

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

<p>LVL XIII BRANDS, INC., <i>a New York corporation,</i></p> <p><i>Plaintiff,</i></p> <p>— vs. —</p> <p>LOUIS VUITTON MALLETIER SA, <i>and</i> LOUIS VUITTON NORTH AMERICA INC.,</p> <p><i>Defendants.</i></p>	<p>DOCKET NO. 14-cv-04869 (PAE)</p>
<p>LOUIS VUITTON MALLETIER SA, <i>and</i> LOUIS VUITTON NORTH AMERICA INC.,</p> <p><i>Counterclaimants,</i></p> <p>— vs. —</p> <p>LVL XIII BRANDS, INC., <i>a New York corporation,</i></p> <p><i>Counterclaim Defendant.</i></p>	

REPLY MEMORANDUM OF LAW IN FURTHER SUPPORT OF
LVL XIII BRANDS, INC.'S MOTION FOR SUMMARY JUDGMENT

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PRELIMINARY STATEMENT

Hewing to the axiom that the best defense is a good offense, in opposing the motion for summary judgment by plaintiff LVL XII Brands, Inc. (“LVL XIII”) defendants Louis Vuitton Malletier SA and Louis Vuitton North America, Inc. (collectively, “Louis Vuitton”) are at pains to portray themselves as the aggrieved parties here. More than this, they seem to pretend offense by the very proposition of litigation over claims of trademark infringement. In fact, however, Louis Vuitton is a serial litigator in this Court, entitled to its own docket by virtue of the multiplicity of lawsuits it has brought against a host of entities for alleged infringement of its trademarks rights – claims which, like its counterclaim here, have all gone nowhere.¹

Defendants’ withdrawal of Count V of their counterclaim, based on New York’s deceptive business practices under N.Y. Gen. Bus. L. § 349, is certainly a step in the right direction. (Opp. Mem.² at 29 and 36.) If not for their track record of prosecuting meritless trademark claims, that step would be all the more puzzling given the persistence with which they nonetheless grind on with their four remaining claims. There is no obvious reason for dropping one and keeping the others, for in their opposition to plaintiff’s motion defendants raise no material issues of fact; rely on conclusions based on inapposite authorities where they even respond to the dispositive legal arguments raised by plaintiff’s citations and otherwise mainly

¹ Louis Vuitton’s most recent misadventures in trademark bullying have involved its same counsel appearing in this case. *See, e.g., Louis Vuitton Malletier, S.A. v. My Other Bag, Inc.*, 2016 U.S. Dist. LEXIS 1083, at *1 (S.D.N.Y. Jan. 6, 2016) (granting defendant summary judgment on all of Louis Vuitton’s claims for trademark dilution and trademark and copyright infringement); *Louis Vuitton Malletier S.A. v. Warner Bros. Entm’t Inc.*, 868 F. Supp. 2d 172 (S.D.N.Y. 2012) (granting defendant’s motion dismissing plaintiff’s claims for (i) false designation of origin/unfair competition in violation of § 43(a) of the Lanham Act; (ii) common law unfair competition; and (iii) trademark dilution in violation N.Y. Gen. Bus. Law 360-i.) A more complete review of just some of Louis Vuitton’s recent overzealous trademark enforcement efforts is available at <https://www.techdirt.com/articles/20160109/17120033290/louis-vuitton-loses-trademark-lawsuit-over-joke-bag-judge-tells-company-to-maybe-laugh-little-rather-than-sue.shtml> (last visited April, 21, 2016.)

² All references to the Reply Memorandum of Law of Louis Vuitton, S.A. and Louis Vuitton North America, Inc. in Support of Their Motion for Summary Judgment and Memorandum in Opposition to LVL Brands, Inc.’s Motion for Summary Judgment dated March 22, 2016 (Dkt. No. 152) is referred to herein as “Opp. Mem. at ___.”

avoid virtually every critical point in LVL XIII's moving papers concerning the obvious meritless of their make-weight counterclaim. Given Louis Vuitton's failure on these scores, LVL XIII's motion to dismiss those counterclaims should be granted in its entirety.

ARGUMENT

There are no sound legal arguments to rebut LVL XIII's legal positions, so Louis Vuitton devotes most of its opposition to trivialities based on strained technicalities, forced readings of what are actually straightforward legal doctrines and amazing inversions of common sense. We address these seriatim below.

I. DEFENDANTS HAVE FAILED TO ADDRESS THEIR LACHES AND ACQUIESCENCE FACTUALLY OR LEGALLY.

Louis Vuitton argues that laches and acquiescence should not bar it from asserting an infringement claim against LVL XIII despite doing nothing for almost two years after being placed on actual notice of LVL XIII's use of its "LVL XIII" word mark (the "Word Mark"). Significantly, Louis Vuitton does not dispute any of the key facts that establish that notice, and the fact of delay, namely that: (i) its Paris-based office receives daily reports of **all** trademark applications filed with the PTO the previous day; (ii) a trademark application for the Word Mark was published in the PTO's *Official Gazette* in the summer of 2013 which in turn triggered defendants' 30-day period to oppose the application; (iii) Louis Vuitton's New York-based in-house counsel, John Maltbie, was directly informed by plaintiff's counsel in early August 2014 that LVL XIII had been using the Word Mark since at least as early as July 2013 and planned to continue doing so in the future; and (iv) Louis Vuitton's concedes that "prior to December 22, 2014 [it] never objected to LVL XIII's use or registration of the mark 'LVL XIII' in connection

with footwear.” (Pltf’s. Mem.³ at 40-45; Declaration of Joel MacMull sworn to on February 16, 2016 (“MacMull Decl. I”), Exs. 14, 29 and 30.)

