shoe toe design featuring a rectangular metal plate across the front of the shoe toe with the wording LVL XIII engraved in the metal plate, and four small screws in the corners of the metal plate.” (A-662, 2248). On June 24, 2013, the PTO issued a non-final Office Action as to the ‘102 Application, requiring LVL XIII to submit a new drawing showing the screws in dotted lines, “as they cannot be part of the mark.” (CA-935-36.) The next day, LVL XIII submitted a revised application in accordance with the PTO’s directive. (CA-936.) LVL XIII later amended the ‘102 Application to include two screws rather than four. (CA-937.) On July 10 and

August 7, 2013, respectively, the PTO issued a Notice of Publication for the ‘370 and ‘102 Applications. (A-664.) On September 24 and October 22, 2013, respectively, it issued a Notice of Allowance for each application. (A-664.) On March 24 and April 7, 2014, respectively, LVL XIII submitted a Statement of Use in connection with each application. (A-665.) Each stated that LVL XIII had first used the claimed mark in commerce “at least as early as August 1, 2013.” (A-665.)

On May 27, 2014, the PTO issued a Registration Certificate for the ‘370 Application. (A-665.) On July 18, 2014—two weeks after the initiation of this lawsuit, as it happens—the PTO took the unusual step of issuing a post-allowance Office Action for the ‘102 Application, stating for the first time that a “product design can never be inherently distinctive as a matter of law [because] consumers are aware that such designs are intended to render the goods more useful or appealing rather than [to] identify their source.” (A-665-66.) Accordingly, it directed LVL XIII to “disclaim[] . . . the rectangular shape of the shoe toe plate . . . because it is a configuration of a feature of the shoe design.” (A-666.) It warned that if LVL XIII did not do so, the PTO “may refuse to register the entire mark.” (A-666.) Subsequently, the PTO, at LVL XIII’s request, suspended the ‘102 Application, pending the outcome of this lawsuit. (A-666.)

2. Louis Vuitton.

Louis Vuitton Malletier S.A. is a French company, founded in Paris in 1854. (A-662, 3676-77.) It manufactures, sells, and distributes luxury merchandise, including handbags, luggage, apparel, shoes, watches, jewelry, and other fashion accessories. (A-662.) Louis Vuitton North America, Inc. is a Delaware corporation that markets and distributes Louis Vuitton merchandise in the U.S. (A-661.)

a. The OTR Sneaker

LVL XIII's claims arise from Louis Vuitton's use of a metal toe plate on its OTR Sneakers. (A-27-45.) The sneakers were designed and developed in June 2013, in the weeks leading up to Louis Vuitton's Men's Spring/Summer 2014 fashion show (the "Fashion Show"), which took place in Paris on June 27, 2013. (A-1835.) Fabrizio Viti, the Style Director for Louis Vuitton's footwear division, oversaw the design process. (A-1810, 1814.)

Louis Vuitton's OTR Sneaker was reviewed at a model fitting on June 22, 2013. (CA-927.) The design featured a plain metal toe plate in the shape of an isosceles trapezoid with rounded edges inset into the rubber shoe toe. (CA-927-28.) The design also featured a rectangular metal heel plate. (A-3681.) On June 27, 2013, the OTR Sneaker was publicly debuted on the runway at the Fashion Show. (CA-930.) In the ensuing months, it was pictured in several print and online publications in the U.S. (CA-930-31.) On March 4, 2014, it became available for

purchase by U.S. customers exclusively through Louis Vuitton's stores and website. (CA-932.) It was available in four basic styles, which ranged in price from \$830 to \$1,790. (CA-928, 932.) Between March 4 and September 13, 2014, Louis Vuitton sold 714 pairs of the OTR Sneaker in the U.S., generating \$764,000 in revenue. (CA-933; A-667.)

3. LVL XIII's Discovery of the OTR Sneaker, Confusion, and Aftermath.

Brown first learned about the OTR Sneaker in March 2014, when celebrity stylist Shaundell Hall, a professional in the fashion industry, called him to ask whether LVL XIII was collaborating with Louis Vuitton. (A-1883-84, 3240-41.) Hall attested that, upon first seeing the OTR Sneaker, he, recognizing what he assumed was the LVL XIII Toe Plate and assumed there had been a collaboration between the two brands based on the similarities between the them. (A-3241.) Hall is one of six individuals who submitted affidavits stating that they experienced the same confusion. (CA-973; A-3233-35, 3237-3238, 3241-42, 3244-3245, 3247-3248, 3250-3254.)

Brown also testified that, shortly after his communication with Hall, LVL XIII began receiving "Instagram questions about whether or not [] the [OTR Sneaker] was LVL XIII." (A-1884.) Two Instagram posts in the record evince such confusion. (A-2738-43.) One features a photo of the OTR Sneaker and a user comment inquiring whether it was produced by LVL XIII. (A-2738-39.) The other

features a photo of the OTR Sneaker, tagged, inaccurately, “New #LVL XIII shoe.” (A-2738-39.) LVL XIII also produced three text messages to similar effect. In total, LVL XIII produced evidence from twelve individuals, none of whom was an employee of LVL XIII, who testified that when they encountered the OTR Sneaker they were confused as to whether LVL XIII had collaborated with Louis Vuitton. (CA-973-74.)

Not long after, LVL XIII removed its sneakers from the market—thereby stalling its brand development and its ability to raise funds to continue design, manufacture and promotion of its products—because at least one retailer had refused to carry LVL XIII’s shoes due to concerns about how the claim of rights would be resolved by this lawsuit, which was filed when LVL XIII was expecting the imminent issuance of the registration of its trademark for the LVL XIII Toe Plate. (A-1895, 2879, 3660.)

SUMMARY OF THE ARGUMENT

The evidence showed that LVL XIII’s unique LVL XIII Toe Plate mark has achieved sufficient consumer recognition, acting as a recognizable metallic label across an entire line of shoes, to at least raise fact questions on the issues of secondary meaning and a likelihood of confusion. The lower court’s ruling that the LVL XIII Toe Plate is nonetheless not entitled to protection as a mark because it is neither inherently distinctive nor acquired distinctiveness was based on errors

of law that disregarded fundamental guidance from this Circuit as well as the United States Supreme Court concerning both substantive trademark law and the standard for summary judgment.

The record evidence shows that by placing a rectangular metal plate on the outsole or “toe” of its high-end men’s sneakers, LVL XIII established a strong brand identifier within that narrow category of merchandise. The district court’s summary judgment in favor of Louis Vuitton and its concomitant denial of LVL XIII’s cross-motion improperly weighed substantive evidence, both in the form of direct testimony and in the nature of proof concerning social media awareness of the brand, that at least raised a fact question concerning recognition by the relevant group of consumers of that category of goods. Moreover, the district court’s likelihood of confusion analysis ran entirely afoul of the anti-dissection rule, overstating posited differences and understating obvious similarities between the marks, and ignoring the fundamental principle that the standard for infringement under the Lanham Act is a likelihood of confusion, not feature-by-feature identity.

In reaching its decision, the district court also improperly gave undue weight to Louis Vuitton’s survey expert. On the one hand the court denied LVL XIII’s raft of objections to the admissibility of his report based on fundamental flaws such as a wholly unrepresentative universe and the fact that the survey was taken nearly a year after Louis Vuitton’s conduct caused the LVL XIII product to be withdrawn

from the market, finding that these flaws went only to the report's weight. (SPA-29, 34-35.) On the other hand, the district court, improperly acting as a fact finder, then went on to assign the report sufficient weight to make its conclusions one of the basis of its ultimate ruling, which was error. (SPA-148-49.)

