

No. 18-1086

In the
Supreme Court of the United States

LUCKY BRANDS DUNGAREES, INC., LUCKY BRAND
DUNGAREES STORES, INC., LEONARD GREEN &
PARTNERS, L.P., LUCKY BRAND DUNGAREES, LLC,
LUCKY BRAND DUNGAREES STORES, LLC, KATE
SPADE & Co.,

Petitioners,

v.

MARCEL FASHION GROUP, INC.,

Respondent.

**On Writ of Certiorari to the
United States Court of Appeals
for the Second Circuit**

JOINT APPENDIX

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Counsel for Respondent

September 11, 2019

Petition for Writ of Certiorari Filed February 15, 2019
Petition for Writ of Certiorari Granted June 28, 2019

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JA 1

**UNITED STATES COURT OF APPEALS
FOR THE SECOND CIRCUIT**

No. 17-361

MARCEL FASHIONS GROUP, INC.,

Plaintiff-Appellant,

v.

LUCKY BRAND DUNGAREES, INC., LUCKY BRAND
DUNGAREES STORES, INC., LEONARD GREEN &
PARTNERS, L.P., LUCKY BRAND DUNGAREES, LLC,
LUCK BRAND DUNGAREES STORES, LLC,
KATE SPADE & CO.,

Defendants-Appellees,

LIZ CLAIBORNE, INC., LBD ACQUISITION CO., LLC,

Defendants.

RELEVANT DOCKET ENTRIES

Date Filed	#	Docket Text
02/06/2017	1	NOTICE OF CIVIL APPEAL, with district court docket, on behalf of Appellant Marcel Fashions Group, Incorporated, FILED. [1963386] [17-361] [Entered: 02/07/2017 10:15 AM]
* * *		
02/28/2017	31	LOCAL RULE 31.2 NOTICE, placing this appeal on the Court's Expedited Calendar,

JA 2

Date Filed	#	Docket Text
		setting appellant' brief due date as April 4, 2017, appellee's brief due date as May 9, 2017, TRANSMITTED.[1978622] [17-361] [Entered: 02/28/2017 02:26 PM]
* * *		
03/07/2017	36	MOTION, to extend time, on behalf of Appellant Marcel Fashions Group, Incorporated, FILED. Service date 03/07/2017 by CM/ECF. [1984063] [17-361] [Entered: 03/07/2017 03:36 PM]
* * *		
03/13/2017	41	MOTION ORDER, granting motion to extend time [36] filed by Appellant Marcel Fashions Group, Incorporated, by RKW, FILED. [1988101][41] [17-361] [Entered: 03/13/2017 03:07 PM]
* * *		
05/02/2017	46	MOTION, to file document, on behalf of Appellant Marcel Fashions Group, Incorporated, FILED. Service date 05/02/2017 by CM/ECF. [2024860] [17-361] [Entered: 05/02/2017 04:04 PM]
* * *		
05/04/2017	51	BRIEF, on behalf of Appellant Marcel Fashions Group, Incorporated, FILED. Service

Date Filed	#	Docket Text
		date 05/04/2017 by CM/ECF.[2027400] [17-361] [Entered: 05/04/2017 04:48 PM]
05/04/2017	52	ORAL ARGUMENT STATEMENT LR 34.1 (a), on behalf of filer Attorney Robert L. Greener, Esq. for Appellant Marcel Fashions Group, Incorporated, FILED. Service date 05/04/2017 by CM/ECF. [2027409] [17-361] [Entered: 05/04/2017 04:51 PM]
05/15/2017	56	MOTION ORDER, granting motion to supplement the record [46] filed by Appellant Marcel Fashions Group, Incorporated, by PWH, FILED. [2035349][56] [17-361] [Entered: 05/15/2017 02:13 PM]
* * *		
05/19/2017	58	APPENDIX, volume 1 of 1, (pp. 1-272), on behalf of Appellant Marcel Fashions Group, Incorporated, FILED. Service date 05/19/2017 by CM/ECF.[2039767] [17-361] [Entered: 05/19/2017 05:26 PM]
* * *		
07/10/2017	69	BRIEF, on behalf of Appellee Kate Spade & Co., Leonard Green & Partners, L.P., Lucky

Date Filed	#	Docket Text
		Brand Dungarees Stores, Incorporated, Lucky Brand Dungarees Stores, LLC, Lucky Brand Dungarees, Incorporated and Lucky Brand LLC, FILED. Service date 07/10/2017 by CM/ECF. [2074968] [17-361] [Entered: 07/10/2017 04:12 PM]
07/10/2017	70	SUPPLEMENTAL APPENDIX, on behalf of Appellee Kate Spade &Co., Leonard Green & Partners, L.P., Lucky Brand Dungarees Stores, Incorporated, Lucky Brand Dungarees Stores, LLC, Lucky Brand Dungarees, Incorporated and Lucky Brand LLC, FILED. Service date 07/10/2017 by CM/ECF. [2074970] [17-361] [Entered: 07/10/2017 04:13 PM]
07/20/2017	73	ORAL ARGUMENT STATEMENT LR 34.1 (a), on behalf of filer Attorney Dale Cendali, Esq. for Appellee Kate Spade &Co., Leonard Green & Partners, L.P., Lucky Brand Dungarees Stores, Incorporated, Lucky Brand Dungarees Stores, LLC, Lucky Brand Dungarees, Incorporated and Lucky Brand LLC, FILED. Service date 07/20/2017 by

JA 5

Date Filed	#	Docket Text
		CM/ECF. [2083009] [17-361] [Entered: 07/20/2017 02:25 PM]
* * *		
07/24/2017	76	REPLY BRIEF, on behalf of Appellant Marcel Fashions Group, Incorporated, FILED. Service date 07/24/2017 by CM/ECF. [2084982] [17-361] [Entered: 07/24/2017 05:08 PM]
* * *		
09/07/2017	81	**REVISED** CASE CALENDARING, for argument on 10/12/2017, SET.[2118983] [17-361] [Entered: 09/07/2017 12:27 PM]
* * *		
10/12/2017	86	CASE, before RKW, JMW, RSP, C.JJ., HEARD.[2145797] [17-361] [Entered: 10/12/2017 11:29 AM]
08/02/2018	88	OPINION, vacating the judgment of the district court and remand, by RKW, JMW, RSP, FILED.[2357665] [17-361] [Entered: 08/02/2018 09:33 AM]
08/02/2018	89	CERTIFIED ORDER, dated 08/02/2018, to SDNY, ISSUED.[2357673] [17-361] [Entered: 08/02/2018 09:37 AM]
* * *		

JA 6

Date Filed	#	Docket Text
08/02/2018	95	JUDGMENT, FILED.[2357755] [17-361] [Entered: 08/02/2018 10:33 AM]
* * *		
08/16/2018	101	PETITION FOR REHEARING/REHEARING EN BANC, on behalf of Appellee Kate Spade & Co., Leonard Green & Partners, L.P., Lucky Brand Dungarees Stores, Incorporated, Lucky Brand Dungarees Stores, LLC, Lucky Brand Dungarees, Incorporated and Lucky Brand LLC, FILED. Service date 08/16/2018 by CM/ECF.[2369591] [17-361] [Entered: 08/16/2018 12:46 PM]
09/19/2018	104	ORDER, petition for panel rehearing, or, in the alternative, for rehearing en banc, denied, FILED.[2392597] [17-361] [Entered: 09/19/2018 12:50 PM]
09/26/2018	105	JUDGMENT MANDATE, ISSUED.[2397466] [17-361] [Entered: 09/26/2018 12:46 PM]

JA 7

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

No. 11-cv-05523

MARCEL FASHIONS GROUP, INC.,
Plaintiff,

v.