Louis Vuitton nonetheless argues that laches and acquiescence were vitiated when the Court granted defendants leave to amend their pleadings in December 2014, a ruling made just two days after defendants’ motion was filed and before LVL XIII had an opportunity to respond. (*Compare* Opp. Mem. at 34 *with* Dkt. Nos. 36, 37, 38 and 39.) Defendants offer nothing in the way of any legal authority to support this remarkable contention. Nothing in Fed. R. Civ. P. 15 (a)(2) is meant to substantively bar parties’ rights or defenses; to the contrary, its sole purpose is to preserve them. Thus, a grant of leave to amend to **one** party under Rule 15’s liberal standards⁴ does not affect **another** party’s substantive claims or defenses except insofar as they might be based on a failure to **plead**.

For example, if LVL XIII had interposed an affirmative defense that, based on the counterclaim, Louis Vuitton failed to plead ownership of its alleged mark; and then, after the grant to file an amended pleading, that deficiency were made good, its argument would of course have merit. But laches and acquiescence are not based on pleading deficiencies. They are based on **failures to act**, and the Court’s grant of leave could not, as defendants suggest, have the conclusory, substantive effect of summarily nullifying these merits-based defenses. Such an outcome could hardly comport with Rule 15’s admonition that even the liberal permit of amendment be conditioned on facts and circumstances such that “justice so requires” the opportunity for filing an amended pleading.

³ All references to the Unredacted Memorandum of Law in Support of LVL XIII Brands, Inc.’s Motion for Summary Judgment and in Opposition to Defendants’ Motion for Summary Judgment dated February 16, 2016 is referred to herein as “Pltf’s.. Mem. at ___.”

⁴ *See Senisi v. John Wiley & Sons, Inc.*, Case No. 13-cv-3314 (LTS) (AJP), 2016 U.S. Dist. LEXIS 33338, at *8-10 (S.D.N.Y. Mar. 15, 2016), citing *Loreley Financing (Jersey) No. 3 Ltd. v. Wells Fargo Securities, LLC*, 797 F.3d 160, 190-91 (2d Cir. 2015) for the “liberal spirit” with which amendments are treated under Rule 15.

Defendants' other arguments in response to these affirmative defenses are equally meritless. Not one of the cases they cite involves a situation such as this where a sophisticated claimant, well positioned and, as noted above, eminently experienced in asserting litigation claims on even the thinnest of pretexts, was repeatedly placed on notice – both actual and constructive – of the defendants' allegedly infringing acts and then did nothing to foreclose the unauthorized use.

Similarly, defendants reliance on *Hermes Int'l v. Lederer de Paris Fifth Ave., Inc.*, 219 F.3d 104 (2d Cir. 2000) for the proposition that “laches is not a defense against injunctive relief when the defendant intended the infringement,” but have no facts of record that so much as raise a serious question of intent to “infringe” by LVL XIII. While in *Hermes* the district court had “found that by explicitly informing their customers that the style and workmanship of the knock-offs were such that no third party observer would be able to tell they were not genuine Hermes bags, the appellees had ‘attempted to encourage consumer confusion in the post-sale context,’” 219 F.3d at 107, there is nothing remotely similar in this record. Furthermore, *Hermes* was a case involving counterfeit goods. Under such circumstances, not only was the defendants' bad intent readily manifest, but so was the complete identity of the trademarks in issue as well as a likelihood of confusion – in *Hermes*, at the post-sale stage. None of those factors applies here. Accordingly, and because all of the elements necessary to establish the affirmative defenses of laches and estoppel are met here, dismissal of Louis Vuitton's claims on these grounds alone is proper.

II. DEFENDANTS' CLAIM FOR DECLARATORY RELIEF IS DUPLICATIVE OF CLAIMS ALREADY AT ISSUE IN THE FORM OF PLAINTIFF'S CLAIMS.

Louis Vuitton denies that its claim for declaratory relief is a mirror-image of the claims brought by LVL XIII. (Opp. Mem. at 29-30.) They assert that “LVL XIII ... fundamentally

misunderstands the counterclaim” and that what they seek instead is “a declaration that LVL XIII has no exclusive right to use a rectangular metal toe plate.” (*Id.* at 29.) The law does not support defendants’ rhetoric, however.

The Declaratory Judgment Act (the “Act”) was enacted to allow parties seeking to challenge the constitutionality of a statute to do so without first having to violate the law. Since that time, the Act has also been used to allow a party threatened with imminent (but not yet filed) legal action to have the courts decide the merits of a dispute so the declaratory judgment plaintiff may obtain relief from the uncertainty caused by the threatening party’s delay in bringing suit. *See Steffel v. Thompson*, 415 U.S. 452, 466 (1974); *Duane Reade, Inc. v. St. Paul Fire & Marine Ins. Co.*, 411 F.3d 384, 389 (2d Cir. 2005); *Hertzog, Calamari & Gelason v. Prudential Ins. Co. of Am.*, 933 F. Supp. 246, 250 (S.D.N.Y. 1996). Louis Vuitton’s first counterclaim does not fall within either of these two purposes of the Act. Instead, as explained in LVL XIII’s opening brief, it is undisputed that defendants’ claim for declaratory relief seeks a declaration that LVL XIII has no exclusive rights in the shape of a rectangular metal plate on the toe of shoes. (Pltf. Mem. at 45-46.) But LVL XIII’s first, second and fourth Counts for federal trademark infringement and unfair competition embody **precisely** the same factual and legal questions that underlie defendants’ claim for declaratory relief. (*See generally*, Dkt. No. 1.) Resolution of plaintiff’s substantive claims will, axiomatically, resolve the issues raised by defendants’ declaratory judgment count.

