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**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK**

THE DONNA KARAN COMPANY, and  
GABRIELLE STUDIO, INC.,

Plaintiffs,

-against-

DEZINER WHOLESALE, L.L.C. d/b/a  
DEZINER ALTERNATIVE SUNGLASSES,

Defendant.

CIVIL ACTION NO.  
02 CV-1968 (JMP)

**AMENDED COMPLAINT**

Plaintiffs, through their undersigned attorneys,  
complaining of defendant, allege as follows:

**First Cause of Action  
Trademark Infringement  
15 U.S.C. §1114(1)**

**Subject Matter Jurisdiction & Venue**

1. This Court has subject matter jurisdiction over the claims in this action, which relate to trademark infringement, false designations of origin and false descriptions and

dilution, pursuant to the provisions of 15 U.S.C. § 1121 and 28 U.S.C. § 1331.

2. This Court has supplemental jurisdiction over the claims in this Amended Complaint that arise under state statute and the common law of the State of New York pursuant to 28 U.S.C. §1338(b) and 28 U.S.C. § 1367(a), because the state law claims are so related to the federal claims that they form part of the same case or controversy and derive from a common nucleus of operative facts.

3. Venue is proper in this Court pursuant to 28 U.S.C. §§ 1391(b) and 1400(a). The infringing activities that are the subject of this litigation occurred in interstate commerce and in this District and the defendant may be found in this District.

#### **Parties and Personal Jurisdiction**

4. Plaintiff The Donna Karan Company ("Donna Karan") is a general partnership duly organized and existing under the laws of the state of New York, having an office and principal place of business at 550 Seventh Avenue, New York, New York.

5. Plaintiff Gabrielle Studio, Inc. ("Gabrielle Studio") is a corporation duly organized and existing under the laws of the State of New York, having an office and principal place of

business at 87 Mayfield Avenue, Edison, New Jersey. For purposes of this Amended Complaint, except where specified, Donna Karan and Gabrielle Studio' interests herein are as a practical matter identical and they are referred to collectively and interchangeably as "Donna Karan."

6. Upon information and belief, defendant Deziner Wholesale L.L.C. (hereinafter, "Deziner") is a limited liability company organized and existing under the laws of the State of New Jersey, having an office and principal place of business at 3 Killdeer Court, Suite 302, Swedesboro, New Jersey.

7. Upon information and belief, Deziner owns the worldwide web domain name, and associated website, [www.dezinerwholesale.com](http://www.dezinerwholesale.com) (the "website").

### **Plaintiffs' World Famous Trademarks**

8. Founded in 1984 on the talents of Ms. Donna Karan, one of the world's preeminent fashion designers, plaintiff Donna Karan has grown into one of the world's most famous fashion houses. Donna Karan's initial focus was the DONNA KARAN NEW YORK designer collection of women's apparel and accessories. From the initial success of this collection came the successful launch of the DKNY collection of women's apparel, shoes and accessories in 1989. DKNY was established as a separate bridge brand with a

distinct and more casual fashion identity at lower price points while retaining an association with the DONNA KARAN NEW YORK designer image.

9. All goods sold bearing the DKNY trademark, advertised or promoted under that trademark, are manufactured under strict quality controls using high quality materials and manufacturing methods. The DKNY branded goods are sold primarily through fine department stores, specialty stores, and free-standing DKNY boutiques.

10. To further preserve the exclusivity of the DKNY brand, Donna Karan maintains tight control over advertising, marketing, distribution and licensing. All worldwide advertising, public relations and marketing programs are developed and administered internally in order to ensure a consistent image world-wide.

11. Donna Karan has devoted a great deal of time, effort and money in promoting, marketing and advertising the apparel, shoes, accessories and other goods bearing the DKNY trademark. For example, advertising expenditures for DKNY and DONNA KARAN NEW YORK goods in the years 1999 through 2001 totaled more than twenty million dollars per year. Donna Karan advertising featuring the DKNY and DONNA KARAN NEW YORK trademarks has appeared in hundreds of magazines and periodicals throughout the United States, as well as throughout the world.