LUCKY BRAND DUNGAREES, INC., LUCKY BRAND
DUNGAREES STORES, INC., LEONARD GREEN &
PARTNERS, L.P., LUCKY BRAND DUNGAREES, LLC,
LUCK BRAND DUNGAREES STORES, LLC,
KATE SPADE & CO., LIZ CLAIBORNE, INC.,
LBD ACQUISITION CO., LLC,
Defendants,

RELEVANT DOCKET ENTRIES

Date Filed	#	Docket Text
04/29/2011	1	COMPLAINT <i>for Injunctive Relief and Trademark Infringement</i> against LUCKY BRAND DUNGAREES STORES, INC., Liz Claiborne, Inc., Lucky Brand Dungarees, Inc.. Filing fee \$ 350.00 receipt number 113C-3718611, filed by Marcel Fashions Group, Inc.. (Attachments: # 1 Complaint part 2, # 2 Complaint part 3, # 3 Complaint part 4, # 4 Civil

Date Filed	#	Docket Text
		Cover Sheet, # 5 Summon(s) Lucky Brand Dungarees, # 6 Summon(s) Liz Claiborn, # 7 Summon(s) Lucky Brand Stores)(Alcoba, Ruben) [Transferred from Florida Southern on 8/9/2011.] (Entered: 04/29/2011)
* * *		
05/04/2011	5	First MOTION for Permanent Injunction <i>by Plaintiff</i> by Marcel Fashions Group, Inc.. (Attachments: # 1 Exhibit A)(Alcoba, Ruben) [Transferred from Florida Southern on 8/9/2011.] (Entered: 05/04/2011)
* * *		
05/17/2011	10	Defendant's MOTION to Stay re 5 First MOTION for Permanent Injunction <i>by Plaintiff</i> , Defendant's MOTION to Strike 5 First MOTION for Permanent Injunction <i>by Plaintiff</i> by Liz Claiborne, Inc.. Responses due by 6/3/2011 (Roth, Larry) [Transferred from Florida Southern on 8/9/2011.] (Entered: 05/17/2011)
05/17/2011	11	Defendant's MOTION to Adopt/Join 10 Defendant's MOTION to Stay re 5 First MOTION for Permanent

Date Filed	#	Docket Text
		<p>Injunction <i>by Plaintiff</i> Defendant's MOTION to Stay re 5 First MOTION for Permanent Injunction <i>by Plaintiff</i> Defendant's MOTION to Strike 5 First MOTION for Permanent Injunction <i>by Plaintiff</i> Defendant's MOTION to Strike 5 First MOTION for Permanent Injunction <i>by Plaintiff</i> by Lucky Brand Dungarees, Inc.. (Roth, Larry) [Transferred from Florida Southern on 8/9/2011.] (Entered: 05/17/2011)</p>
05/17/2011	12	<p>Defendant's MOTION to Adopt/Join 10 Defendant's MOTION to Stay re 5 First MOTION for Permanent Injunction <i>by Plaintiff</i> Defendant's MOTION to Stay re 5 First MOTION for Permanent Injunction <i>by Plaintiff</i> Defendant's MOTION to Strike 5 First MOTION for Permanent Injunction <i>by Plaintiff</i> Defendant's MOTION to Strike 5 First MOTION for Permanent Injunction <i>by Plaintiff</i> by LUCKY BRAND DUNGAREES STORES, INC.. (Roth, Larry) [Transferred from</p>

Date Filed	#	Docket Text
		Florida Southern on 8/9/2011.] (Entered: 05/17/2011)
05/20/2011	13	PAPERLESS ORDER granting 11 Motion to Adopt/Join. Defendant, Lucky Brand Dungareees, Inc. is hereby joined in the Motion To Stay, Or In The Alternative, Motion To Strike The Improper Motion For Permanent Injunction Filed By The Plaintiff 10 . Signed by Judge William J. Zloch on 5/20/2011. (lc3) [Transferred from Florida Southern on 8/9/2011.] (Entered: 05/20/2011)
05/20/2011	14	PAPERLESS ORDER granting 12 Motion to Adopt/Join. Defendant, Lucky Brand Dungarees Stores, Inc. is hereby joined in the Motion To Stay, Or In The Alternative, Motion To Strike The Improper Motion For Permanent Injunction Filed By The Plaintiff 10 . Signed by Judge William J. Zloch on 5/20/2011. (lc3) [Transferred from Florida Southern on 8/9/2011.] (Entered: 05/20/2011)
* * *		
05/24/2011	20	First MOTION for Hearing re 5 First MOTION for Permanent Injunction <i>by Plaintiff</i> by

Date Filed	#	Docket Text
		Marcel Fashions Group, Inc.. (Alcoba, Ruben) [Transferred from Florida Southern on 8/9/2011.] (Entered: 05/24/2011)
05/24/2011	21	<p>RESPONSE to Motion re 12 Defendant's MOTION to Adopt/Join 10 Defendant's MOTION to Stay re 5 First MOTION for Permanent Injunction by <i>Plaintiff</i> Defendant's MOTION to Stay re 5 First MOTION for Permanent Injunction by <i>Plaintiff</i> Defendant's M Defendant's MOTION to Adopt/Join 10 Defendant's MOTION to Stay re 5 First MOTION for Permanent Injunction by <i>Plaintiff</i> Defendant's MOTION to Stay re 5 First MOTION for Permanent Injunction by <i>Plaintiff</i> Defendant's M, 11 Defendant's MOTION to Adopt/Join 10 Defendant's MOTION to Stay re 5 First MOTION for Permanent Injunction by <i>Plaintiff</i> Defendant's MOTION to Stay re 5 First MOTION for Permanent Injunction by <i>Plaintiff</i> Defendant's</p>

Date Filed	#	Docket Text
		<p>MDefendant's MOTION to Adopt/Join 10 Defendant's MOTION to Stay re 5 First MOTION for Permanent Injunction <i>by Plaintiff</i> Defendant's MOTION to Stay re 5 First MOTION for Permanent Injunction <i>by Plaintiff</i> Defendant's M, 10 Defendant's MOTION to Stay re 5 First MOTION for Permanent Injunction <i>by Plaintiff</i> Defendant's MOTION to Strike 5 First MOTION for Permanent Injunction <i>by Plaintiff</i> Defendant's MOTION to Stay re 5 First MOTION for Permanent Injunction <i>by Plaintiff</i> Defendant's MOTION to Strike 5 First MOTION for Permanent Injunction <i>by Plaintiff</i> filed by Marcel Fashions Group, Inc.. Replies due by 6/3/2011. (Attachments: # 1 Exhibit A, # 2 Exhibit B)(Alcoba, Ruben) [Transferred from Florida Southern on 8/9/2011.] (Entered: 05/24/2011)</p>
* * *		
05/27/2011	24	MOTION to Change Venue <i>and Incorporated Memorandum of Law</i> by LUCKY BRAND

Date Filed	#	Docket Text
		DUNGAREES STORES, INC., Liz Claiborne, Inc., Lucky Brand Dungarees, Inc.. Responses due by 6/13/2011 (Attachments: # 1 Exhibit 1, # 2 Exhibit 2, # 3 Exhibit (Composite) 3)(Roth, Larry) [Transferred from Florida Southern on 8/9/2011.] (Entered: 05/27/2011)
05/27/2011	25	MOTION for Hearing re 24 MOTION to Change Venue <i>and Incorporated Memorandum of Law</i> by LUCKY BRAND DUNGAREES STORES, INC., Liz Claiborne, Inc., Lucky Brand Dungarees, Inc.. (Roth, Larry) [Transferred from Florida Southern on 8/9/2011.] (Entered: 05/27/2011)
* * *		
06/03/2011	31	Notice of Pendency of Other Action by LUCKY BRAND DUNGAREES STORES, INC., Liz Claiborne, Inc., Lucky Brand Dungarees, Inc. (Brown, Joshua) [Transferred from Florida Southern on 8/9/2011.] (Entered: 06/03/2011)
* * *		
06/06/2011	33	RESPONSE to Motion re 24 MOTION to Change Venue <i>and</i>