Louis Vuitton attempts to sidestep this by tossing up word salad, urging that its counterclaim is necessary to “address[] the threat that LVL XIII’s current claim in its Toe Plate Design poses to past and future collections of LV shoes bearing rectangular toe plates.” (Opp. Mem. at 29). This formulation does not change the fact that a ruling on LVL XIII’s own claims

would have exactly the same effect on this “threat.” Nothing in J. Thomas McCarthy, *McCarthy on Trademarks & Unfair Comp.*, § 32:51.50 (4th ed., 2010) (“McCarthy”) says anything to the contrary. (*Id.* at 29-30.)

Under these circumstances, this Court’s prior decisions in *Koch v. Rodenstock*, Case No. 06-cv-6586 (BSJ) (DCF), 2012 U.S. Dist. LEXIS 165863 at *44 n.12 (S.D.N.Y. May 9, 2012) and *Dolphin Direct Equity Partners, LP v. Interactive Motorsports and Entertainment Corp.*, Case No. 08-cv-1558 (RMB) (THK), 2009 U.S. Dist. LEXIS 21938, at *35 (S.D.N.Y. Feb. 27, 2009) denying as superfluous unnecessary declaratory rulings, is likewise appropriate here. Accordingly, Louis Vuitton’s declaratory judgment count is unnecessary and duplicative and should be dismissed.

III. DEFENDANTS’ CLAIM FOR A MANDATORY INJUNCTION THAT LVL XIII DISCLAIM PART OF ITS TRADEMARK APPLICATION IS IMPROPER.

Louis Vuitton maintains that “LVL XIII’s argument against adjudication [of Count II] by this Court is misplaced” (Opp. Mem. at 30) without so much as mentioning, much less squarely addressing, either (i) the Lanham Act’s enabling language with respect to trademark disclaimers which nowhere provides for a third party to intervene judicially or otherwise to demand, request or even suggest a disclaimer; or (ii) the decision in *Top Producer Sys. v. Software Sciences Ltd.*, Case No. 97-cv-0415 (MA), 1997 U.S. Dist. LEXIS 12368 (D. Or. July 21, 1997) wherein the district court held just that.

Instead, Louis Vuitton argues that the doctrine of primary jurisdiction does not apply to its counterclaim. (*Id.* at 30-31.) While acknowledging that the multi-factorial approach of *Ellis v. Tribune Television Co.*, 443 F.3d 71, 81 (2d Cir. 2006) sets the standard, defendants insist the applicable factors weigh in their favor. Besides for the fact that the *Top Producer* decision

resolves the question entirely, defendants' attempt to reinvent the wheel is no more successful than their attempt to purloin LVL XIII's sneaker design.

It is undisputed that where a court is presented with an issue of trademark infringement, it does not defer ruling pending a determination of likelihood of confusion by the PTO or, more specifically – by the Trademark Trial and Appeal Board (the “Board”), which is the only administrative legal body in the PTO whose proceedings could “parallel” proceedings in an Article III court. *See Goya Foods, Inc. v. Tropicana Prods., Inc.*, 846 F.2d 848, 853-54 (2d Cir. 1988).

But here **there is no parallel pending Board proceeding**. In fact, there is no pending Board proceeding at all – only a suspended PTO trademark application, which, so to speak, has no parallel; this Court does not, and cannot, examine applications to register trademarks. Louis Vuitton's demand for a disclaimer goes to the very heart of the technical expertise of the sole agency singularly entrusted to make disclaimer determinations.⁵ *See McCarthy* § 11:52 (“Under § 6 of the federal Lanham Act, the Commissioner has the power to require an applicant to disclaim rights in descriptive portions of a composite mark.”)⁶ Nor does defendants' claim touch upon the issue of infringement warranting the countervailing balancing Louis Vuitton urges. Rather, the relief being requested in Count II states:

99. Counterclaimants seek a mandatory injunction requiring LVL XIII to submit a disclaimer with respect to the '102 Application in the following standardized format: “*No claim is made to the exclusive right to use “THE*

⁵ Louis Vuitton's citation to the Trademark Manual of Examining Procedure (“TMEP”) § 716.02(d) for support here is misplaced. The TMEP speaks to the **PTO's practices** for the prosecution of trademark applications; thus, it has nothing to do with directing a district court's actions under any circumstances.

⁶ Relatedly, this subsection of *McCarthy's* treatise discussing disclaimers is also relevant to the denial of Louis Vuitton's summary judgment motion. He writes: “Even if a descriptive portion of a composite mark has been disclaimed, the total composite will be considered for purposes of determining infringement.” *Id.* Thus, even under a best case scenario for defendants, an order by this Court mandating that LVL VIII disclaim “the rectangular shape of the shoe toe plate” would not be dispositive of plaintiff's infringement claim.