ARGUMENT

I. STANDARD OF REVIEW

This Court reviews a lower court's "grant of summary judgment *de novo*, construing the evidence in the light most favorable to the non-moving party and drawing all reasonable inferences in its favor." *Cross Commerce Media, Inc. v. Collective, Inc.*, 841 F.3d 155, 162 (2d Cir. 2016). Such a judgment will be affirmed only if there is "no genuine dispute" as to any material fact and the movant is entitled to judgment as a matter of law, per Fed. R. Civ. P. 56(a). "An issue of fact is genuine and material if the evidence is such that a reasonable jury could return a verdict for the nonmoving party." *Id.*

"A district court's findings that a mark is not protectable as inherently distinctive is a finding of fact that [this Court] generally review[s] for clear error." *Star Indus. v. Bacardi & Co.*, 412 F.3d 373, 382 (2d Cir. 2005). Where, however, the district court is found to have "based its findings upon a mistaken impression of applicable legal principles" the Court is "not bound by the clearly erroneous

standard.” *Id.*, at 382-83 (quoting *Inwood Laboratories, Inc. v. Ives Laboratories, Inc.*, 456 U.S. 844, 855 n. 15 (1982)).

II. THE DISTRICT COURT ERRED IN RULING THAT THE LVL XIII TOE PLATE COULD NOT BE INHERENTLY DISTINCTIVE AS A MATTER OF LAW.

“Trademarks, whether registered or unregistered, are grouped for purposes of analysis into four categories of increasing inherent distinctiveness: generic, descriptive, suggestive, and arbitrary or fanciful. . . . A trademark’s inherent distinctiveness is a fact-intensive issue, and one regarding which this Court ‘will substitute its own judgment . . . if the district court’s determination is clearly erroneous.’” *Cross Commerce*, 841 F.3d at 162 (quoting *Bristol-Myers Squibb Co. v. McNeil-P.P.C., Inc.*, 973 F.2d 1033, 1040 (2d Cir. 1992)). A court considering a claim of trademark infringement, whether based on a registered mark or otherwise, “looks first to whether the plaintiff’s mark is entitled to protection, and second to whether defendant’s use of the mark is likely to cause consumers confusion as to the origin or sponsorship of the defendant’s goods.” *Virgin Enters. Ltd. v. Nawab*, 335 F.3d 141, 146 (2d Cir. 2003). “The first of these questions relates closely to the second, because a trademark’s distinctiveness—the key consideration in assessing its protectability—is also a factor in determining the likelihood of confusion.” *Playtex Prods., Inc. v. Georgia-Pacific Corp.*, 390 F.3d 158, 161 (2d Cir. 2004).

An unregistered mark is entitled to protection under the Lanham Act if it would qualify for registration as a trademark. *See Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 767-68 (1992). To be protectable it must be sufficiently distinctive, either through acquired distinctiveness or inherent distinctiveness, to distinguish the plaintiff's goods from those of others. *See id.* at 769. This same maxim applies equally to trade dress. "If trade dress satisfies the federal standards of trademark or service mark protection as identifying and distinguishing a product or service, then it is registerable." 1 J. Thomas McCarthy, *McCarthy on Trademarks & Unfair Comp.* ("McCarthy") § 8:7 (4th ed. 2012); Trademark Manual of Examining Procedure⁵ ("T.M.E.P.") § 1202.02 ("Trade dress constitutes a 'symbol' or 'device' with the meaning of § 2 of the Trademark Act.")

A mark "is inherently distinctive if [its] intrinsic nature serves to identify a particular source." *Wal-Mart Stores, Inc. v. Samara Bros., Inc.*, 529 U.S. 205, 210-11 (2000), citing *Abercrombie & Fitch v. Hunting World, Inc.*, 537 F.2d 4, 10-11 (2d Cir. 1976). Courts have long applied the now-classic trademark spectrum in which marks that are "'arbitrary' ('Camel' cigarettes), 'fanciful' ('Kodak' film), or 'suggestive' ('Tide' laundry detergent) are held to be inherently distinctive." *Id.* Such "inherently distinctive" marks are entitled to protection under the Lanham Act without demonstrating secondary meaning. *See Two Pesos*, 505 U.S. at 768.

⁵ Trademark Manual of Examining Procedure (Jan., 2017 ed.), available at <https://tmep.uspto.gov/RDMS/TMEP/Oct2016#/current/d1e2.html> (last visited Feb. 27, 2017).

The *Abercrombie* continuum of distinctiveness, formulated in the context of word marks, also applies to trade dress as a matter of law in this Circuit. *See Paddington Corp. v. Attiki Imps. & Distribs.*, 996 F.2d 577, 583 (2d Cir. 1993).

A key question here is whether the LVL XIII Toe Plate qualifies not as product packaging, i.e., essentially a durable, highly visible metallic label, as LVL XIII urges, but instead, as Louis Vuitton argued, “product design.” In *Samara Bros.* the Supreme Court established the rule that product design can never be inherently distinctive, and thus cannot be protected absent a showing of secondary meaning. *See Samara Bros.*, 529 U.S. at 216. By accepting Louis Vuitton’s insistence that the LVL XIII Toe Plate, despite being used across the entire line of its men’s luxury athletic shoes, was product design, the district court erred in its legal analysis. It compounded this error by then finding, after sifting through mounds of evidence and finding myriad reasons to discount it, that “LVL XIII has not offered any admissible evidence to support its claim that the [LVL XIII Toe Plate] falls within either of these categories.” (SPA-139.)

In fact, the question of “admissible evidence” is not the issue at all on the question of inherent distinctiveness—all the material facts concerning the LVL XIII Toe Plate, including its shape, appearance, placement and consistent use by LVL XIII across its original line of luxury men’s footwear—are **undisputed**; the district court simply applied, and even innovated, palpably incorrect legal

standards to the facts to reach the result it did. As to secondary meaning, the district court's reckoning of that evidence was transparently not an analysis of admissibility, with which it hardly grappled, but rather an extended, detailed but still inappropriate judicial exercise in evidence-weighting. (SPA-94-200.)

The district court did not find that the LVL XIII Toe Plate is “mere ornamentation,”⁶ and it is certainly clear that as a matter of basic trademark law, the fact that the LVL XIII Toe Plate imparts a “look” to its line of sneakers does not prevent it from functioning as a trademark. The aesthetic nature of a trademark is not inconsistent with its ability to serve as a source identifier. *See In re Swift & Co.*, 223 F.2d 950, 953-954 (C.C.P.A. 1955). A design that has ornamental qualities can be inherently distinctive if, like the LVL XIII Toe Plate, it is arbitrary and distinctive and, like the LVL XIII Toe Plate, its principal function is to identify and distinguish the source of the goods to which it is applied. *See id.*; *see also, Dallas Cowboys Cheerleaders, Inc. v. Pussycat Cinema, Ltd.*, 604 F.2d 200, 204 (2d Cir. 1979) (“the combination of the white boots, white shorts, blue blouse, and

⁶ The use of the word “ornamental” here and in *In re Swift* 223 F.2d 950, (C.C.P.A. 1955) is to be distinguished from “mere ornamentation,” meaning no indication of source can be found as a matter of law. *See* Restatement (Third) of Unfair Competition § 13 cmt. d, at 107 (1995) (“The manner in which a symbol or design is used is also relevant to the likelihood that it will be perceived as an indication of source. In some instances a design is likely to be viewed as mere ornamentation rather than as a symbol of identification.”); 1 *McCarthy* § 3.3 (“Usually, if when viewed in context, it is not immediately obvious that a certain designation is being used as an indication of origin, then it probably is not. In that case, it is not a trademark.”). The evidence cited by the district court that others have made sporadic and inconsistent use of a variety of metallic details on the outsole of boots or men’s and women’s dress shoes (SPA-158) describes just such ornamental use, which is irrelevant to the trademark inquiry.

white star-studded vest and belt is an arbitrary design which makes the [Cowboys' cheerleaders'] uniform trademarkable.”).