Date Filed	#	Docket Text
		<i>Incorporated Memorandum of Law</i> , 25 MOTION for Hearing re 24 MOTION to Change Venue <i>and Incorporated Memorandum of Law</i> filed by Marcel Fashions Group, Inc.. Replies due by 6/16/2011. (Alcoba, Ruben) [Transferred from Florida Southern on 8/9/2011.] (Entered: 06/06/2011)
* * *		
06/10/2011	35	RESPONSE to Motion re 20 First MOTION for Hearing re 5 First MOTION for Permanent Injunction <i>by Plaintiff</i> filed by Liz Claiborne, Inc., Lucky Brand Dungarees Stores, Inc., Lucky Brand Dungarees, Inc.. Replies due by 6/20/2011. (Brown, Joshua) [Transferred from Florida Southern on 8/9/2011.] (Entered: 06/10/2011)
06/13/2011	36	RESPONSE to Motion re 22 MOTION to Disqualify Counsel <i>Louis R. Gigliotti for Plaintiff</i> filed by Marcel Fashions Group, Inc.. Replies due by 6/23/2011. (Alcoba, Ruben) [Transferred from Florida Southern on 8/9/2011.] (Entered: 06/13/2011)
06/15/2011	37	REPLY to Response to Motion re 24 MOTION to Change

Date Filed	#	Docket Text
		Venue <i>and Incorporated Memorandum of Law</i> filed by Liz Claiborne, Inc., Lucky Brand Dungarees Stores, Inc., Lucky Brand Dungarees, Inc.. (Attachments: # 1 Exhibit 1, # 2 Exhibit 2)(Brown, Joshua) [Transferred from Florida Southern on 8/9/2011.] (Entered: 06/15/2011)
06/29/2011	38	ANSWER and Affirmative Defenses to Complaint with Jury Demand by Liz Claiborne, Inc., Lucky Brand Dungarees Stores, Inc., Lucky Brand Dungarees, Inc..(Brown, Joshua) [Transferred from Florida Southern on 8/9/2011.] (Entered: 06/29/2011)
07/01/2011	39	ORDER REFERRING CASE to Magistrate Judge Robin S. Rosenbaum. Signed by Judge William J. Zloch on 7/1/2011. (lh) [Transferred from Florida Southern on 8/9/2011.] (Entered: 07/01/2011)
07/19/2011	40	REPORT AND RECOMMENDATION re 24 Defendants' MOTION to Tranfer Venue and various other pending motions. For reasons discussed in R&R, it is

Date Filed	#	Docket Text
		recommended that Defendants' Motion to Transfer Venue be granted and that the parties' remaining motions be denied as moot. Please see R&R for details. Objections to R&R due by 8/5/2011. Signed by Magistrate Judge Robin S. Rosenbaum on 7/19/2011. (sry) [Transferred from Florida Southern on 8/9/2011.] (Entered: 07/19/2011)
* * *		
08/08/2011	44	ORDER TRANSFERRING ACTION TO THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK. Signed by Judge William J. Zloch on 8/8/2011. (lh) [Transferred from Florida Southern on 8/9/2011.] (Entered: 08/09/2011)
08/09/2011	45	CASE TRANSFERRED IN from the United States District Court - District of Florida Southern; Case Number: 0:11-cv-60927. Original file certified copy of transfer order and docket entries received. (sjo) (Entered: 08/09/2011)
* * *		

Date Filed	#	Docket Text
12/07/2011	56	<p>ENDORSED LETTER addressed to Judge Laura Taylor Swain from D. Reeves Carter dated 12/5/2011 re: This Firm represents Marcel Fashions Group, Inc. ("Plaintiff") in the above-referenced action. In accordance with Rule 1(c) of the Court's Individual Practices, we write to request an adjournment and modification of the briefing schedule currently in place regarding Defendants' impending motion for summary judgment. ENDORSEMENT: The summary judgment motion deadline is suspended pending further order of the Court. The parties must propose a revised briefing schedule to the Court by December 19, 2011. So ordered. (Signed by Judge Laura Taylor Swain on 12/6/2011) (rjm) (Entered: 12/08/2011)</p>
12/07/2011	57	<p>ENDORSED LETTER addressed to Judge Laura Taylor Swain from D. Reeves Carter dated 12/5/2011 re: We write to request an adjournment and modification of the briefing</p>

Date Filed	#	Docket Text
		<p>schedule currently in place regarding Defendants' impending motion for summary judgment, which schedule was originally set forth in the parties' Pre-Conference Statement, dated October 5, 2011 (Doc. 52) and approved by Your Honor at the Initial Conference held on October 12, 2011. ENDORSEMENT: The summary judgment motion deadline is suspended pending further order of the court. The parties must propose a revised briefing schedule to the court by December 19, 2011. (Signed by Judge Laura Taylor Swain on 12/6/2011) (lmb) (Entered: 12/08/2011)</p>
* * *		
12/20/2011	59	<p>REVISED SCHEDULING ORDER: Plaintiff's moving papers 12/23/2011. Defendant's opposition 1/23/2012/ Plaintiff's reply 2/6/2012. Defendants' Moving papers originally due 12/9/2011. Revised date- 1/23/2012. Plaintiff's Opposition originally due 1/20/2012. Revised date 3/5/2012. Defendants' Reply originally</p>

Date Filed	#	Docket Text
		due 2/10/2012. Revised 3/26/2012. Motions due by 1/23/2012. Responses due by 3/5/2012 Replies due by 3/26/2012. (Signed by Judge Laura Taylor Swain on 12/20/2011) (js) (Entered: 12/21/2011)
* * *		
12/27/2011	61	MOTION for Leave to File Amended Complaint. Document filed by Marcel Fashions Group, Inc..(Pek, Matthew) (Entered: 12/27/2011)
12/27/2011	62	MEMORANDUM OF LAW in Support re: 61 MOTION for Leave to File Amended Complaint.. Document filed by Marcel Fashions Group, Inc.. (Pek, Matthew) (Entered: 12/27/2011)
12/27/2011	63	DECLARATION of Matthew A. Pek in Support re: 61 MOTION for Leave to File Amended Complaint.. Document filed by Marcel Fashions Group, Inc.. (Attachments: # 1 Exhibit A, # 2 Exhibit B)(Pek, Matthew) (Entered: 12/27/2011)
1/23/2012	64	MOTION for Summary Judgment. Document filed by Liz Claiborne, Inc., Lucky

Date Filed	#	Docket Text
		Brand Dungarees Stores, Inc., Lucky Brand Dungarees, Inc..(Johnson, Darren) (Entered: 01/23/2012)
1/23/2012	65	MEMORANDUM OF LAW in Support re: 64 MOTION for Summary Judgment.. Document filed by Liz Claiborne, Inc., Lucky Brand Dungarees Stores, Inc., Lucky Brand Dungarees, Inc.. (Johnson, Darren) (Entered: 01/23/2012)
1/23/2012	66	DECLARATION of Darren Johnson in Opposition to Motion for Leave to File Amended Complaint and in Support re: 64 MOTION for Summary Judgment.. Document filed by Liz Claiborne, Inc., Lucky Brand Dungarees Stores, Inc., Lucky Brand Dungarees, Inc.. (Attachments: # 1 Exhibit 1, # 2 Exhibit 2, # 3 Exhibit 3, # 4 Exhibit 4, # 5 Exhibit 5, # 6 Exhibit 6, # 7 Exhibit 7, # 8 Exhibit 8, # 9 Exhibit 9, # 10 Exhibit 10, # 11 Exhibit 11, # 12 Exhibit 12, # 13 Exhibit 13, # 14 Exhibit 14, # 15 Exhibit 15, # 16 Exhibit 16, # 17 Exhibit 17, # 18 Exhibit 18)

Date Filed	#	Docket Text
		Exhibit 18, # 19 Exhibit 19, # 20 Exhibit 20, # 21 Exhibit 21, # 22 Exhibit 22, # 23 Exhibit 23, # 24 Exhibit 24, # 25 Exhibit 25, # 26 Exhibit 26, # 27 Exhibit 27, # 28 Exhibit 28)(Johnson, Darren) (Entered: 01/23/2012)
1/23/2012	67	AFFIDAVIT of Michael Griffin in Opposition to Motion for Leave to File Amended Complaint and in Support re: 64 MOTION for Summary Judgment.. Document filed by Liz Claiborne, Inc., Lucky Brand Dungarees Stores, Inc., Lucky Brand Dungarees, Inc.. (Johnson, Darren) (Entered: 01/23/2012)
1/23/2012	68	AFFIDAVIT of Charlie Cole in Opposition to Motion for Leave to File Amended Complaint and in Support re: 64 MOTION for Summary Judgment.. Document filed by Liz Claiborne, Inc., Lucky Brand Dungarees Stores, Inc., Lucky Brand Dungarees, Inc.. (Johnson, Darren) (Entered: 01/23/2012)
* * *		
01/23/2012	70	MEMORANDUM OF LAW in Opposition re: 61 MOTION for