RECTANGULAR SHAPE OF THE SHOE TOE PLATE” apart from the mark as shown.”

(Dkt. No. 40 at 47, ¶ 99; emphasis in original.) This is the language of trademark examination and registration – a process, in the language of the PTO, that is decidedly *ex parte*, not *inter partes*. There is no aspect of infringement connected to examination, which is the only procedure in which, under the Lanham Act, disclaimers ever come to exist. Indeed, under the PTO’s own procedures, the only role for a third party prior to the publication of a trademark for opposition – at which point that party can intervene, i.e., oppose the application, and thereby transform the matter into a quasi-judicial Board proceeding – is the submission of a Letter of Protest under TMEP §1715.01.⁷, which is certainly not the “parallel proceeding” spoken of in *Goya*.

Louis Vuitton’s suggestion that the PTO’s exercise of discretion in suspending the ‘102 Application at plaintiff’s request now confers jurisdiction upon this Court to order a disclaimer is at least as meritless, as suggested by the lack of any authority cited for the proposition. (Opp. Mem. at 30.) Defendants cannot even suggest the basis for the concept that the PTO could “confer” such a power even if had meant to; certainly nothing in the Lanham Act hints at such discretion.

Lastly, defendants are left to address the indisputable fact that a prior application has already been made to the PTO concerning the content of the ‘102 Application – which, in this

⁷ “A letter of protest is an informal procedure that allows third parties to bring to the attention of the USPTO evidence bearing on the registrability of a mark. A letter of protest will only be accepted if it presents an issue that can be dealt with by an examining attorney in the course of the *ex parte* examination of a trademark application. Trademark Manual of Examining Procedure (TMEP) §1715.01 The letter of protest procedure applies only to pending applications and is intended to aid in examination without causing undue delay and without compromising the integrity and objectivity of the *ex parte* examination process.” USPTO Website / Trademarks / Trademarks Updates and Announcements / “Letter of Protest Practice Tip”, available at <http://www.uspto.gov/trademark/trademark-updates-and-announcements/letter-protest-practice-tip>) (last visited April 21, 2016).

While Louis Vuitton has never denied contacting the USPTO in connection with LVL XIII’s then-pending registration of its ‘102 Application after receiving correspondence from counsel for LVL XIII in the summer of 2014, the record does not reflect any filing by defendants of a Letter of Protest in connection with any of LVL XIII’s marks – a fact that also militates in favor of a finding of laches.

Circuit, counsels in favor of the doctrine of primary jurisdiction being invoked. They attempt to get around this by essentially misstating the record, representing to the Court that “the PTO has **already required LVL XIII to disclaim exclusive rights in the rectangular shape of its toe plate.**” (Opp. Mem. at 30-31; emphasis in original.)

This is highly misleading. The truth of the matter is that the PTO’s highly unusual reconsideration of the ‘102 Application⁸ – after allowance – was **not** a Final Office Action. (Sloane Decl. I, Ex. 32.) Moreover, proceedings before the PTO have been suspended. (Joint Stipulated Facts entered on January 15, 2016 (Dkt. No. 102) (“JSF”), ¶ 45.) Thus, it cannot be said the PTO “requires” anything from LVL XIII at this stage, let alone that plaintiff **must now** comply with anything the PTO has to say in connection with what is nothing but a preliminary disclaimer request. *See* TMEP § 714.01⁹ (Oct. 2015, ed.) (“A first action by an examining attorney may not be a final action. An applicant is entitled to at least one opportunity to reply to any refusal(s) or requirement(s) raised by the examining attorney.”); *see also* § 714.04 which provides in part: “The final action should include a clear and unequivocal statement that the refusal or requirement is final. When there is more than one ground set out as the basis for the final action, the action may begin or conclude with a paragraph containing wording such as ‘This action is made FINAL’ or ‘This is a FINAL action,’ which covers all grounds.” (emphasis in original.) Of course, neither of these preconditions of finality involving the PTO’s Office Action

⁸ In fact, the first and only expression before July 18, 2014 – three days after the PTO issued its “Notice of Acceptance of Statement of Use” for the mark – on the subject of LVL XIII disclaiming the rectangular shape of its toe plate in its ‘102 Application, was its correspondence to LVL XIII, which states: “The USPTO has accepted the Statement of Use filed for the [‘102 Application]. **The mark will now register and the registration certificate will issue in due course barring any extraordinary circumstances.**” No disclaimer was required. (Declaration of Wendi Sloane in Support of Defendants’ Motion for Summary Judgment dated January 22, 2016 (“Sloane Decl. I”), Ex. 32.)

⁹ While the TMEP was most recently updated in October 2015, §§ 714.01 and 714.04 of the Manual remain unchanged at least as of the October 2012 edition – the version of the Manual that was in effect at the time the ‘102 Application was filed on March 6, 2013.

dated July 18, 2014 exist in the file history of the '102 Application or any other record in evidence. (Sloane Decl. I, Ex. 32.)

Accordingly, for the all foregoing reasons, Louis Vuitton's Count II of its counterclaims should be dismissed.