A persuasive analogy to LVL XIII's inherent distinctiveness claim, and one the district court completely refused to engage, much less distinguish, comes from the line of cases typified by *Polo Fashions, Inc. v. B. Boman & Co.*, Case No. 84-cv-4870 (CBM), 1986 U.S. Dist. LEXIS 27347 (S.D.N.Y. Mar. 31, 1986). In that case, the Southern District held that the iconic “Polo player logo” utilized by Polo Fashions, Inc. (“Polo”), the renowned manufacturer of clothing and fashion accessories designed by Ralph Lauren, was “arbitrary and fanciful” and served to “identify a line of clothing from a particular designer.” *Id.*, at *7. *See also, Gucci Am., Inc. v. Action Activewear, Inc.*, 759 F. Supp. 1060, 1064 (S.D.N.Y. 1991) (brand-signaling devices such as Gucci's “GG” symbol, green and red stripes, and a heraldic crest and the Polo polo player on a horse “are clearly fanciful rather than descriptive or suggestive of the goods so marked” and “constitute ‘strong’ trademarks, which are accorded the broadest protection against infringement,” citing, *Lois Sportswear, U.S.A., Inc. v. Levi Strauss & Co.*, 799 F.2d 867, 871 (2d Cir. 1986)).

The court below made no effort to address this line of cases. Instead, it leapt over them to at once quote the Supreme Court's guidance in *Samara Bros.* to the effect that “[t]o the extent there are close cases, we believe that courts should err

on the side of caution and classify ambiguous trade dress as product design, thereby requiring secondary meaning,” 529 U.S. at 215 and then to conclude, in the face of obviously contrary evidence, that “[t]his is not a close case. Even a cursory examination of the [LVL XIII Toe Plate] discloses that it does not qualify as a trademark or product packaging.” (SPA-138.) To reach this conclusion, the district court not only eschewed any acknowledgment of cases such as *Polo* and *Gucci*, but disregarded virtually the whole of this Circuit’s jurisprudence on trade dress in favor of a new legal rule unheard of in this or any federal court and which has the potential to wreak havoc on this entire body of law. The LVL III Toe Plate could not be a trademark, the district court held, because “the trademark designation is virtually always applied to two-dimensional words or symbols—not three-dimensional configurations like a metal toe plate.” (SPA-138.) The district court based this assertion, on which it determined LVL XIII’s claims not to merit survival as a matter of law, based on “evaluation of the record photographs of the [LVL XIII Toe Plate] . . . and on the inherent dimensions of such a ‘metal plate.’” (SPA-138.) The Opinion does not, however, explicate what three-dimensional features the court saw in the photographs or what is meant by “inherent dimensions.” (SPA-138.)

This was plain error, and particularly hard to square with the district court’s own detailed consideration of the defendants’ ultimately unsuccessful

counterclaims in which it acknowledged that inherent distinctiveness in product packaging can include a packaging element's "depth," citing *Star Indus.*, 412 F.3d at 383 for the proposition that a "stylized version of the letter 'O' was inherently distinctive because of its shading, border, and **thickness**" (SPA-186; emphasis added.)

In fact, logos, emblems or similar devices affixed to clothing or other three-dimensional goods will often have a trivial amount of "depth" if they are embroidered, sewn onto clothing as patches or if they are otherwise prepared separately from the garments to which they are affixed. Here, the LVL XIII Toe Plate is at best as thick as the simulated projection of the "O" in *Star Indus.* Notwithstanding the district court's vague reference to "evaluation" of the LVL XIII Toe Plate, its description of the LVL XIII Toe Plate as a "three-dimensional configuration" is unsupported by the record. (SPA-13-16.) In fact, as it obvious from the myriad drawings and photographs of the LVL XIII Toe Plate in the record, it projects no further from the sole of the shoe than whatever sliver of the metal's thickness is not "absorbed" into the two millimeter indentation in the sole designed to accommodate and secure it. (CA-845-46.) The district court cites no dimensions or other facts demonstrating that the LVL XIII Toe Plate has three dimensions because it has only the most trivial quality of depth, differing from

embroidered logos such as those found protectable in *Polo* and *Gucci* only because it is metal—a difference that has no legal significance.⁷

In any event, the almost metaphysical question of whether the LVL XIII Toe Plate is two- or three-dimensional obscures a profound legal error. The district court not only disregarded the legal analysis, citing to *Star Indus.*, it utilized in considering the counterclaim: It went 180 degrees in the opposite direction, buttressing its conclusion by asserting a rule which states that the existence of any “third dimension” in a configuration of design features “virtually always” results in a finding that there is no trademark. (SPA-138.) But while the district court relied on this “rule” as outcome-determinative, it could not cite a single precedent where that criterion determined an outcome. Instead, it cited an unpublished Federal Circuit opinion, *Decorations for Generations, Inc. v. Home Depot USA, Inc.*, 128 F. App’x 133, 136 (Fed. Cir. 2005)—a decision designated as “nonprecedential” under the Rules of the Federal Circuit, decided under Ninth Circuit law and which does not say anything of the sort. (SPA-138.) While the district court cited *Decorations for Generations* as holding that “the trademark designation is **virtually always** applied to two-dimensional words or symbols—**not** three-dimensional configurations” (SPA-138; emphasis added), what the decision

⁷ Indeed, if there were any legal meaning to a label being metallic rather than composed of embroidered thread, metallic versions of Polo’s man-on-a-polo-pony logo would not be trade dress.

actually says is decidedly more equivocal: “while a two-dimensional symbol or drawing **may** be considered a trademark, three-dimensional product designs or packaging **may, under the right circumstances,** be considered trade dress.” 128 F. App’x at 136 (emphasis added). No authority is cited by the Federal Circuit for even this tepid suggestion. *See id.*

The district court’s refusal here to even consider if these are “the right circumstances” but instead to enunciate a new and legally baseless bright-line rule was error. Courts do not use a quick-and-dirty “dimensions” formula to ascertain whether a trademark claim should be analyzed as a product configuration. *See, e.g., Schutte Bagclosures, Inc. v. Kwik Lok Corp.*, Case No. 12-cv-5541 (JGK), 2016 U.S. Dist. LEXIS 77872, at *29 (S.D.N.Y. June 14, 2016), where the trade dress claim described “a square or slightly rectangular three dimensional configuration of the perimeter of a plastic closure that includes chamfers or beveled portions on each corner and a beveled triangular slot opening at the top of the closure.” There the court painstakingly analyzed whether the closure in question was functional (an issue not relevant here) before finding that it was and denying the claim. *See id.* at *43. But at no point is the suggestion made that three-dimensionality was either outcome-determinative or even a relevant consideration.

Similarly, in *Elements/Jill Schwartz, Inc. v. Gloriosa Co.*, Case No. 01-cv-904 (DLC), 2002 U.S. Dist. LEXIS 12669 (S.D.N.Y. July 15, 2002), the trade

dress claim arose from a design of photo albums decorated with “two fabrics or papers and ribbons, [as well as] ornaments such as buttons, metal findings and other three-dimensional objects.” *Id.*, at *7. The court ultimately rejected the claim because the plaintiff had neither clearly articulated the parameters of the trade dress nor used what was described consistently (also not issues here). *See id.*, at *14-15. Three-dimensionality was not, however, a factor in the analysis. The district court’s holding here, by contrast, not only suggesting such a rule but insisting that it is “virtually always” outcome determinative, promises to work immeasurable harm in trade dress cases to come.