12. As a direct result of its advertising and promotional efforts, the DKNY trademark has become world famous, and both the trade and the public have come to recognize the DKNY trademark to identify the source of Donna Karan's goods and distinguish them from goods of others. Indeed, the DKNY trademark has received acclaim and acceptance internationally, garnering widespread consumer interest and the attention of the press and general media.

13. Worldwide sales of eyewear under the DKNY trademark in recent years have been approximately as follows: \$25,721,072 in 1999, \$41,379,143 in 2000, and \$43,260,704 in 2001.

14. The DKNY trademark has been duly registered in the U.S. Patent and Trademark Office. Registrations include, but are not limited to:

<u>Trademark No.</u>	<u>Date</u>	<u>Description</u>	
DKNY	1,958,158	2/20/96	Eyeglass frames, eyeglass cases, eyeglass chains, non-prescription magnifying glasses and sunglasses.
DKNY EYES	1,609,650	8/14/90	Sunglasses.
DKNY	1,598,391	5/29/90	Sunglasses.

(The "Donna Karan Registrations" and the "Donna Karan Trademarks").

15. The Donna Karan Registrations are in full force and effect, and the trademarks thereof and the goodwill of the

business of Donna Karan in connection with which the trademarks are used have never been abandoned. Donna Karan intends to continue to preserve and maintain its rights with respect to the Donna Karan Registrations.

16. Eyewear, wearing apparel and related products, bearing one or more of the Donna Karan Trademarks, by reason of their style, distinctive designs and quality have come to be known by the purchasing public throughout the United States as merchandise of the highest quality. As a result thereof, the Donna Karan trademarks and the goodwill associated therewith are of inestimable value to Donna Karan.

17. Based on Donna Karan's extensive sales and the wide popularity of its eyewear, wearing apparel and related products, the Donna Karan trademarks have developed a secondary meaning and significance in the minds of the purchasing public. Products bearing such marks and names are immediately identified by the purchasing public with Donna Karan.

18. Because of the extensive sales of the DKNY branded goods and their advertising, promotion, and consumer recognition, the DKNY trademark has become famous as a matter of law.

19. Donna Karan has gone to great lengths to protect its name and enforce its trademarks.

### **Defendant's Infringing Activities**

20. Long after plaintiffs' adoption and use of their respective trademarks, long after plaintiffs' federal registrations of such trademarks, and long after the Donna Karan Trademarks had become famous, defendant, on information and belief, commenced the offering for sale, distribution and sale in interstate commerce of sunglasses under the Donna Karan Trademarks, thereby infringing one or more of the each of the Donna Karan Trademarks as those trademarks appear on plaintiffs' merchandise, including sunglasses, as shown in the Donna Karan Registrations.

21. Upon information and belief, defendant offers sunglasses for retail sale and sells on its website sunglasses using the Donna Karan trademarks. (See attached printouts from the [www.dezinerwholesale.com](http://www.dezinerwholesale.com) website attached as Exhibit 1).

22. Upon information and belief, defendant offers for sale and sells sunglasses as a wholesaler to retailers and encourages retailers to display sunglasses in packaging that prominently displays Donna Karan trademarks.

23. Upon information and belief, defendant's website displays two variations of packaging for its sunglasses, each of which infringes the Donna Karan trademarks, as set forth below.

24. Upon information and belief, defendant's website indicates that the Deziner Wholesaler sunglasses utilizing, without consent, the Donna Karan trademarks is among defendant's top 25 sellers.

25. Upon information and belief, defendant commenced the aforementioned activities with full knowledge of and by reason of the fact that the Donna Karan Trademarks are widely recognized and relied upon by the trade and the public to identify goods and services of plaintiffs and to distinguish them from those of others.

26. The activities of defendant complained of herein constitute willful and intentional infringement of plaintiffs' registered trademarks.

27. Defendant has acted in total disregard of plaintiffs' rights and in spite of defendant's knowledge that the unauthorized use of any of the Donna Karan Trademarks or a copy or colorable imitation thereof directly contravenes plaintiffs' rights.

28. Defendant's infringements of one or more of the Donna Karan Trademarks has been without the consent of the plaintiffs.