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Date Filed	#	Docket Text
		Leave to File Amended Complaint.. Document filed by Liz Claiborne, Inc., Lucky Brand Dungarees Stores, Inc., Lucky Brand Dungarees, Inc.. (Johnson, Darren) (Entered: 01/23/2012)
1/24/2012	71	MEMO ENDORSEMENT on Order to Show Cause to Hold Defendants in Contempt of Court. ENDORSEMENT: The application for an Order to Show Cause is denied without prejudice to regular motion practice. (Signed by Judge Laura Taylor Swain on 1/23/2012) (mro) Modified on 1/24/2012 (mro). (Entered: 01/24/2012)
01/24/2012	72	MOTION for Sanctions <i>Against Defendants for Contempt.</i> Document filed by Marcel Fashions Group, Inc.. Return Date set for 2/15/2012 at 10:00 AM.(Pek, Matthew) (Entered: 01/24/2012)
01/24/2012	73	DECLARATION of Matthew A. Pek in Support re: 72 MOTION for Sanctions <i>Against Defendants for Contempt.</i> Document filed by Marcel Fashions Group, Inc..

Date Filed	#	Docket Text
		(Attachments: # 1 Exhibit A, # 2 Exhibit B, # 3 Exhibit C, # 4 Exhibit D)(Pek, Matthew) (Entered: 01/24/2012)
01/24/2012	74	MEMORANDUM OF LAW in Support re: 72 MOTION for Sanctions <i>Against Defendants for Contempt..</i> Document filed by Marcel Fashions Group, Inc.. (Pek, Matthew) (Entered: 01/24/2012)
02/06/2012	75	REPLY MEMORANDUM OF LAW in Support re: 61 MOTION for Leave to File Amended Complaint.. Document filed by Marcel Fashions Group, Inc.. (Pek, Matthew) (Entered: 02/06/2012)
02/07/2012	76	MEMORANDUM OF LAW in Opposition re: 72 MOTION for Sanctions <i>Against Defendants for Contempt..</i> Document filed by Liz Claiborne, Inc., Lucky Brand Dungarees Stores, Inc., Lucky Brand Dungarees, Inc.. (Johnson, Darren) (Entered: 02/07/2012)
02/07/2012	77	DECLARATION of Darren W. Johnson in Opposition re: 72 MOTION for Sanctions <i>Against Defendants for Contempt..</i>

Date Filed	#	Docket Text
		Document filed by Liz Claiborne, Inc., Lucky Brand Dungarees Stores, Inc., Lucky Brand Dungarees, Inc.. (Attachments: # 1 Exhibit 1, # 2 Exhibit 2, # 3 Exhibit 3, # 4 Exhibit 4, # 5 Exhibit 5, # 6 Exhibit 6, # 7 Exhibit 7, # 8 Exhibit 8, # 9 Exhibit 9, # 10 Exhibit 10, # 11 Exhibit 11, # 12 Exhibit 12, # 13 Exhibit 13, # 14 Exhibit 14, # 15 Exhibit 15, # 16 Exhibit 16, # 17 Exhibit 17)(Johnson, Darren) (Entered: 02/07/2012)
02/14/2012	78	REPLY MEMORANDUM OF LAW in Support re: 72 MOTION for Sanctions <i>Against Defendants for Contempt..</i> Document filed by Marcel Fashions Group, Inc.. (Pek, Matthew) (Entered: 02/14/2012)
02/14/2012	79	DECLARATION of D. Reeves Carter in Support re: 72 MOTION for Sanctions <i>Against Defendants for Contempt..</i> Document filed by Marcel Fashions Group, Inc.. (Attachments: # 1 Exhibit 1)(Pek, Matthew) (Entered: 02/14/2012)
* * *		

Date Filed	#	Docket Text
03/05/2012	81	MEMORANDUM OF LAW in Opposition re: 64 MOTION for Summary Judgment.. Document filed by Marcel Fashions Group, Inc.. (Pek, Matthew) (Entered: 03/05/2012)
03/07/2012	82	CONSENT MOTION for Leave to File Proposed Revised Memorandum of Law in Opposition to Defendants' Motion for Summary Judgment , <i>to Replace and Supersede Doc. 81</i> . Document filed by Marcel Fashions Group, Inc.. (Attachments: # 1 Declaration in Support, # 2 Exhibit A (Draft Memo), # 3 Exhibit B (Proposed Revised Memo))(Pek, Matthew) (Entered: 03/07/2012)
03/26/2012	83	REPLY MEMORANDUM OF LAW in Support re: 64 MOTION for Summary Judgment.. Document filed by Liz Claiborne, Inc., Lucky Brand Dungarees Stores, Inc., Lucky Brand Dungarees, Inc.. (Johnson, Darren) (Entered: 03/26/2012)
03/26/2012	84	DECLARATION of Darren W. Johnson in Support re: 64 MOTION for Summary Judgment.. Document filed by

Date Filed	#	Docket Text
		Liz Claiborne, Inc., Lucky Brand Dungarees Stores, Inc., Lucky Brand Dungarees, Inc.. (Attachments: # 1 Exhibit A, # 2 Exhibit B, # 3 Exhibit C, # 4 Exhibit D)(Johnson, Darren) (Entered: 03/26/2012)
03/26/2012	85	MEMO ENDORSEMENT re: granting 82 Motion for Leave to File Document. ENDORSEMENT: Motion granted. (Signed by Judge Laura Taylor Swain on 3/23/2012) (pl) (Entered: 03/26/2012)
* * *		
09/25/2012	88	MEMORANDUM OPINION AND ORDER: #102384 re: 72 MOTION for Sanctions <i>Against Defendants for Contempt</i> . filed by Marcel Fashions Group, Inc., 61 MOTION for Leave to File Amended Complaint. filed by Marcel Fashions Group, Inc., 64 MOTION for Summary Judgment. filed by Liz Claiborne, Inc., Lucky Brand Dungarees, Inc., Lucky Brand Dungarees Stores, Inc. Defendants' Motion for Summary Judgment is granted, and Plaintiff's Motions

Date Filed	#	Docket Text
		<p>for Leave to File an Amended Complaint and for Sanctions Against Defendants for Contempt are denied. This Memorandum Opinion and Order resolves docket entry nos. 61, 64, and 72. The Clerk of Court is respectfully requested to enter judgment for Defendants and close this case. (Signed by Judge Laura Taylor Swain on 9/25/2012) (pl) Modified on 9/26/2012 (pl). Modified on 9/28/2012 (jab). (Entered: 09/26/2012)</p>
* * *		
09/26/12	89	<p>CLERK'S JUDGMENT That for the reasons stated in the Court's Memorandum Opinion and Order dated September 25, 2012, Defendants' Motion for Summary Judgment is granted, and Plaintiff's Motions for Leave to File an Amended Complaint and for Sanctions Against Defendants for Contempt are denied; accordingly, judgment is entered for Defendants and the case is closed. (Signed by Clerk of Court Ruby Krajick on 9/26/12) (Attachments: # 1</p>

Date Filed	#	Docket Text
		NOTICE OF RIGHT TO APPEAL)(ml) (Entered: 09/26/2012)
10/26/2012	90	NOTICE OF APPEAL from 89 Clerk's Judgment. Document filed by Marcel Fashions Group, Inc. Form C and Form D are due within 14 days to the Court of Appeals, Second Circuit. (tp) (Entered: 10/26/2012)
* * *		
02/25/2015	92	OPINION of USCA as to 90 Notice of Appeal filed by Marcel Fashions Group, Inc. USCA Case Number 12-4341-cv. Plaintiff appeals from a grant of summary judgment by the United States District Court for the Southern District of New York (Swain, J.), dismissing claims of trademark infringement, false designation of origin and unfair competition under the doctrine of <i>res judicata</i> . Plaintiff appeals also from the district court's denial of Plaintiffs motions for leave to file an amended complaint and to hold the Defendants in contempt. The Court of Appeals (Leval, J.) concludes that the district court erred in granting