IV. THERE IS NO EVIDENCE SUPPORTING A LIKELIHOOD OF CONFUSION.

As explained in LVL XIII's moving brief, defendants have not come forward with any evidence that could lead a reasonable jury to conclude that defendants' consumers are likely to be confused by plaintiff's mark. Nevertheless, Louis Vuitton's misstatements of law and fact require some brief attention.

A. Defendant's LV Initial Logo Mark is Weak.

Defendants' contention that the strength of the initials "L" and "V" weighs in its favor is plainly erroneous. First, as LVL XIII has already explained, acronym or initial marks are descriptive and therefore weak. (Pltf's. Memo. at 52-53.) *See also Information Superhighway, Inc. v. Talk America, Inc.*, 395 F. Supp. 2d 44, 51 (S.D.N.Y. 2005) ("Marks formed from combinations of well-known words or abbreviations have been found to be descriptive.") (collecting cases). Moreover, and despite defendants' laudatory praise for itself to the effect that the "LV Initials Logo Trademark has become uniquely and exclusively identified in the minds of consumers with Louis Vuitton," defendants have not presented any evidence that potential purchasers identify the initials "L" and "V" exclusively with it.

In fact, the record evidence is to the contrary: extensive third party uses in the apparel industry utilizing a combination of the letters "L" and "V" tilts in LVL XIII's favor, further demonstrating that use of the letters "L" and "V" is not "unique or unusual in the industry." *Lopez v. Gap, Inc.*, 883 F. Supp. 2d 400, 416 (S.D.N.Y. 2012) (internal citation omitted). (MacMull Decl. I, Ex. 33.)

B. The Parties' Marks are not Similar.

The mere fact that two marks incorporate a common word or words even in association with competing goods or services does not *per se* render the marks likely to be confused. *See, e.g., Freedom Sav. & Loan Ass'n*, 757 F.2d 1176, 1183 (11th Cir. 1985) (FREEDOM SAVINGS AND LOAN and FREEDOM REALTY marks “lack ... confusing similarity”); *Sun Banks of Florida, Inc. v. Sun Federal Sav. and Loan Ass'n*, 651 F.2d 311, 316 (5th Cir. 1981) (SUN FEDERAL AND SAVINGS LOAN ASSOCIATION not confusingly similar to SUN BANKS); *Amstar Corp. v. Domino's Pizza Inc.*, 615 F.2d 252, 259 (5th Cir. 1980) (DOMINO'S PIZZA not similar to DOMINO SUGAR); *Bell Laboratories, Inc. v. Colonial Prods., Inc.*, 644 F. Supp. 542, 547 (S.D. Fla. 1986) (FINAL FLIP and FLIP marks for same product are “ultimately different and different sounding”); *In re Hearst Corp.*, 982 F.2d 493, 494 (Fed. Cir. 1992) (VARGA GIRL and VARGAS are “sufficiently different in sound, appearance, connotation, and commercial impression, to negate likelihood of confusion”); *Mr. Hero Sandwich Sys., Inc. v. Roman Meal Co.*, 781 F.2d 884, 888 (Fed. Cir. 1986) (ROMANBURGER and ROMAN marks for food products “are not similar in appearance”); *Little Caesar Enterprises, Inc. v. Pizza Caesar, Inc.*, 834 F.2d 568, 571 (6th Cir. 1987) (PIZZA CAESAR U.S.A. not similar to LITTLE CAESAR'S); *Conde Nast Pubs., Inc. v. Miss. Quality, Inc.*, 507 F.2d 1404, 1407 (CCPA 1975) (COUNTRY VOGUES and VOGUE marks for publications “do not look or sound alike”). This is even more true, where, as here, the supposed similarities are premised not on common words, but common initials.

Beyond this, “the use of identical, even dominant, words” – again, read “initials” instead of words, and magnify the rule – “in common does not automatically mean that two marks are similar.” *Sensient Technologies Corp. v. Sensory Effects Flavor Co.*, 613 F.3d 754, 764 (8th Cir. 2010), *cert. denied*, 562 U.S. 1270 (2011) (internal quotations and citations omitted). “We may

consider the marks’ visual, aural, and definitional attributes and compare the trade dress of the products in determining whether the total effect conveyed by the two marks is confusingly similar.” *Id.*

In its opposition, Louis Vuitton all but ignores the numerous visual and auditory¹⁰ differences between its Initials Logo mark – which is based on the letters “L” and “V” – and plaintiff’s mark, which is based on the letters “L-V-L X-I-I-I” – as further illustrated below:¹¹



Louis Vuitton’s Mark



LVL XIII’s Mark

Louis Vuitton’s Initials Logo mark presents the two letters “L” and “V” as a single, interconnected image, with the downward stroke of the “L” appearing at an angle from right to left. By contrast, the seven letters of LVL XIII’s Word Mark start with LV but have “always been accompanied by the additional characters ‘L X-I-I-I’” immediately following the “V”. (Pltf’s. Mem. at 52.) Significantly, even abstracting – artificially¹² – from the “XIII” component of plaintiff’s mark, the two-letter **LV** in Louis Vuitton’s mark is substantially different from the

¹⁰ Louis Vuitton does not dispute that the LVL XIII Word Mark is pronounced “Level 13.”(Declaration of Wendi E. Sloane in Support of Memorandum of Law of Louis Vuitton Malletier, S.A. and Louis Vuitton North America, Inc. in Support of Their Motion for Summary Judgment and Memorandum in Opposition to LVL XIII Brands, Inc.’s Motion for Summary Judgment dated March 22, 2016 (Dkt. No. 156) (“Sloane Decl. II”), Ex. 51 (“Brown Dep.”) at 190:20-192:20.) In fact, defendants’ briefing acknowledges as much. “In designing his word mark, Mr. Brown could have picked any font and could easily have written its name ‘LEVEL 13’.”(Opp. Mem. at 33.)