The district court’s other stated rationale for ruling that the LVL XIII Toe Plate is not inherently distinctive is that “product packaging is generally limited to ‘the appearance of labels, wrappers, boxes, envelopes, and other containers used in packaging a product as well as displays and other materials used in presenting the product to prospective purchasers.’” (SPA-138-39.) Besides disregarding that under the “logo” cases such as *Polo* and *Gucci* a distinctive device can act as trade dress even if it is integrated into a garment itself, the district court failed to even consider whether the LVL XIII Toe Plate could be considered either a “label” or “materials used in presenting the product to prospective purchasers” under Restatement (Third) of Unfair Competition § 16 cmt. a (1995), which the district itself cited. (SPA-138-39.)

This was also reversible error. In *Eliya, Inc. v. Kohl's Corp.*, Case No. 15-cv-2123 (JFB)(GRB), 2016 U.S. Dist. LEXIS 22085, at *9 (E.D.N.Y. Feb. 22, 2016), where the alleged trade dress violations concerned Eliya's shoe designs, the Eastern District summarized the state of the law, as follows:

Trade dress claims were originally limited to “packaging or ‘dressing’ of a product,” but has been expanded to encompass “the design of a product.” *Classic Touch Décor, Inc.*, 2015 U.S. Dist. LEXIS 144636, 2015 WL 6442394, at *3 (citing *Wal-Mart Stores, Inc. v. Samara Bros., Inc.*, 529 U.S. 205, 209 (2000)); see also *Sherwood 48 Assocs. v. Sony Corp. of Am.*, 76 F. App'x 389, 391 (2d Cir. 2003). Product packaging refers “to the manner in which a product was ‘dressed up’ to go to market with a label, package, display card, and similar packaging elements.” *Knitwaves, Inc. v. Lollytogs Ltd. (Inc.)*, 71 F.3d 996, 1005 (2d Cir. 1997) (citing *Jeffrey Milstein, Inc. v. Greger, Lawlor, Roth, Inc.*, 58 F.3d 27, 31 (2d Cir. 1995)). Product design is “the design and appearance of the product as well as that of the container and all elements making up the total visual image by which the product is presented to customers.”

Id. Entirely contrary to the district court here, the *Eliya* court concluded that trade dress claims need “not implicate the packaging of the products,” ultimately dismissing the claims on other grounds. See also, *Visual Impact Films Corp. v. Athalon Sportgear, Inc.*, Case No. 16-cv-355 (VB), 2016 U.S. Dist. LEXIS 149833, at *1 (S.D.N.Y. Oct. 27, 2016) (denying Fed. R. Civ. P. 12(b)(6) motion to dismiss claims for trade dress of infringement for “three-sided backpacks having unique features,” none of which constituted external “packaging” of the product itself).

For these reasons, the district court’s ruling that LVL XIII could not, as a matter of law, be inherently distinctive was erroneous and should be reversed.

III. THE DISTRICT COURT ERRED IN RULING THAT LVL XIII FAILED TO RAISE AN ISSUE OF TRIABLE FACT AS TO WHETHER THE LVL XIII TOE PLATE ACQUIRED DISTINCTIVENESS.

The district court also erred by making extensive, detailed but inappropriate factual determinations based on elaborate weighing of a significant body of evidence proffered by LVL XIII. “[T]he responsibility of the district judge on a motion for summary judgment is merely to determine whether there are issues to be tried, rather than to try the issues himself via affidavits.” *Am. Int’l Grp., Inc. v. London Am. Int’l Corp.*, 664 F.2d 348, 351 (2d Cir. 1981) (internal quotations and citations omitted). As regards acquired distinctiveness in particular, “[t]he careful weighing of evidence necessary to determining secondary meaning renders it an unlikely candidate for summary judgment.” *Coach Leatherware Co. v. AnnTaylor, Inc.*, 933 F.2d 162, 169 (2d Cir. 1991). The district court paid no heed to this teaching, offering its granular analysis of the evidence on summary judgment as “a feature, not a bug.” This was error.

As this Court explained in the landmark decision *Christian Louboutin S.A. v. Yves Saint Laurent Am. Holding, Inc.*, 696 F.3d 206 (2d Cir. 2012), a particular feature—such as, in *Louboutin*, a single-color mark, and in this case, a rectangular metal toe plate—used in the specific context of the fashion industry can serve as a

brand or source identifier if “it is used so consistently and prominently by a particular designer that it becomes a symbol, ‘the primary significance’ of which is ‘to identify the source of the product rather than the product itself.’” *Id.* at 226 (quoting, *Inwood Labs*, 456 U.S. at 851 n.11). Here there was ample evidence sufficient raise a question of triable fact regarding secondary meaning. The district court could not resist weighing it, and weighing in as a fact finder, but on summary judgment, this was improper.

Am. Int'l Grp., was, like this case, a Lanham Act claim. The Court reversed the district court’s finding on summary judgment, *inter alia*, that the plaintiff “failed to demonstrate” acquired distinctiveness, explaining, “[t]here was no burden on AIG to prove the merits of its claim at that time; it needed only to establish the existence of a material factual question.” 664 F.2d at 352. Reading the district court’s Opinion here, it is clear that at every juncture it placed just such an improper burden on LVL XIII. Similarly, in *DC Comics, Inc. v. Reel Fantasy, Inc.*, 696 F.2d 24 (2d Cir. 1982), in determining on summary judgment that a Lanham Act plaintiff “failed to establish a secondary meaning” in its alleged trademark, the district court was found to have “disregard[ed] well-known principles of summary judgment . . .” in part because it “ignored [the plaintiff’s] allegations and evidentiary submission which more than adequately raised the

possibility” of secondary meaning. *Id.* at 26. The district court made the same error here.

Among the evidence the district court disregarded was plaintiff’s submission of proof of actual confusion, which the court considered only in the context of whether there was a likelihood of confusion but which it should also have acknowledged for its significance—certainly to the level of raising a triable fact issue—on the question of secondary meaning. “Actual confusion ‘shows at least some amount of secondary meaning.’” *Grout Shield Distribs., LLC v. Elio E. Salvo, Inc.*, 824 F. Supp. 2d 389, 412 (E.D.N.Y. 2011) (quoting *New York State Elec. & Gas Corp. v. U.S. Gas & Elec., Inc.*, 697 F. Supp. 2d 415, 430 (W.D.N.Y. 2010) (collecting cases)) and citing *ERBE Elektromedizin GmbH v. Canady Tech. LLC*, 629 F.3d 1278, 1290 (Fed. Cir. 2010) (listing actual confusion as a factor in assessing secondary meaning). “The decision of how much weight . . . evidence [of actual confusion] should be given is the province of the fact finder, not the court on a motion for summary judgment.” *Thomas & Betts Corp. v. Panduit Corp.*, 138 F.3d 277, 297 (7th Cir. 1998), *overruled in part on other grounds by* *Traffix Devices v. Mktg. Displays*, 532 U.S. 23 (2001).

Here the district court weighed, characterized and passed on evidence extensively and without apology. It inaccurately trivialized it as “anecdotes” (SPA-172) and serially explained away each authenticated submission in which

third parties—comprised of fashion industry professionals, consumers and others—described actual confusion in an exercise that amounted to nothing less than improperly, and unfairly, weighing their probative value. (SPA-172-73.) For example, rather than acknowledging that the affidavits submitted by third parties who work as professionals in the fashion industry as to whether the LVL XIII had collaborated with Louis Vuitton raised a fact issue as to both confusion and secondary meaning, the district court breezily dismissed them, citing only *Nora Bevs., Inc. v. Perrier Grp. of Am., Inc.*, 269 F.3d 114, 124 (2d Cir. 2001) for the proposition such evidence is “not probative.” (SPA-172.) But while the exact nature of the inquiries in question in *Nora Bevs.* is not described, there is no suggestion in the decision that the they were made by actual experts in product design, marketing and retailing, as they were here. (SPA-172.) The district court confused its evaluation of the weight of this third-party testimony with whether it raised a triable fact issue as to confusion.