Date Filed	#	Docket Text
		summary judgment, as well as in denying Plaintiff's motion for leave to file an amended complaint, as <i>res judicata</i> does not bar these claims. The denial of contempt sanctions is affirmed. Accordingly, the judgment is AFFIRMED IN PART and VACATED IN PART. Catherine O'Hagan Wolfe, Clerk USCA for the Second Circuit. Certified: 02/25/2015. (nd) (Entered: 02/25/2015)
03/18/2015	93	MANDATE of USCA (Certified Copy) as to 90 Notice of Appeal filed by Marcel Fashions Group, Inc. USCA Case Number 12-4341. The appeal in the above captioned case from a judgment of the United States District Court for the Southern District of New York was argued on the district court's record and the parties' briefs. Upon consideration thereof, IT IS HEREBY ORDERED, ADJUDGED and DECREED that the judgment of the district court is AFFIRMED in part and VACATED in part. The district court's grant of summary judgment for Appellees and

Date Filed	#	Docket Text
		<p>denial of Appellant's motion for leave to file an amended complaint are VACATED and the case is REMANDED for further proceedings consistent with the 92 opinion of the court. The denial of Appellant's motion for contempt is hereby AFFIRMED. Catherine O'Hagan Wolfe, Clerk USCA for the Second Circuit. Issued As Mandate: 03/18/2015. (nd) (Entered: 03/18/2015)</p>
* * *		
04/01/2015	95	<p>ORDER of USCA (Certified Copy) as to 90 Notice of Appeal filed by Marcel Fashions Group, Inc. USCA Case Number 12-4341. IT IS HEREBY ORDERED that Appellant's application for costs is referred to the district court, for determination along with other costs questions at the end of the litigation. Catherine O'Hagan Wolfe, Clerk USCA for the Second Circuit. Issued As Order: 04/01/2015. Certified: 04/01/2015. (nd) (Entered: 04/01/2015)</p>
* * *		

Date Filed	#	Docket Text
06/30/2015	104	TRANSCRIPT of Proceedings re: Interim Pretrial Conference held on 6/25/2015 before Judge Laura Taylor Swain. Court Reporter/Transcriber: Carole Ludwig, (212) 420-0771. Transcript may be viewed at the court public terminal or purchased through the Court Reporter/Transcriber before the deadline for Release of Transcript Restriction. After that date it may be obtained through PACER. Redaction Request due 7/24/2015. Redacted Transcript Deadline set for 8/3/2015. Release of Transcript Restriction set for 10/1/2015. (ca) (Entered: 06/30/2015)
* * *		
08/13/2015	117	MOTION to Amend/Correct 1 Complaint,, <i>Plaintiff's Motion for Leave to File [Proposed Second] Amended Complaint</i> . Document filed by Marcel Fashions Group, Inc.. (Attachments: # 1 Exhibit 1)(Pek, Matthew) (Entered: 08/13/2015)
08/13/2015	118	DECLARATION of Matthew A. Pek, Esq. in Support re: 117

Date Filed	#	Docket Text
		MOTION to Amend/Correct 1 Complaint,, <i>Plaintiff's Motion for Leave to File [Proposed Second] Amended Complaint.</i> Document filed by Marcel Fashions Group, Inc.. (Attachments: # 1 Exhibit A (Plaintiff's [Proposed Second] Amended Complaint))(Pek, Matthew) (Entered: 08/13/2015)
08/17/2015	119	RESPONSE to Motion re: 117 MOTION to Amend/Correct 1 Complaint,, <i>Plaintiff's Motion for Leave to File [Proposed Second] Amended Complaint.</i> Document filed by Liz Claiborne, Inc., Lucky Brand Dungarees Stores, Inc., Lucky Brand Dungarees, Inc.. (Cendali, Dale) (Entered: 08/17/2015)
08/21/2015	120	REPLY to Response to Motion re: 117 MOTION to Amend/Correct 1 Complaint,, <i>Plaintiff's Motion for Leave to File [Proposed Second] Amended Complaint.</i> Document filed by Marcel Fashions Group, Inc.. (Pek, Matthew) (Entered: 08/21/2015)
* * *		

Date Filed	#	Docket Text
10/07/2015	124	ORDER granting 117 Motion to Amend/Correct. Plaintiff's motion for leave to amend is granted. Plaintiff must file its amended complaint by October 22, 2015. This Order resolves docket entry no. 117. SO ORDERED. (As further set forth within this Order.) (Signed by Judge Laura Taylor Swain on 10/7/2015) (ajs) (Entered: 10/07/2015)
* * *		
10/22/2015	137	SECOND AMENDED COMPLAINT amending 135 Amended Complaint,,, 109 Amended Complaint,, 1 Complaint,, 127 Amended Complaint,, 133 Amended Complaint,,, 108 Amended Complaint, 136 Amended Complaint,,, against KATE SPADE & CO., LBD ACQUISITION COMPANY, LLC, LUCKY BRAND DUNGAREES STORES, LLC, LUCKY BRAND DUNGAREES, LLC, Leonard Green & Partners, L.P., Liz Claiborne, Inc., Lucky Brand Dungarees Stores, Inc., Lucky Brand Dungarees,

Date Filed	#	Docket Text
		<p>Inc..Document filed by Marcel Fashions Group, Inc.. Related document: 135 Amended Complaint,, filed by Marcel Fashions Group, Inc., 109 Amended Complaint,, filed by Marcel Fashions Group, Inc., 1 Complaint,, filed by Marcel Fashions Group, Inc., 127 Amended Complaint,, filed by Marcel Fashions Group, Inc., 133 Amended Complaint,, filed by Marcel Fashions Group, Inc., 108 Amended Complaint, filed by Marcel Fashions Group, Inc., 136 Amended Complaint,,, filed by Marcel Fashions Group, Inc.. (Attachments: # 1 Exhibit A (Final Order and Judgment))(Pek, Matthew) (Entered: 10/22/2015)</p>
* * *		
12/18/2015	156	<p>MOTION to Dismiss <i>the Second Amended Complaint of Plaintiff Marcel Fashions Group, Inc.</i> Document filed by Kate Spade & Co., Leonard Green & Partners, L.P., Lucky Brand Dungarees Stores, Inc., Lucky Brand Dungarees Stores, LLC, Lucky Brand Dungarees, Inc., Lucky Brand Dungarees,</p>

Date Filed	#	Docket Text
		LLC.(Cendali, Dale) (Entered: 12/18/2015)
12/18/2015	157	MEMORANDUM OF LAW in Support re: 156 MOTION to Dismiss <i>the Second Amended Complaint of Plaintiff Marcel Fashions Group, Inc.</i> . Document filed by Kate Spade & Co., Leonard Green & Partners, L.P., Lucky Brand Dungarees Stores, Inc., Lucky Brand Dungarees Stores, LLC, Lucky Brand Dungarees, Inc., Lucky Brand Dungarees, LLC. (Cendali, Dale) (Entered: 12/18/2015)
12/18/2015	158	DECLARATION of Dale. M. Cendali in Support re: 156 MOTION to Dismiss <i>the Second Amended Complaint of Plaintiff Marcel Fashions Group, Inc.</i> ... Document filed by Kate Spade & Co., Leonard Green & Partners, L.P., Lucky Brand Dungarees Stores, Inc., Lucky Brand Dungarees Stores, LLC, Lucky Brand Dungarees, Inc., Lucky Brand Dungarees, LLC. (Attachments: # 1 Exhibit A, # 2 Exhibit B, # 3 Exhibit C, # 4 Exhibit D, # 5 Exhibit E, # 6 Exhibit F, # 7 Exhibit