¹¹ Plaintiff’s Word Mark as shown above is a copy of the specimen of use it submitted in connection with its Statement of Use filed with the PTO on April 7, 2014 in connection with its ‘102 Application. (Sloane Decl. I, Ex. 32.)

¹² Under the anti-dissection principle, the similarity analysis must assess the marks in their entirety without dissecting out any one component. *See* McCarthy § 11:27; *see also* *New York City Triathlon, LLC v. NYC Triathlon Club, Inc.*, 704 F. Supp. 2d 305, 333-34 (S.D.N.Y. 2010).

three-letter LVL in plaintiff's mark. No consumer viewing both marks would fail to notice the visual contrast between them. Nor would any consumer looking at the marks fail to notice the obvious distinction – meaning and impact, again, being the necessary adjunct of visual inspection – between what is merely two initials, “L” and “V” – and what, in contradistinction, is a phrase using two of the same letters but adding a third letter to spell out LVL for “level” (*see* Section (C) *infra*). *See Donsky v. Bandwagon, Inc.*, Case No. 76-cv-620, 1976 U.S. Dist. LEXIS 11735 at *11 (D. Mass. 1976) (no likelihood of confusion between 100 YEAR NITE-LITE and CENTURY NIGHT LIGHT despite relatedness of goods, relying in part on unconventional spelling of “nite,” a generic component of both marks); *Vail Associates, Inc. v. Vend-Tel-Co., Ltd.*, 516 F.3d 853, 870 (10th Cir. 2008) (no likelihood of confusion between mark consisting of phone number and shorter mark that is not a phone number).

In sum, the visual distinctions between the marks not only present obvious visual contrasts, but also creates appreciable differences in the commercial connotation and impression, as discussed in terms of the prior registration's weakness as a trademark, as further discussed below. Thus, in consideration of the “overall impression” of LVL XIII's registered Word Mark (U.S. Reg. No. 4539506) (JSF ¶ 41), which defendants acknowledge is the *sine qua non* of any similarity analysis (Opp. Mem. at 32), plaintiff's Word Mark projects a wholly distinct commercial impression from that conveyed by defendants' Initials Logo mark. *See Louis Vuitton Malletier v. Burlington Coat Factory Warehouse Corp.*, 426 F.3d 532, 537 (2d Cir. 2005).

The marks are also starkly distinct phonetically. In fact, there are twice as many syllables in how one verbally expresses plaintiff's “Level Thirteen” mark (four) as in Louis Vuitton's “LV” mark (two) – a factor which in and of itself militates against similarity as to sound. As the Sixth Circuit explained in *Jet, Inc. v. Sewage Aeration Sys.*, 165 F.3d 419 (6th Cir. 1999):

JET and AEROB–A–JET are visually and verbally distinct. AEROB–A–JET has four syllables to JET’s one, and the first syllables of AEROB–A–JET are more prominent when the mark is pronounced. Both AEROB and JET are somewhat descriptive of how the parties’ devices operate, but neither is generic or merely descriptive of the process. Considering the impression made by the marks as a whole, JET and AEROB–A–JET are not confusingly similar.

Id. at 423–44. *See also, G. D. Searle & Co. v. Chas. Pfizer & Co.*, 265 F.2d 385, 387(7th Cir. 1959) (marks likely to be confused where they had identical number of syllables). This difference is material to the meaning conveyed by the respective marks, because any English speaker hearing the two marks will recognize that one is two letters and one is a short phrase. This by itself constitutes a significant, and dispositive, difference how the two marks are perceived by listeners hearing them spoken. *See Vail Associates, Inc., supra.*

Additionally, where two marks are phonetically similar, which at best applies only to the generic or descriptive components of the respective marks here, there is no likelihood of confusion if other factors differentiate the marks. Thus in *National Distillers & Chemical Corporation v. William Grant and Sons, Inc.*, 505 F.2d 719, 721 (CCPA 1975), the Court of Customs and Patent Appeals found that the marks DUVET and DUET were not likely to be confused, despite their phonetic similarity, in the context of differentiating factors such as the fact that DUET was a familiar word and DUVET was not. Similarly, in *Donsky, supra*, despite numerous factors militating in favor of a finding of likelihood of confusion, CENTURY NIGHT LIGHT and 100–YEAR NITE–LITE were found to be sufficiently distinguishable from each other due to a wealth of other factors:

It is apparent that there are several factors which point toward the impression of confusing similarity of the lights. There is strong resemblance between them. Both are sold through mail order catalogs. The primary advertising media for Solid’s light is such catalogs, and Bandwagon utilizes the same or similar media advertising. The evidence demonstrated some confusion among purchasers in the return of Bandwagon’s lights to Solid. However, where, as here, the respective marks have a common element which is generic, that is, the term “night light” or “nite-lite”, the court must look to the non-generic aspects of the marks.