The district court nonetheless determined that “nine of the 12 purportedly confused persons . . . are not representative of the typical consumer” because they “had a pre-established personal or business relationship with Brown or LVL XIII.” (SPA-172.) Besides being factually erroneous, this formulation is a complete non-sequitur. There is no logical relationship between the court’s premise and its conclusion; the existence of a “pre-existing relationship” goes not to whether the

party is “representative” in terms of a class of consumer, but to bias. And, where a material quantum of evidence is submitted in admissible form, as it was by LVL XIII here, the question of how much to credit that evidence with respect to bias is for the fact-finder to decide, not the court on summary judgment. *See, e.g., Caliber Auto. Liquidators, Inc. v. Premier Chrysler, Jeep, Dodge, LLC*, 605 F.3d 931, 937 (11th Cir. 2010). (while “[c]onfusion of persons casually acquainted with a business carry little weight. . . . [plaintiff] has proffered competent summary judgment evidence of actual confusion of the car dealerships, the relevant purchasing population. Here, the people confused are precisely those whose confusion is most significant”); *Star Fin. Servs. v. Aastar Mortg. Corp.*, 89 F.3d 5, 10-11 (1st Cir. 1996) (challenges to weight of actual confusion evidence on the ground that it came from “biased” employees “properly belong before the fact finder”); *Flowers Bakeries Brands, Inc. v. Interstate Bakeries Corp.*, Case No. 1:08-cv-2376 (TWT), 2010 U.S. Dist. LEXIS 66061, at *23 (N.D. Ga. June 30, 2010) (possible bias by sources of actual confusion claims “affects the weight of the Plaintiff’s evidence and should be resolved by a fact-finder”).

The court also relied improperly on survey evidence offered by Louis Vuitton as grounds for its conclusion that there was no triable issue of fact concerning secondary meaning in the LVL XIII Toe Plate. (SPA-148.) It did this even though serious questions as to that survey’s methodology raised by LVL XIII

(addressed *infra*) were, in the court’s oral bench ruling, deemed to go to the weight, and not the validity of the survey. (SPA-23, 33-34.) As the court explained in *Clicks Billiards, Inc. v. Sixshooters Inc.*, 251 F.3d 1252 (9th Cir. 2001):

Treatment of surveys is a two-step process. First, is the survey admissible? That is, is there a proper foundation for admissibility, and is it relevant and conducted according to accepted principles? See This threshold question may be determined by the judge. Once the survey is admitted, however, follow-on issues of methodology, survey design, reliability, the experience and reputation of the expert, critique of conclusions, and the like go to the weight of the survey rather than its admissibility. These are issues for a jury or, in a bench trial, the judge.

Id. at 1263 (citations omitted). Denying a challenge to the survey’s admissibility by holding that its flaws went to the survey’s weight, and then relying on that same survey as grounds to grant summary judgment—i.e., according it weight as a matter of law—was error.

Finally, the district court erred in failing to acknowledge that LVL XIII’s proof of extensive social media impact raised at least a question of material fact about LVL XIII Toe Plate’s secondary meaning. While stating in a footnote that LVL XIII produced evidence of “only 12 social media posts, none of which appear to depict sneakers from LVL XIII’s original sneaker line, much less call attention to the TP affixed to those sneakers as an indicator of source” (SPA-146), the court also acknowledged that “[i]n addition to reaching out to celebrities, LVL XIII leveraged its social media presence to garner free publicity. In April 2013, Brown

began posting images of LVL XIII sneakers on his personal Instagram account, which, by then, had 50,000 followers.” (SPA-99.)

The district court’s failure to acknowledge that this evidence raised a fact question as to secondary meaning was also error. “[C]ommentators have noted that social media can be one of the best indicators of secondary meaning . . . [and that] that analysis of social media is no more inherently unreliable than other methods that summarize consumers’ impressions. . . .” *YETI Coolers, LLC v. RTIC Coolers, LLC*, Case No. A-15-cv-597 (RP), 2017 U.S. Dist. LEXIS 11957, at *10 n.3 (W.D. Tex. Jan. 27, 2017); *see also, Heritage of Pride, Inc. v. Matinee N.Y. City*, Case No. 14-cv-4165 (CM), 2014 U.S. Dist. LEXIS 86495, at *50 (S.D.N.Y. June 20, 2014) (“Heritage can also boast [of] a large following among the public: the organization’s website had over 419,000 unique visitors in June 2011; its Facebook page has over 51,000 ‘likes’ . . . ; and its Twitter account has over 13,000 followers.”). And, of course, “[a]ny arguments about the reliability of these sources can be addressed by cross-examination.” *YETI Coolers*, 2017 U.S. Dist. LEXIS 11957, at *10 n.3. Here the district court just ignored this evidence. (SPA-99.) For this reason and the others set forth above, the lower court’s finding that LVL XIII did not even raise a question of triable fact despite proof of actual confusion; based on its reliance on a survey whose validity was challenged; and despite evidence of significant social media evidence was error.

IV. THE DISTRICT COURT ERRED IN RULING THAT LVL XIII COULD NOT PROVE A LIKELIHOOD OF CONFUSION AS A MATTER OF LAW.

The district court not only improperly weighed, or disregarded, secondary meaning evidence. It also gave undue weight to evidence that tended to disprove confusion, ruling that even if secondary meaning had been proved, there was no likelihood of confusion as a matter of law. It reached this conclusion in part by a comparison of the two products in a way that bestowed improper significance on supposed distinctions between the two metal plates despite their obvious visual similarity when properly viewed as a whole. (SPA-166-167.) But as this Court held in *Louis Vuitton Malletier v. Dooney & Bourke, Inc.*, 454 F.3d 108, 117 (2d Cir. 2006), “Utilizing a side-by-side comparison can be a useful heuristic means of investigating similarities and differences in respective designs, so long as a court maintains a focus on the ultimate issue of the likelihood of consumer confusion.” *Id.* at 117.

Disregarding this Court’s warning not to engage in overemphasized side-by-side comparison.” *id.*, the district court honed in and exaggerated almost microscopic distinctions, or used elaborate turns of phrase to make minor differences seem legally significant. Thus, it described LVL XIII’s Toe Plate as “rectangular, with sharp 90-degree edges,” while Louis Vuitton’s was “trapezoid, with soft rounded edges.” (SPA-166-167.) But a rectangle **is** a trapezoid with 90-

degree angles; the only difference between these two rectangles is rounded edges. Even Fabrizio Viti, Louis Vuitton's creative director of men's footwear and designer of the OTR Sneakers, acknowledged in his deposition that Louis Vuitton redesigned its toe plate to be more "rectangular" in shape. (CA-787, 927-928.)