Date Filed	#	Docket Text
		G)(Cendali, Dale) (Entered: 12/18/2015)
01/15/2016	159	DECLARATION of Matthew A. Pek in Opposition re: 156 MOTION to Dismiss <i>the Second Amended Complaint of Plaintiff Marcel Fashions Group, Inc...</i> Document filed by Marcel Fashions Group, Inc.. (Attachments: # 1 Exhibit A, # 2 Exhibit B, # 3 Exhibit C, # 4 Exhibit D, # 5 Exhibit E)(Pek, Matthew) (Entered: 01/15/2016)
01/15/2016	160	MEMORANDUM OF LAW in Opposition re: 156 Motion to Dismiss <i>the Second Amended Complaint of Plaintiff Marcel Fashions Group, Inc..</i> . Document filed by Marcel Fashions Group, Inc.. (Pek, Matthew) (Entered: 01/15/2016)
01/25/2016	161	REPLY MEMORANDUM OF LAW in Support re: 156 MOTION to Dismiss <i>the Second Amended Complaint of Plaintiff Marcel Fashions Group, Inc..</i> . Document filed by Leonard Green & Partners, L.P., Lucky Brand Dungarees Stores, Inc., Lucky Brand Dungarees Stores, LLC, Lucky Brand Dungarees, Inc., Lucky Brand Dungarees,

JA 37

Date Filed	#	Docket Text
		LLC. (Cendali, Dale) (Entered: 01/25/2016)
* * *		
03/22/2016	163	LETTER MOTION to Stay addressed to Judge Laura Taylor Swain from Claudia Ray dated March 22, 2016. Document filed by Kate Spade & Co., Leonard Green & Partners, L.P., Lucky Brand Dungarees Stores, Inc., Lucky Brand Dungarees Stores, LLC, Lucky Brand Dungarees, Inc., Lucky Brand Dungarees, LLC.(Ray, Claudia) (Entered: 03/22/2016)
03/30/2016	164	ORDER granting 163 Letter Motion to Stay. The requested stay is granted. DE #163 resolved. (Signed by Judge Laura Taylor Swain on 3/30/2016) (spo) (Entered: 03/30/2016)
* * *		
08/05/2016		Case Stayed (cf) (Entered: 08/05/2016)
* * *		
12/22/2016	172	MEMORANDUM OPINION AND ORDER re: 156 MOTION to Dismiss <i>the Second Amended Complaint of Plaintiff Marcel Fashions Group, Inc.</i> filed by

Date Filed	#	Docket Text
		<p>Leonard Green & Partners, L.P., Lucky Brand Dungarees, LLC, Lucky Brand Dungarees Stores, LLC, Lucky Brand Dungarees, Inc., Kate Spade & Co., Lucky Brand Dungarees Stores, Inc..For the foregoing reasons, Defendants’ motion to dismiss the SAC is granted. Plaintiffs may move for permission to file a Third Amended Complaint by January 9, 2017, which motion must comply with the relevant federal and local rules and be accompanied by (1) a proposed Third Amended Complaint, and (2) a blackline of the proposed Third Amended Complaint showing the changes made from the Second Amended Complaint. If no timely motion is filed, or if the motion is denied, the dismissal of the Second Amended Complaint will be with prejudice and judgment will be entered in Defendants’ favor without further advance notice. This Memorandum Opinion and Order resolves docket entry no. 156. (Signed by Judge Laura</p>

Date Filed	#	Docket Text
		Taylor Swain on 12/22/2016) (kgo) (Entered: 12/22/2016)
* * *		
12/30/2016	173	LETTER MOTION to Stay re: 172 Memorandum & Opinion,,,, <i>request stay of deadline for filing of third amended complaint, and for permission to file a motion to stay the Court's 12/22/2016 order to allow Plaintiff time to appeal</i> addressed to Judge Laura Taylor Swain from Robert L. Greener dated 12/30/2016. Document filed by Marcel Fashions Group, Inc..(Greener, Robert) (Entered: 12/30/2016)
01/05/2017	174	ORDER denying 173 LETTER MOTION to Stay re: 172 Memorandum & Opinion, request stay of deadline for filing of third amended complaint, and for permission to file a motion to stay the Court's 12/22/2016 order to allow Plaintiff time to appeal addressed to Judge Laura Taylor Swain from Robert L. Greener dated 12/30/2016. Document filed by Marcel Fashions Group, Inc. The requested stay (including

Date Filed	#	Docket Text
		implicit request for certification of an interlocutory appeal) is denied. DE #173 resolved. So ordered. (Signed by Judge Laura Taylor Swain on 1/5/2017) (rjm) (Entered: 01/06/2017)
01/27/2017	175	ORDER: As of January 25, 2016, Plaintiff has not moved for leave to file an amended complaint. Accordingly, the Clerk of Court is respectfully requested to enter judgment for Defendants and close this case. SO ORDERED. (Signed by Judge Laura Taylor Swain on 1/26/2017) (ama) (Entered: 01/27/2017)
* * *		
01/27/2017	176	CLERK'S JUDGMENT: It is, ORDERED, ADJUDGED AND DECREED: That for the reasons stated in the Court's Order dated January 27, 2017, stating that as of January 25, 2016, Plaintiff has not moved for leave to file an amended complaint; judgment is entered for Defendants; accordingly, the case is closed. (Signed by Clerk of Court Ruby Krajick on 01/27/2017) (Attachments: # 1

JA 41

Date Filed	#	Docket Text
		Right to Appeal, # 2 Right to Appeal)(km) (Entered: 01/27/2017)
* * *		
02/06/2017	179	FIRST NOTICE OF APPEAL from 172 Memorandum & Opinion,,, 176 Clerk's Judgment, 175 Order of Dismissal,. Document filed by Marcel Fashions Group, Inc.. Form C and Form D are due within 14 days to the Court of Appeals, Second Circuit. (Greener, Robert) (Entered: 02/06/2017)

**Complaint for Injunctive Relief and
Trademark Infringement**

(S.D. Fla. Apr. 29, 2011)

Plaintiff, MARCEL FASHIONS GROUP, INC., (“Marcel”), sues LUCKY BRAND DUNGAREES, INC. (“Lucky Brand”), LIZ CLAIBORNE, INC. (“Claiborne”), and LUCKY BRAND DUNGAREES STORES, INC. (“Lucky Brand Stores”)(collectively, “Defendants”), by and through its undersigned attorneys, and alleges as follows:

JURISDICTION AND VENUE

1. This is a Complaint against Defendants for injunctive relief based on continued and willful trademark infringement, arising under the Lanham Act, 15 USC § 1051. *et. seq.*, and 15 USC § 1116, and for trademark infringement and calculated damages pursuant to state and federal law and 15 USC § 1117.

2. This Court has jurisdiction over the parties and over the subject matter of this action pursuant to 15 USC § 1121, and 28 USC §§ 1331, 1332, 1338, and 1367. There is diversity of citizenship and the amount in controversy exceeds \$75,000.00.

3. Venue is proper under 28 USC §§ 1391 because each of the Defendants either resides or has a principal place of business in this judicial district, and a substantial portion of the events which serve as the basis for the Complaint occur or have occurred here.

4. The acts of trademark infringement complained of occur in this judicial district.

THE PARTIES

5. Plaintiff, Marcel, is a Florida corporation with its principal place of business in this judicial district.

6. Defendant Lucky Brand, is a Delaware corporation, with its principal place of business in New York City.

7. Defendant Liz Claiborne is a Delaware corporation with its principal place of business in New York City.

8. Defendant Lucky Brand Stores is a Florida corporation with a principal place of business at the Aventura Mall and the Sawgrass Mall, each in this judicial district.

THE TRADEMARK

9. Defendants Lucky Brand and Liz Claiborne, since 1998, have aggressively pursued Plaintiff, Marcel, and have fought it at every level over the rights to the trademarks GET LUCKY and the Lucky Brand marks.

10. Defendants filed an opposition proceeding in 1998, the parties settled a lawsuit brought by Plaintiff in 2001, and in 2005, Defendants Lucky Brand and Liz Claiborne filed a civil action in the Southern District of New York.

11. Defendants Lucky Brand and Liz Claiborne filed Civil Action No: 05-CV-6757, Plaintiff counterclaimed, and after 5 years, the jury entered a verdict, and a judgment was entered on June 1, 2010. A copy of the Judgment is attached as Exhibit A.

12. The jury found that Plaintiff Marcel was not liable for any acts of trademark infringement, while

Defendants Lucky Brand and Liz Claiborne were deemed to have committed trademark infringement by virtue of their use of the GET LUCKY trademark, and the Lucky Brand marks were deemed to have infringed Plaintiffs GET LUCKY trademark.