29. Defendant's infringements of one or more of the Donna Karan Trademarks is likely to cause confusion and mistake in the

minds of the purchasing public, including but not limited to initial interest confusion.

30. Defendant's infringements of one or more of the Donna Karan Trademarks tends to and does falsely create the impression that the sunglasses sold by defendant are authorized, sponsored, or approved by plaintiffs.

31. Plaintiffs have no adequate remedy at law and are suffering irreparable harm and damage as a result of the acts of defendant as aforesaid in an amount thus far not determined.

**Second Cause of Action**  
**False Designation of Origin and False Description**  
**15 U.S.C. §1125(a) (1) (A)**

32. Plaintiffs repeat and reallege the allegations contained in prior paragraphs as if fully set forth herein.

33. Upon information and belief, defendant has used in connection with the sale of sunglasses, false designations of origin and false descriptions and representations, including symbols that tend falsely to describe or represent such sunglasses.

34. Upon information and belief, defendant has caused the aforementioned sunglasses to enter into commerce with full knowledge of the falsity of such designations of origin and such descriptions and representations, all to the detriment of plaintiffs.

35. Defendant's use of the Donna Karan Trademarks constitutes the use of false designations of origin and false descriptions and representations tending falsely to describe or represent goods sold by defendant.

36. Upon information and belief, defendant has distributed, offered for sale or sold sunglasses under one or more of each of the Donna Karan Trademarks with the express intent to cause confusion and mistake, to deceive and mislead the purchasing public, to trade upon the reputation of plaintiffs, and improperly to appropriate the valuable trademark rights of plaintiffs.

37. Plaintiffs have no adequate remedy at law and are suffering irreparable harm and damage as a result of the acts of defendant complained of herein in an amount thus far not determined.

**Third Cause of Action**  
**False Advertising**  
**15 U.S.C. §1125(a) (1) (B)**

38. Plaintiffs repeat and reallege the allegations contained in prior paragraphs as if fully set forth herein.

39. Upon information and belief, defendant has used in connection with the sale of sunglasses, false designations of origin and false descriptions and representations, including symbols that tend falsely to describe or represent such sunglasses and have caused such sunglasses to enter into commerce with full knowledge of the falsity of such designations of origin and such descriptions and representations, all to the detriment of plaintiffs.

40. Upon information and belief, defendant displays, on the website and elsewhere, sunglasses atop boxes which contain labels depicting the plaintiffs' Registered Trademarks in bold for the purpose of capturing consumers' attention.

41. Defendant's actions as aforesaid constitute commercial false descriptions and representations in commercial advertising and promotion tending falsely to describe or represent goods sold by defendant because defendant's sunglasses are not comparable in style, quality or otherwise with plaintiff's sunglasses.

42. Upon information and belief, defendant has made the false statements referred to above all with the express intent of causing confusion and mistake, deceiving and misleading the purchasing public, trading upon the reputation of plaintiffs, and improperly appropriating the valuable trademark rights of plaintiffs.

43. Plaintiffs have no adequate remedy at law and are suffering irreparable harm and damage as a result of the acts of defendant complained of herein in an amount thus far not determined.

**Fourth Cause of Action**  
**Trademark Dilution**  
**15 U.S.C. §1125(c)**

44. Plaintiffs repeat and reallege the allegations contained in prior paragraphs as if fully set forth herein.

45. The diverse products sold by plaintiffs and licensees under the Donna Karan Trademarks, and the services rendered under those trademarks have been widely advertised to the purchasing public and to the trade throughout the United States and the world by all means and all types of advertising media, including newspapers, magazines, television, trade publications, and the like.

46. Products sold under the Donna Karan Trademarks, by reason of their style and design excellence and quality of workmanship, have come to be known to the purchasing public throughout the United States as representing products of the highest quality, which are sold under the best merchandising and customer service conditions. As a result thereof, the Donna Karan Trademarks and the goodwill associated therewith are of inestimable value to plaintiffs.

47. By virtue of the wide renown acquired by each of the Donna Karan Trademarks, coupled with the national and international distribution and extensive sale of various products distributed under those trademarks, the Donna Karan Trademarks have developed a secondary meaning and significance in the minds of the purchasing public and have become famous, and products bearing such marks are immediately identified by the purchasing public with the plaintiffs.