Indeed, the district court's statement that "[t]here are virtually no points of commonality between the parties' toe plates" is incomprehensible to anyone looking at them—even "side by side." (SPA-166.) The Opinion simply disregards the undisputed facts that:

- both toe plates are located at the same position of the shoe;
- both toe plates are made of metal;
- both toe plates have approximately the same ratios of length and width—i.e., they are essentially shaped the same, rounded edges or not;
- all told, when viewed in their commercial context, the two plates look substantially similar; and
- both toe plates are utilized in the same unique and esoteric niche of men's luxury athletic footwear;

(CA-825-847, 909 *with* A-1192-1201, 1835.) The triviality of the distinctions relied on by the district court makes them at least fact questions, if not entirely irrelevant as a matter of law, on the question of likelihood of confusion. "Courts

should keep in mind that in this context the law requires only confusing similarity, not identity.” *Dooney & Bourke*, 454 F.3d at 117. The district court did not keep this in mind, violating the axiom that “[i]n comparing marks or trade dress, basic similarities generally outweigh peripheral differences, especially when . . . the goods are the same and packaged in the same manner.” Richard L. Kirkpatrick, *Likelihood of Confusion in Trademark Law* § 4.6 at 4-28 (2d ed., 2013).

Besides disregarding the obvious commonalities between the two toe plates, set out above and in the evidence of actual confusion, which also raises at least an issue of confusion, the district court made much of a handful of minute, legally irrelevant distinctions such as the “squared corners” versus “sharp corners” divide, which are virtually imperceptible at any distance. Thus, the court wrote, “LVL XIII’s [toe plate] is adorned with a ‘LVL XIII’ inscription and two screws; LV’s is bare, with no literal element or adornment. LVL XIII’s is of a golden or copper hue; LV’s is best characterized as grey or silver.” (SPA-167.) Then, anticipating the obvious retort—i.e., that the anti-dissection rule prohibits such feature-by-feature breakdowns—the court wrote as follows:

Despite these differences, LVL XIII argues that “the marks are virtually identical” because their distinguishing features are unlikely to be perceived “at a distance or from a height [] of five feet or more.” Having observed the sneakers, the Court rejects that assessment. . . . And that critique, even if true as to the screws and “LVL XIII” engraving, would not apply to the marked differences in shape and color among the competing toe plates. Those differences are palpable

even from eye-level or at a distance. They are sufficiently acute to preclude a likelihood of confusion.

In sum, because the parties' toe plates do not generate the same "overall impression," they are unlikely to confuse consumers.

(SPA-167-68.) This analysis not only usurped the role of the fact-finder and ignored the anti-dissection rule. It did so in a haphazard, conclusory fashion. While reassuring the parties that it "rejects the assessment" of LVL XIII on the strength of having "observed the sneakers," nowhere does the district court refer to where, in the record, this observation occurs. Nor does it actually address LVL XIII's argument, well founded in trademark law, that such features must be observed from the appropriate distance or height. Nor does the district court explain how its conclusory factual analysis is appropriate for it on summary judgment. Even the court's reference to the difference in metallic colors is conclusory, lacking any citation to justify the significance of this distinction as a matter of trademark law, considering that the color of metal used is not part of LVL XIII's claimed mark. (A-1241, 1244.)

Ultimately the court's likelihood of confusion analysis was a " cursory discussion [that] does not remotely fulfill the court's duty to conduct an examination in light of what occurs in the marketplace," to use the words of *Thomas & Betts Corp., supra*. In that case the Seventh Circuit described a similarly casual throwaway summary judgment ruling that also relied on virtually invisible

distinctions between two marks, akin to the small “screws” and the “LVL XIII” engraving given so much weight by the court here:

The district court . . . found that there was no likelihood of confusion between the litigants’ cable ties. The court focused on only several pieces of evidence, including the fact that each cable tie made by Panduit and T&B has the company's respective name stamped on it. Citing the fact that the Supreme Court had found in *Kellogg*, 305 U.S. [111,] 121 [1938], that no likelihood of confusion arose even though two similar products were not individually labeled, the district court held that it would “fly in the face of established precedent” to find a likelihood of confusion here. 935 F. Supp. at 1417. This cursory discussion does not remotely fulfill the court’s duty to conduct an examination in light of what occurs in the marketplace, and its finding is improper. Our examination of both T&B’s ties and Panduit’s ties reveals that each company embosses its name on the ties in the same color as the rest of the tie, rendering the name difficult to see. The names are especially difficult to see on smaller ties, and can only be seen after the tie is turned and manipulated. **Given our difficulty in discerning the names upon a close inspection, a question of fact exists as to whether the names stamped on each tie prevent the ties from being confused.**

138 F.3d at 296 (emphasis added). Unfortunately, though the district court acknowledged that similarity between marks is a “holistic consideration that turns on the marks’ sight, sound, and overall commercial impression under the totality of the circumstances” (SPA-188), it applied this rule only in the context of the counterclaim. When it came to analyzing LVL XIII’s mark, however, the district court made the same error as the trial court in *Thomas & Betts Corp.* and gave undue weight to imperceptible and legally insignificant distinctions.

V. THE DISTRICT COURT ERRED IN ADMITTING DEFENDANTS' EXPERT REPORT ON SECONDARY MEANING.

A survey riddled with flaws “carries its own death warrant.” *A.J. Canfield Co. v. Vess Beverages, Inc.*, 612 F. Supp. 1081, 1092 (N.D. Ill., 1985), *aff'd* 796 F.2d 903 (7th Cir. 1986); *see also Starter Corp. v. Converse, Inc.*, 170 F.3d 286, 296-97 (2d Cir. 1999). Under Fed. R. Evid. 702, opinion evidence is admissible only if it “both rests on a reliable foundation and is relevant to the task at hand.” *Daubert v. Merrell Dow Pharms.*, 509 U.S. 579, 597 (1993). Rule 702 requires that an expert “employs in the courtroom the same level of intellectual rigor that characterizes the practice of an expert in the relevant field.” *Kumho Tire Co. v. Carmichael*, 526 U.S. 137, 152 (1999).

Thus, in *THOIP v. Walt Disney Co.*, 690 F. Supp. 2d 218, 231, 235-41 (S.D.N.Y. 2010), the district court excluded the plaintiff’s trademark survey, holding that it was “not a reliable indicator of consumer confusion” because the methodology failed to use an adequate control and failed to replicate actual marketplace conditions. “While errors in survey methodology usually go to weight of the evidence rather than its admissibility, a survey should be excluded under Fed. R. Evid. 702 when it is invalid or unreliable, and/or under Fed. R. Evid. 403 when it is likely to be insufficiently probative, unfairly prejudicial, misleading, confusing, or a waste of time.” *THOIP*, 690 F. Supp. 2d at 231. This is particularly true where, as here, “a trademark action contemplates a jury trial rather than a

bench trial,” in which case “the court should scrutinize survey evidence with particular care.” *Id.* The district court failed to do so here.

Louis Vuitton had the burden of establishing the admissibility of its survey evidence by a “preponderance of proof.” *Id.*, at 229 (citations omitted). The proponent of a survey bears the burden of proving that a survey was conducted according to recognized standards, including the selection of a proper universe. *See Louis Vuitton Malletier v. Dooney & Bourke, Inc.*, 525 F. Supp. 2d 558, 630 (S.D.N.Y. 2007), citing *Citizens Financial Group, Inc. v. Citizens Nat. Bank of Evans City*, 383 F.3d 110, 119 (3rd Cir. 2004) (quoting *McCarthy* § 32:159 (4th ed. 2003)). The failure of Louis Vuitton’s survey expert, Dr. Michael Bernard Mazis, to meet this standard should have led to his report’s exclusion.