13. Plaintiff is the owner of the trademark GET LUCKY, and is the owner of a US Registration No.: 3890282.

14. Defendants Lucky Brand and Liz Claiborne were deemed to have committed acts of trademark infringement under statutory and common law. Defendants' use of the Lucky Brand marks was found to infringe on Plaintiff's GET LUCKY trademark.

15. Despite the entry of the Final Order and Judgment entered on June 1, 2010, Defendants have continued to willfully, and with full knowledge of Plaintiffs rights, infringe Plaintiffs GET LUCKY mark by using the Lucky Brand marks in the identical manner and form and on the same goods for which they were found liable for infringement.

16. Despite having been found liable for infringement, and having been required to pay punitive damages, Defendants continue to this day to use the Lucky Brand marks in an infringing manner and have failed to cease and desist from their infringing use.

17. Defendants sales, upon information and belief, exceed \$400,000,000 per year, and Defendants have made substantial profits using the Lucky Brand trademarks in violation of Plaintiffs rights.

18. The Final Order and Judgment contains a finding that Plaintiff Marcel was the first user of the

GET LUCKY trademark, that its use has been continuous since 1985, that its use has not been abandoned, that the mark is inherently distinctive, and that Plaintiff had a registered mark prior to Defendants ever adopting its Lucky Brand marks, and that Plaintiff used the GET LUCKY mark prior to Defendants ever adopting their Lucky Brand marks. (Exhibit A).

19. The Court found that Defendants infringed Plaintiff Marcel's GET LUCKY trademark pursuant to Plaintiff Marcel's reverse confusion claim, its federal unfair competition claim, and its common law trademark infringement claim by using GET LUCKY, the LUCKY BRAND trademarks, and any other trademarks including the word "Lucky" after 2003. (Exhibit A, ¶5).

20. Despite the entry of the Final Order and Judgment, Defendants have continued its uninterrupted and willful use of the Lucky Brand marks and any other trademarks including the word "Lucky."

21. Defendants have over 177 stores, use the marks in its catalog sales on-line, advertise extensively through magazines and other medium, and have so continued to saturate the market with its Lucky Brand marks that Plaintiff has lost the ability to control the goodwill of its own GET LUCKY mark.

22. Plaintiff Marcel has been unable to expand its business through appropriate licensees, and Plaintiff Marcel is continued to be perceived as the junior user who is "knocking off" Defendants.

23. Plaintiff Marcel was awarded a verdict and damages that vindicated Plaintiff Marcel as the senior

user of the LUCKY marks and after 12 years of near constant litigation and harassment, Plaintiff Marcel is the senior user of the LUCKY marks.

24. Upon information and belief, Defendants have made substantial sales since June 1, 2010, and have reaped a profit based on their use of the infringing Lucky Brand marks and any other trademark including the word “Lucky.”

25. Since June 1, 2010, Defendants use of the Lucky Brand marks and any other marks including the word “Lucky” has been with actual knowledge of the entry of the Final Order and Judgment, and said use has been willful and with total disregard of Plaintiff Marcel’s senior rights in the marks.

26. Defendants have made no effort to transition from the use of the Lucky Brand marks and any other mark including the word “Lucky,” to a new mark that is not infringing.

27. Defendants have defied their obligation to cease any further use of an infringing trademark, and continue to this day to infringe Plaintiff Marcel’s GET LUCKY trademark by using the Lucky Brand marks and any mark including the word “Lucky.”

28. Upon information and belief, Defendants will not cease its infringing use of the Lucky Brand trademarks and any other mark including the word “Lucky” without this Court enjoining Defendants from doing so.

29. Defendants are liable to Plaintiff Marcel for their profits resulting from their sales of clothing and other products contained in the description of the goods and services of the trademark registrations

owned by Defendants and cited in the Final Order and Judgment. These Lucky Brand marks and the goods referenced in the registrations continue to be used by Defendants on the very identical goods that were being sold at the time of the entry of the Final Order and Judgment.

30. Defendants have and continue to use the Lucky Brand trademarks and any mark including the word “Lucky” without permission or approval from Plaintiff Marcel.

31. All conditions precedent to Plaintiff, Marcel’s claims have been satisfied and/or waived.

32. Plaintiff, Marcel has engaged the services of the undersigned counsel to represent it in this action and is obligated to pay its attorney’s a reasonable fee.

COUNT I-INJUNCTIVE RELIEF

33. Plaintiff, Marcel realleges and incorporates paragraphs 1 through 32 as if fully set forth herein.

34. This is an action for injunctive relief based on continued trademark infringement/false designation of origin under 15 USC §§1114, 1116 and 1125, and Defendants are causing a likelihood of confusion, and reverse confusion, and common law trademark infringement.

35. Defendants, without the consent of Plaintiff, Marcel, are using the “Lucky Brand” trademarks and other marks including the word “Lucky” in connection with the sale, offer for sale, distribution, and advertisement of clothing, amongst other things.

36. Defendants use of the “Lucky Brand” trademarks and other marks including the word “Lucky” is causing irreparable harm as Plaintiff is not

able to control the goodwill associated with its GET LUCKY trademark.

37. Plaintiff has no adequate remedy at law.

38. The harm caused to Plaintiff far outweighs the harm to Defendants as Defendants are not entitled to benefit from trademark infringement under the law, and any harm derived is of their own doing.

39. This matter has already been determined by the Southern District of New York, and the public interest is best served in protecting the established right of Plaintiff as the judicially determined senior user and owner of the GET LUCKY trademark.

40. Plaintiff is not only likely to succeed on the merits, but has proved such success by virtue of a full trial on the merits and entry of a Final Order and Judgment declaring Plaintiff Marcel the owner of the GET LUCKY trademark and deeming Defendants infringers for their use of the “Lucky Brand” trademarks and any mark including the word “Lucky.” (Exhibit A).

**COUNT II-REVERSE
CONFUSION/TRADEMARK INFRINGEMENT**

41. Plaintiff, Marcel realleges and incorporates paragraphs 1 through 32 as if fully set forth herein.

42. This is an action for reverse confusion/trademark infringement/false designation of origin under 15 USC §§1114 and 1125, and Defendants are causing a likelihood of confusion, reverse confusion, and common law trademark infringement.

43. Defendants, without the consent of Plaintiff, are using the “Lucky Brand” trademarks and any other mark including the word “Lucky.”

44. Defendants have sold clothing under the marks and continue to do so with willful disregard for the rights of Plaintiff, and after having Plaintiff's rights determined after a trial and entry of a Final Order and Judgment and a finding that Defendants' acts constitute reverse confusion.

45. Plaintiff has no adequate remedy at law.

COUNT III-FEDERAL UNFAIR COMPETITION

46. Plaintiff, Marcel reallege and incorporates paragraphs 1-32 as though set forth in full herein.

47. Pursuant to 15 USC §1125(a), Defendants' acts constitute unfair competition and false designation of origin.

48. Under Section 43(a) of the Lanham Act, Defendants' use of the “Lucky Brand” trademarks and other marks including the word “Lucky,” in the sale or offering for sale, and advertising of clothing, constitutes unfair competition and false designation of origin by causing a likelihood of confusion as to the source and sponsorship of Defendants' goods and services.

49. Defendants' use of the “Lucky Brand” trademarks in connection with the sale, offering for sale, distribution, and advertisement of clothing are likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of Defendants with Plaintiff, as to the origin, sponsorship or approval of their goods by Plaintiff.

50. Defendants' use of the "Lucky Brand" trademarks and other marks including the word "Lucky" as described herein, is causing and will continue to cause damage to Plaintiff, including, but without limitation, irreparable harm for which there is no adequate remedy at law.

**COUNT IV-COMMON LAW TRADEMARK
INFRINGEMENT**

51. Plaintiff, Marcel realleges and incorporates paragraphs 1 through 32 as though fully set forth in full herein.

52. Defendants' conduct described herein constitutes common law trademark infringement under 15 USC §1125(a) unfair competition under Florida law and Fla.Stat. §495.151.