The ultimate determination of the issue of confusing similarity depends upon the total impression created by the marks. *See* McCarthy, *supra*, § 23:15G. When the non-generic aspects, namely, 100–YEAR and CENTURY, are compared according to the sight, sound and meaning considerations of the Restatement, it is apparent that the marks are dissimilar in appearance. Solid’s mark has numbers and words; **Bandwagon’s mark has no numbers. The sounds of the non-generic aspects are dissimilar. The generic term “night light” is unconventionally spelled in Solid’s mark. The sound of the non-generic aspect is dissimilar.** However, the meaning of the non-generic components is the same, and in some circumstances similarity of meaning may overcome dissimilarity in appearance or sound. *See, e.g., Hancock v. American Steel & Wire Co.*, 203 F.2d 737, 740 (C.C.P.A.1953). *But see Sterling Drug Inc. v. Lincoln Laboratories, Inc.*, 322 F.2d 968, 971 (7th Cir.1963). But, **given the dissimilar factors of appearance and sound**, the similarity in meaning does not establish the likelihood that consumers will become confused and associate CENTURY NIGHT LIGHT as identifying products from the same source as that of 100–YEAR NITE–LITE. The court therefore concludes that Bandwagon has not infringed plaintiffs’ mark.

Donsky, 1976 U.S. Dist. LEXIS 11735 at *10-11 (emphasis added). There is simply not nearly enough in common between these marks to justify granting Louis Vuitton a monopoly on all trademarks that use the letters “LV.”

Defendants’ claim that the manner in which LVL XIII displays its mark, i.e., that on the Internet the shoe is “often pictured at an angle so that only the ‘LV’ of ‘LVL XIII’ is visible” which might potentially lead to confusion does not overcome these barriers to its likelihood of confusion arguments. (Opp. Mem. at 32.) There is no evidence to support counsel’s speculative argument that because LVL XIII’s shoes were formerly sold on a now-defunct third-party website, Carbon Bizarre, **defendants’ consumers** will be confused as to the source, sponsorship, or affiliation of plaintiff’s products. This is a particularly determinative here, in the absence of any evidence that defendants even sell their merchandise on this same website.¹³ As for the

¹³ It in its Memorandum of Law in Support of Summary Judgment dated January 22, 2016 (Dkt. No. 108) (“Defs. Memo.”), Louis Vuitton refers to Carbon Bizarre as an “obscure website.” (*Id.* at 32.) It now apparently contends, absent any evidence, that the website may nevertheless serve as the source for some confusion among its consumers. The argument is meritless. Louis Vuitton’s Statement of Additional Material Fact (Dkt. No. 154) No. 382 states: “Louis Vuitton products are sold exclusively in Louis Vuitton-owned stores and on the e-commerce website, www.louisvuitton.com.”

“record” defendants’ point to in support of this alleged “confusion”, they fail to mention that “LVL XIII” appears on each of the Carbon Bizarre webpages displaying plaintiff’s shoes, including, at a minimum, in each of the URLs associated with the images of LVL XIII’s sneakers. (*See generally*, Sloane Decl. I, Ex. 35.) Defendants’ reference to LVL XIII’s appearance in *Details* magazine in the summer of 2013 is no more persuasive. Images of LVL XIII’s sneakers appearing in the article are accompanied by the conspicuous display of “LVL XIII | www.lvlxiii.com” appearing immediately below each photograph.¹⁴ (Opp. Mem. at 32, citing Sloane Decl. I, Ex. 37 at P01542-43.)

C. There is no evidence of bad faith.

The fact that Louis Vuitton registered its Initials Logo mark prior to LVL XIII’s use of its mark does not constitute evidence of bad faith by LVL XIII. “Prior knowledge of a senior user’s trade mark does not necessarily give rise to an inference of bad faith and may be consistent with good faith.” *Arrow Fastener Co., Inc. v. Stanley Works*, 59 F.3d 384, 397 (2d Cir. 1995). Nothing in the record suggests that LVL XIII’s Word Mark was created or marketed in a bad faith attempt to trade on the good will of defendants. *See EMI Catalogue P’ship v. Hill, Holiday, Connors, Cosmopulos Inc.*, 228 F.3d 56, 66 (2d Cir. 2000) (equating bad faith with “the subsequent user’s intent to trade on the good will of the trademark holder by creating confusion as to source or sponsorship”). As the Second Circuit has held, the “summary judgment rule would be rendered sterile . . . if the mere incantation of intent or state of mind would operate as a talisman to defeat an otherwise valid motion.” *Meiri v. Dacon*, 759 F.2d 989, 998 (2d Cir. 1985).

¹⁴ Louis Vuitton cites to images contained in LVL XIII’s press kit as a source of potential confusion with its Initial Logo mark. (Opp. Mem. at 32, citing Sloane Decl. I, Ex. 37 at P01542-43.) Presumably, Louis Vuitton takes issue with the source of the images shown in P01542-43 and not the press kit itself, for which there could also never be any credible confusion. The source of the images appearing in P01542-43 is available at <http://syndicate.details.com/post/favorite-picks-mens-shows-nyc-2013> (last visited April 21, 2016).

Moreover, Louis Vuitton's rights in its Initials Logo mark is limited to the stylized use of the mark as depicted above and in its pleadings. (Dkt. 40 at 38-39, ¶¶ 56-57.)