Under *Daubert*, surveys may be considered only so long as they are conducted according to accepted principles. *See Tiffany (NJ) Inc. v. eBay, Inc.*, 576 F. Supp. 2d 457, 458 (S.D.N.Y. 2007) (quoting *Campbell ex rel. Campbell v. Metropolitan Property and Cas. Ins. Co.*, 239 F.3d 179, 184-85 (2d Cir. 2001)). A survey design must conform to generally recognized statistical standards. *Malletier*, 525 F. Supp. 2d at 601, citing *Manual For Complex Litigation*, Fourth § 11:493 (Federal Judicial Center 2004) (“*Manual*”). Relevant factors include whether (i) the population or “universe” was properly defined; (ii) the sample chosen was representative of that population; (iii) the data gathered was accurately

reported; and (iv) the data was analyzed in accordance with accepted statistical principles. *McCarthy* § 32:159, citing *Manual* § 21.493, at 102 (1995). Laying the foundation for such evidence ordinarily involves expert testimony. *Id.* Louis Vuitton’s survey was both over- and under-inclusive and thus based on an improper universe; did not present LVL XIII’s products as consumers would encounter them in real life settings; and failed to evaluate secondary meaning at anything approaching an appropriate point in time.

Selection of the proper universe for a survey is a threshold matter, for “even if the proper questions are asked in a proper manner, if the wrong persons are asked, the results are likely to be irrelevant.” *McCarthy* § 32:159. “A flawed universe minimizes the probative value of a survey and may lead to skewed results.” *Malletier*, 525 F. Supp. 2d at 630 (internal quotations and citations omitted.) Here Louis Vuitton’s expert testified that while he reviewed the Complaint (A-2945), which contains numerous direct and indirect textual and photographic references to the relevance of African American males to the sale of LVL XIII’s footwear products (A-27-45)—including repeated references to young male celebrities of color as key endorsers (A-28, 32, 34-35); a reproduction of an Internet fashion blog post entitled, “GOTTA GET ME A PAIR OF LVL XIII” post containing seven photographs of an African American male model juxtaposed with several references to LVL XIII and the mark (A-35); and allegations concerning an

interview with LVL XIII's African American founder and principal, Antonio Brown, in *Ebony* magazine (A-36.)—he nonetheless saw no need to consider whether a single African American was included in his survey. A professor emeritus of marketing (A-2945) with a Ph.D. in marketing and social psychology (A-2910.), Mazis formulated a survey for Louis Vuitton utilizing a universe that:

- Did not determine if any of his respondents were African Americans (A-2948, 2951);
- Made no allowance for the question of whether a single one of his respondents were located in or otherwise had even visited the urban markets in which LVL XIII had offered its footwear, including Houston, Atlanta, Los Angeles, Chicago, Miami or Washington D.C. (*Compare* A-2950-51 with CA-965-67, A-946);
- Did not distinguish between survey respondents who purchased or expected to purchase **dress shoes** costing \$500 dollars or more from those who purchased or expected to purchase **athletic shoes**—the subject of LVL XIII's Complaint—a unique, exotic niche product, costing the same amount but sold to almost a completely different buyer. (*Compare* A-28, 37, 38-39 with A-2948, 2950 and A-2960.)

While defensively testifying that “nothing in th[e] complaint ... indicated to [him] that the target market should somehow be restricted to African Americans.” (A-2948), Mazis elided the material distinction between “restricting” his study to one racial group and making sure that group was at least appropriately **represented** in the universe surveyed concerning secondary meaning in the market relevant to the mark. (A-2948, 2951.)

Mazis did not only paint his survey without regard to color where color was a relevant consideration. He also used far too broad of a brush regarding the difference between those men who purchase shoes costing \$500 or more and those who buy luxury athletic footwear, the **only** product, or category of product, at issue in this case. (*Compare* generally, A-27-45 with A-2892-97.) Mazis ignored this key distinction because he could, in short, not get enough appropriate respondents, acknowledging that buyers of luxury sneakers are “just too narrow a definition of a target market.” (A-2949.) Mazis’s choice to focus on a broader market, instead of the **relevant** market, invalidated his survey. *See, e.g., Safeway Stores, Inc. v. Safeway Ins. Co.*, 657 F. Supp. 1307, 1317-18 (M.D. La. 1985) (just because the survey participants had drivers licenses did not mean they made purchasing decisions about car insurance), *aff’d*, 791 F.2d 929 (5th Cir. 1986).⁸

Furthermore, a survey’s failure to “approximate the manner in which consumers encountered the parties’ products” in the real world, as Mazis’s did, should be excluded. *THOIP*, 690 F. Supp. 2d at 235-41; *see also Am. Footwear*

⁸ While over-inclusive, Mazis’s study was also fatally under-inclusive in other respects. Although no single factor is dispositive in assessing the presence of secondary meaning, where an ordinary buyer associates the mark with a single source, though that source may be anonymous, this constitutes secondary meaning. *See, Erchonia Corp. v. Bissoon*, 410 Fed. Appx. 416, 418 (2d Cir. 2011), citing *Centaur Communs., Ltd. v. A/S/M Communs., Inc.*, 830 F.2d 1217, 1221 (2d Cir. 1987). Mazis’s study eliminated this possibility, doing nothing to assess whether respondents’ responses of “I don’t know” nevertheless allow for some source association with the mark. (A-2898-2903.) Despite this obvious “gap” in his analysis, Mazis concludes that any failure to name LVL XIII when presented with the LVL XIII Toe Plate constitutes a lack of secondary meaning. (A-2907-08.)

Corp. v. General Footwear Co. Ltd., 609 F.2d 655, 660 n.4 (2d Cir. 1979); *Starter Corp.*, *supra*, 170 F.3d at 297 (slanted questions or other serious methodological defects may be excludable as “irrelevant” of the true state of mind of potential purchasers). Mazis’s survey, in which respondents were “shown a front and side image of a LVL XIII black men’s shoe,” (A-2894.) suffered from this flaw as well. No effort was made by Mazis or Louis Vuitton to demonstrate that these “images” were representative or typical of how LVL XIII’s consumers view or otherwise go about purchasing LVL XIII’s luxury athletic footwear. (A-2894.)⁹

Mazis’s survey also failed to separate the protectable trademark element from clearly non-protectable elements, omitting to account, in the images shown to respondents, for the difference between pictures that contrast the protectable mark—i.e., the LVL XIII Toe Plate—from differences in the non-protectable

⁹ Here LVL XIII was at a distinct disadvantage—one Louis Vuitton has designed, and from which it should not have been permitted to benefit—for plaintiff simply has been refused meaningful detail concerning what Mazis did or how he did it. Despite repeated requests to defendants to supplement their expert’s disclosure concerning his survey, beginning during his deposition on the afternoon of November 23, 2015, Louis Vuitton refused to furnish LVL XIII with any documents or information regarding (i) the origin of the images shown to respondents during Mazis’s survey; (ii) the size, orientation and resolution of the images respondents were shown; (iii) whether, and to what extent, the images appearing in his Report were displayed on backgrounds, if any; and (iv) whether there was any text accompanying the images when they were displayed to respondents. (SPA-37-39; A-2886-2941.)

Such technical details concerning the conduct and presentation of a survey are entirely appropriate subjects for consideration in connection with a survey’s admissibility. *See, e.g., Malletier*, 525 F. Supp. 2d at 591-592. Yet Louis Vuitton refused to produce screen shots of Mazis’s online survey, let alone the software program he used or the data he generated in its native format demonstrating precisely how the online survey appeared to respondents during the testing process. LVL XIII’s requests for judicial intervention were denied. (SPA-37-39; A-2886-2941.)

functional elements of the footwear in the images, namely, their zippers. (A-2894-96.) While the test images reproduced below certainly demonstrate a striking difference between the two shoes shown, that difference has nothing to do with toe plates and everything to do with zippers, a functional feature. *See Henri Bendel Inc. v. Sears, Roebuck & Co.*, 25 F. Supp. 2d 198, 202 (S.D.N.Y. 1998) (zipper pulls on cosmetics bags are functional.)