48. The use by defendant of the Donna Karan Trademarks in connection with sunglasses has, will and is likely to continue to dilute the distinctive quality of the Donna Karan Trademarks by diluting or tarnishing the Donna Karan Trademarks and the goodwill of the business associated with them.

49. The activities of defendant complained of herein constitute willful and intentional conduct intended to trade on

plaintiffs' reputations and to cause dilution of the famous Donna Karan Trademarks.

50. Plaintiffs have no adequate remedy at law and are suffering irreparable harm and damage as a result of the acts of defendant as aforesaid in an amount thus far not determined.

**Fifth Cause of Action**  
**Common Law Unfair Competition**

51. Plaintiffs repeat and reallege the allegations contained in prior paragraphs as if fully set forth herein.

52. Upon information and belief, defendant has intentionally appropriated one or more of each of the Donna Karan Trademarks with the intent of causing confusion, mistake, and deception as to the source of its goods.

53. Upon information belief, defendant has acted with the intent to palm off its goods as those of plaintiffs, and to place others in the position to palm off their goods as those of plaintiffs. Such acts amount to trademark infringement and unfair competition under the common law.

54. Plaintiffs have no adequate remedy at law and have suffered irreparable harm and damage as a result of defendant's acts as aforesaid in an amount thus far not determined.

**Sixth Cause of Action**  
**New York Statutory Unfair Competition**  
**N.Y. Gen. Bus. Law §349 et seq.**

55. Plaintiffs repeat and reallege the allegations contained in prior paragraphs as if fully set forth herein.

56. By reason of the aforesaid acts, defendant has engaged in false advertising and deceptive trade practices in the course of their business in violation of Section 349 et seq. of the New York General Business Law.

57. Plaintiffs have no adequate remedy of law and have suffered irreparable harm and damage as a result of the acts of the defendant as aforesaid in an amount thus far not determined.

**PRAYER FOR RELIEF**

WHEREOF, plaintiffs demand:

I. That a preliminary and permanent injunction be issued enjoining defendant and its agents, servants, employees and attorneys and those persons in active concert or participation with them:

A. From using any of the Donna Karan Trademarks or any mark similar thereto in connection with the sale of any unauthorized goods or the rendering of any unauthorized services;

B. From using any logo, trade name, or trademark that may be calculated to falsely represent or which has the effect of falsely representing that the services or products of defendant or of third parties are sponsored by, authorized by or in any way associated with plaintiffs;

C. From infringing any of the Donna Karan Trademarks;

D. From otherwise unfairly competing with plaintiffs;

E. From falsely representing themselves as being connected with plaintiffs or sponsored by or associated with plaintiffs or engaging in any act which is likely to falsely cause the trade, retailers or members of the purchasing public to believe that defendant is associated with plaintiffs;

F. From falsely misrepresenting in commercial advertising or promotion the nature, characteristics and qualities of defendant's goods;

G. From using any reproduction, counterfeit, copy, or colorable imitation of any of the Donna Karan Trademarks in connection with the publicity, promotion, sale, or advertising of goods sold by

defendant, including, without limitation, sunglasses, fashion accessories, or apparel bearing a copy or colorable imitation of any of the Donna Karan Trademarks; and,

H. From affixing, applying, annexing, or using in connection with the sale of any goods, a false description or representation, including words or other symbols, tending falsely to describe or represent such goods as being those of plaintiffs and from offering such goods in commerce.

II. That defendant be required, at plaintiffs' election, either (i) to pay plaintiffs statutory damages as provided for under 15 U.S.C. § 1117(c) or (ii) account to plaintiffs for all profits resulting from defendant's infringing activities and that such award of profits to plaintiffs be increased by the Court as provided for under 15 U.S.C. § 1117(b).

III. That plaintiffs have a recovery from defendant of the costs of this action and plaintiffs' reasonable counsel fees pursuant to 15 U.S.C. § 1117.

IV. That defendant be ordered to disseminate corrective advertising to dispel and correct the false, misleading and deceptive impressions created or caused by