In fact, Mr. Brown testified as to why he selected "LVL XIII" as his company's brand. (Brown Dep. at 190:20-193:4.) The mark married the number "13" – an auspicious number with biblical connotations (Declaration of Joel G. MacMull, sworn to on April 21, 2016 ("MacMull Decl. II"), Ex. 1) in addition to being Mr. Brown's date of birth – with the word "level", which Mr. Brown described as:

[W]hen you think of things at a certain level, you always think of ten. Ten is like where it stops. So because the number 13 represented us pushing the boundaries and perception of what something was going to be, instead of us doing level 10, I chose LVL XIII.

(Brown Dep. Tr. at 192:3-9.) As for Louis Vuitton's suggestion that Mr. Brown's choice of abbreviating "Level" to "LVL" was in some way nefarious, there is likewise no evidence to support that conclusion. (Opp. Mem. at 33-34.) In fact, "LVL" is a known Internet,¹⁵ texting¹⁶ and gaming¹⁷ abbreviation for the word "level" followed, not uncommonly, by a quantity indicator – in this case, the Roman numeral XIII, or "13."¹⁸

Louis Vuitton charges that "LVL XIII decided to abbreviate its name so that its prominent first two letters were 'LV'" so that it could "capitalize on [Louis Vuitton's] goodwill." (*Id.* at 33-34.) In support, it argues that "[a]lthough Brown found several options for

¹⁵ "What is LVL? LVL is "Level" InternetSlang.com (available at <http://www.internetslang.com/LVL-meaning-definition.asp>) (last visited April 21, 2016.)

¹⁶ "The word lvl is used in Texting meaning level."Lingo2Word.com (available at <http://www.lingo2word.com/lingodetail.php?WrdID=90703>) (last visited April 21, 2016).

¹⁷ "lvl=level Often use[d] when talking about computer games, often rpg (rpg) games. So, which lvl are u on?"Urban Dictionary, "lvl"(available at <http://www.urbandictionary.com/define.php?term=lvl>) (last visited April 21, 2016).

¹⁸ "lvl xx From Runescape. A man with balls of steel. Yah bro thats a Lvl Xx. jägerbombs!" Urban Dictionary, "lvl xx" (found at <http://www.urbandictionary.com/define.php?term=lvl+xx>) (last visited April 21, 2016.)

abbreviations for “level” on the website www.allacronyms.com, Brown selected “LVL” as the abbreviation to use on “Level Thirteen” footwear” and that the www.allacronyms.com website “lists several abbreviations for ‘level’” (LV SoAF, ¶¶ 393, 395.) The problem with defendants’ analysis, however, as laid bare from the exhibit on which they rely, is that the alternative abbreviations of “level” they advocate, such as “LEL” and “Lev” are **secondary and tertiary abbreviations**, while the number-one ranked abbreviation for “level” is, not surprisingly, “LVL.” (*Id.*, citing Declaration of Maureen Harmon in Support of Memorandum of Law of Defendants’ Motion for Summary Judgment and Opposition to Plaintiff’s Motion for Summary Judgment (Dkt. No. 153) (“Harmon Decl.”), Ex. H.) The question of why plaintiff should have relegated its choice of an abbreviation to something more obscure is no different from the one of why defendants never protested its use or registration of the mark until defendants decided to make a tactical argument to that effect in this litigation: **No one seriously thinks that LVL XIII and LV are confusingly similar** – including Louis Vuitton. This common-sense inference also supports the logical inference of LVL XIII’s good faith in adopting its mark.¹⁹

D. There is No Evidence of Actual Confusion.

Louis Vuitton concedes the absence of any of actual confusion. (Opp. Mem. at 34.) This is for good reason: as LVL XIII explained in its opening brief Louis Vuitton never produced any evidence of actual confusion, mistake or deception and its Rule 30(b)(6) designee on the topic unequivocally testified there was not any. (Pltf’s. Mem. at 53-54.) Now, in a half-hearted attempt to save its claim, Louis Vuitton switches gears, arguing that “intentional bad-faith copying” may

¹⁹ LVL XIII’s reliance on the advice of its counsel also supports a finding of good faith. (MacMull Decl. II, Ex. 2 (“Pelton Dep.”) at 12:2-12 (testifying that he wrote to Mr. Brown “you can file a trademark application for the brand name LVL XIII.”) *See Lang v. Retirement Living Publ’g Co.*, 949 F.2d 576, 583 (2d Cir. N.Y. 1991).

serve as a substitute for actual confusion. (Opp. Mem. at 34.) As explained above, the lack of evidence of bad faith from the record negates Louis Vuitton's attempt to maintain this claim.

Accordingly, for these reasons and those set forth in plaintiff's moving brief, the Court should grant LVL XIII's summary judgment on Louis Vuitton's federal trademark infringement, false designation of origin and unfair competition claims.²⁰

CONCLUSION

Defendants' opposition is rife with inapposite legal arguments premised on a non-existent record. Because defendants have failed to present any evidence demonstrating a genuine material issue of fact on any of their claims such that no reasonable jury could find in their favor, summary judgment dismissing defendants' counterclaims should be granted to LVL XIII in its entirety.

Respectfully submitted,



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²⁰ As explained in LVL XIII's initial brief, because § 43(a) claims brought under the Lanham Act are evaluated under the same legal analysis as a federal infringement claim in this Circuit (Pltf's.Mem. at 54), dismissal of Count IV of defendants' counterclaim is also appropriate.