Figure 1



Figure 2

LVL XIII is not alleging infringement of the design of its entire sneaker; it is seeking protection of its trademark (or trade dress), the LVL XIII Toe Plate. (A-2248.) The only reason there are zippers on some LVL XIII sneakers (some more visible, some less) is so the wearer can get his foot into them and then zip up the high tops.

Mazis's survey made a functional feature of the shoes central to the respondents' experience, and it can hardly be doubted that the difference between the configuration of zippers in the two Figures shown affected the responses of participants. (SPA-31-32; A-2820, 2894-96.) A survey "which asks consumers to identify the source of a product based on its overall configuration when most of the product's configuration is functional is worthless in determining whether a particular product feature has acquired secondary meaning." *Thomas & Betts Corp. v. Panduit Corp.*, 65 F.3d 654, 663 (7th Cir. 1995) (citation omitted); *see also, The Straumann Company v. Lifecore Biomedical Inc.*, 278 F. Supp. 2d 130, 137-138 (D. Mass. 2003) (failure to filter out functional features or attributes is especially inappropriate in assessing the presence of secondary meaning). Mazis's failure to separate non-protectable from protectable elements of LVL XIII's footwear is fatal because respondents' responses were distracted by immaterial, non-protectable elements of LVL XIII's sneakers. (SPA-31-32.)

Perhaps the most significant flaw of Mazis's survey, however, is that it was taken over a year after it should have been in a case where the delay, contrary to the district court's conclusory disregard of the issue, made a material difference. (SPA-32-34.) The appropriate date for assessing distinctiveness is "the time when [the defendant] entered the market." *Nora Beverages*, 269 F.3d at 120 n.3; *see also Saratoga Vichy Spring Co. v. Lehman*, 625 F.2d 1037, 1043 (2d Cir. 1980); *PlaSmart, Inc. v. Wincell Int'l, Inc.*, 442 F. Supp. 2d 53, 60 (S.D.N.Y. 2006) (to succeed on an infringement claim, plaintiff must show that the mark had acquired secondary meaning before its competitor commenced use of the mark). To the extent LVL XIII bears the burden of showing the LVL XIII Toe Plate acquired secondary meaning by March 4, 2014—the date Louis Vuitton began marketing, promoting and selling its infringing footwear in the U.S. (A-667)—Mazis's efforts to "disprove" that the LVL XIII Toe Plate had secondary meaning more than a year after the product was withdrawn from the market is entirely uninformative. (A-2891 (confirming survey data was collected from October 12 through October 28, 2015).) Where a secondary meaning survey "does not even purport to reproduce the market conditions years before when [the defendant] entered the market . . . the survey is fatally defective as a meaningful indication of secondary meaning for the relevant time period." *Calvin Klein Co. v. Farah Mfg. Co., Inc.*, Case No. 85-cv2989 (CBM), 1985 U.S. Dist. LEXIS 13475, at *24 (S.D.N.Y. Nov.

26, 1985) (rejecting secondary meaning survey where the survey was completed seven years after the period relevant for secondary meaning); *Zippo Mfg. Co. v. Rogers Imports, Inc.*, 216 F. Supp. 670, 689 (S.D.N.Y. 1963) (survey conducted in 1960 not probative of secondary meaning in 1957, the year the parties first began to compete).

Indeed, while *Calvin Klein* and *Zippo* may represent the outer limits of when secondary meaning surveys may be said to be probative, more recent decisions find fatal fault with far shorter time periods. *See, e.g., Cross Commerce Media, Inc. v. Collective, Inc.*, Case No. 13 Civ. 2754 (KBF), 2014 U.S. Dist. LEXIS 117244, at *25 (S.D.N.Y. Aug. 21, 2014) (survey responses in 2013 are not indicative of perceptions in 2011); *Schwan's IP, LLC v. Kraft Pizza Co.*, 379 F. Supp. 2d 1016, 1024 (D. Minn. 2005) (finding that a secondary meaning survey “conducted **months** after [the defendant’s] product had already entered the market . . . [was] irrelevant for the establishment of secondary meaning”) (emphasis added). It is only where a trademark had been in use for a long and exclusive period of time that a delay in conducting a survey until shortly after the infringement occurred is not prejudicial. *See, e.g., STX, Inc. v. Trik Stik, Inc.*, 708 F. Supp. 1551, 1559 (N.D. Cal., 1988). Because Louis Vuitton’s survey was conducted more than eighteen months after it first began selling and promoting its infringing OTR Sneakers, its expert’s survey has no probative value to show the level of recognition

surrounding LVL XIII's Toe Plate mark in March 2014 when Louis Vuitton first began selling and promoting its infringing OTR Sneakers. (*Compare* A-2891 with CA-748-49.)

Finally, the court erred in allowing defendants' expert report into evidence over LVL XIII's objection concerning their non-compliance with Fed. R. Civ. P. 26(a)(2)(B). (SPA-36-41.) This Rule requires expert reports to contain "a complete statement of all opinions the witness will express and the basis and reasons for them," and "the facts or data considered by the witness in forming them." *Republic of Ecuador v. Hinchee*, 741 F.3d 1185, 1195 (11th Cir. 2013) ("the term 'facts or data' should 'be interpreted broadly to require disclosure of any material considered by the expert, from whatever source, that contains factual ingredients.'") Rule 37(c)(1) provides for preclusion of expert testimony and information included in an expert report if the party presenting it has "fail[ed] to provide information or identify a witness as required by Rule 26(a) . . . unless [such] failure was substantially justified or is harmless." Louis Vuitton's open refusal to comply with its obligations under Rule 26, detailed below, was neither justified nor harmless, and the district court abused its discretion in ignoring it over LVL XIII's objection. (SPA-38-39.)

That Louis Vuitton had played fast and loose with the Rules became clear during Mazis's deposition, when he referred to materials and facts reviewed by

him but not disclosed in his report. (SPA-38-39; A-2945-46.) Once confronted, Mazis acknowledged that he had simply omitted mentioning all the materials on which he relied in preparing his report. (A-2945-46.)

Mazis's failure to disclose his review of the Brown transcript before his deposition prevented LVL XIII from preparing properly for his deposition, which is what the Rules are meant to address. *See, Ferriso v. Conway Organization*, Case No. 93-cv-7962, 1995 U.S. Dist. LEXIS 14328, at *6 (S.D.N.Y. Oct. 3, 1995) (“formal requirements of Rule 26” are to be observed depositions occur “only **after** the report is provided”) (emphasis added). Mazis's evasive responses only made things worse; full disclosure came only when it was useless. *See Smolowitz v. Sherwin-Williams Co.*, Case No. 02-cv-5940, 2008 U.S. Dist. LEXIS 91019, at *9 (E.D.N.Y. Nov. 10, 2008) (failure to comply with Rule 26 disclosure requirements justify preclusion of expert; citing Fed. R. Civ. 37(c)(1)) and *Design Strategies, Inc. v. Davis*, 367 F.Supp.2d 630, 634 (S.D.N.Y. 2005) (Rule 37(c)(1)'s preclusionary sanction is automatic barring substantial justification or harmlessness). (SPA-39.) The district court abused its discretion in countenancing this abuse of the Rules despite LVL XIII's request for relief. (SPA-38-39.)

CONCLUSION

For the foregoing reasons, Appellant LVL XIII Brands, Inc. respectfully requests that this Court vacate the judgment of the district court and award

summary judgment in favor of Appellant or, at a minimum, remand the action for trial on Appellant's claims.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that on February 27, 2017, I caused to be electronically filed the foregoing Brief for Plaintiff-Appellant, LVL XIII Brands, Inc. with the Court's CM/ECF filing system, which constitutes service, pursuant to Fed. R. App. P. 25(c)(2).

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