53. Defendants' conduct is willful and intentional, and has caused and is continuing to cause irreparable injury for which there is no adequate remedy at law.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff, Marcel prays that the Court award the following relief:

A. Temporary and/or permanent injunctive relief by enjoining Defendants, their officers, employees, and agents, and all persons or entities in active concert with them, from using, displaying, advertising, or selling their goods under, or from otherwise doing business under the "Lucky Brand" trademarks and any other mark including the word "Lucky" and any confusingly similar alternative or variation thereof;

B. Order Defendants to terminate and cancel all domain names that contain the “Lucky Brand” marks and any other mark including the word “Lucky;”

C. Order the forfeiture, and/or destruction of any clothing, printed materials, store signage, advertisements, web sites, or any other items or materials containing any variation of the “Lucky Brand” marks and any mark including the word “Lucky;”

D. Order that Defendants pay monetary relief under 15 USC §§1117 and 1125, and treble any damages awarded as a result of Defendants willful and intentional acts;

E. Find that this is an exceptional case, and award damages in conformance with 15 USC §§1117 and 1125;

F. Such other relief as may be warranted by this Court as just and proper.

Alcoba & Associates, PA

By: s/Louis R. Gigliotti

Louis R. Gigliotti

* * *

By: s/Ruben Alcoba

Ruben Alcoba

* * *

Second Amended Complaint

(S.D.N.Y. Oct. 22, 2015)

Plaintiff, MARCEL FASHIONS GROUP, INC. (“**Plaintiff**” or “**Marcel**”), by and through its undersigned counsel of record, as and for its First Amended Complaint against LUCKY BRAND DUNGAREES, INC. (“**LB Inc.**”), LUCKY BRAND DUNGAREES STORES, INC. (“**LS Inc.**”), LUCKY BRAND DUNGAREES, LLC (“**LB LLC**”), LUCKY BRAND DUNGAREES STORES, LLC (“**LS LLC**”), LIZ CLAIBORNE, INC. (“**LIZ**”), *intermittently known as* FIFTH & PACIFIC, INC. (“**FNP**”), *now known as* KATE SPADE & CO. (“**KATE**”), LEONARD GREEN & PARTNERS, L.P. (“**LGP**”), and LBD ACQUISITION COMPANY, LLC (“**LBD**”), (LB Inc., LS Inc., LB LLC, LS LLC, LIZ/FNP/KATE, LGP and LBD hereinafter collectively, “**Defendants**”), hereby alleges as follows:¹

¹ For ease of reference and so as to avoid confusion as to which Defendants are new, which are old, by grouping each respective set of Defendants separately, as follows: while “Defendants” shall continue to be to refer *only* to *all* named Defendants herein (as they appear in the caption above), (1) LB Inc., LS Inc. and LIZ shall hereinafter collectively be referred to as the “**Original Defendants**”; and (2) all four (4) of the newly named defendants (added to and included in the caption of this action here, above, for the first time (*i.e.*, those *not* named in the original 2011 Complaint, namely, LB LLC, LS LLC, LGP and LBD, shall hereafter collectively be referred to as the “**New Defendants**”, whom Plaintiff seeks to joins as new defendants herein, *via* this Amended Complaint, based on facts adduced re: Defendants’ corporate structure, which has changed drastically since 2011).

NATURE OF THE ACTION

1. The above-named Defendants, and the Original Defendants in particular, have continued their pattern of infringement of Plaintiff's GET LUCKY trademark (*U.S. Trademark Registration No. 3,890,282*) by continuing to use the very same trademarks that were originally attached to the Final Order and Judgment at the close of the 2005 Action as Exhibits to such Judgment, as well as Defendants' use of other, equally offensive and similarly infringing derivatives, variations and colorable imitations thereof (hereinafter, collectively referred to as the "**Lucky Brand Marks**"), in commerce.

2. Defendants' willful infringement of Plaintiff's Mark has continued, apparently without interruption, notwithstanding that this Court has already determined that Defendants' collective use(s) of the LUCKY BRAND Marks constitutes, *inter alia*, federal trademark infringement (in violation of Section 32 of the Lanham Act, 15 U.S.C. § 1114), and federal unfair competition and false designation of origin (in violation of Section 42(a) of the Lanham Act, 15 U.S.C. § 1125(a)).

3. This finding and determination of infringement resulted in this Court's granting a "permanent injunction against [the Original Defendants] forbidding them from ever 'using in commerce any reproduction, counterfeit, copy or any colorable imitation of [Plaintiff's] GET LUCKY [Mark] on or in

connection with men's and women's apparel, fragrances, and accessories.”²

4. Furthermore, a jury, the Court, and the parties (after negotiation), agreed, and already determined that Lucky Brand and Claiborne “shall pay to [Plaintiff] the [sum of] \$300,000 in [compensatory and punitive] damages” *Id.*, at p. 6. Notwithstanding the clear and unequivocal Court Orders rendered by this Court, after a full, *successful*, trial on the merits of Plaintiff principal claims, Defendants have continued to infringe on Plaintiff's GET LUCKY Mark in the identical manner that resulted in a declaratory judgment, and Final Order and Judgment.

5. All Defendants named in the proposed modified caption above (both new and original alike) were fully aware that this Court entered a Final Order and Judgment and decided that Defendants Lucky Brand and Claiborne's uses of the LUCKY BRAND Marks constituted, *inter alia*, federal trademark infringement and federal unfair competition and false designation of origin, and even so, the Individual Defendants personally took part in carrying out and facilitating the ongoing continued infringement, as well as the unauthorized and unapproved new uses of the LUCKY BRAND Marks.

² See Final Order and Judgment, dated May 28, 2010 and filed June 1, 2010 (the “**Final Judgment**”) (a true and correct copy of which is collectively annexed hereto along with the Exhibits thereto that contain the USPTO Registrations for the above-noted Lucky Brand Marks, as **Exhibit “A”**), at pp. 2-3 (*citing* this Court's Order Granting Partial Summary Judgment and Injunction to Plaintiff (in the 2005 Action), filed April 22, 2009, at p. 3).

6. Based upon the prior findings of this Court as set forth in detail below, upon learning that, not only were Defendants continuing to infringe Plaintiff's GET LUCKY Mark, but additional parties were complicit in such continuing acts of infringement, including all parties named herein, specifically, those parties expressly defined above as "New Defendants" (*see* ¶ 1, *supra*, n. 1), and which include, two (2) Lucky-affiliated "LLC" entities (**LB LLC** and **LS LLC**), **LGP** (the new owners of the Lucky Brand Marks and business; *see* "Parties," *infra* at ¶¶ 11-18), Plaintiff—which remains the rightful owner of the GET LUCKY Mark—was left with no recourse other than to commence this action, whereby Plaintiff seeks damages, and to preliminarily and permanently enjoin Defendants from continuing to use the LUCKY BRAND Marks, in connection with men's and/or women's apparel, fragrances and accessories, based upon the claims set forth below.

7. By and through this Amended Complaint, which Plaintiff hereby respectfully submits—based on the language of this Court's June 25, 2015 PC Order, as well as that of the final Decision rendered by U.S. Second Circuit Court of Appeals on February 25, 2015, whereby the Second Circuit made clear that Plaintiff should be permitted to amend its Complaint (originally sought by Plaintiff in or around December 2011), *as of right*; and also seeks to recover any and all monetary damages recoverable to the fullest extent of the law in connection with and as remuneration for Defendants' acts of willful infringement and unfair competition, including (a) profits, (b) reasonable royalties (c) punitive damages; (d) treble damages

(e) reasonable attorneys' fees; and (f) reasonable costs incurred by Plaintiff.

JURISDICTION AND VENUE

8. This is an action at law and equity for trademark infringement and unfair competition and false designation of origin arising under: (a) Section 32 of the Lanham Act, 15 U.S.C. § 1114; and (b) unfair competition and false designation of origin under (i) Section 43(a) of the Lanham Act, 15 U.S.C. § 1125(a), and (ii) New York State common law. This Court has jurisdiction over the parties and over the subject matter of this action pursuant to: (a) Section 39 of the Lanham Act, 15 U.S.C. § 1121; (b) 28 U.S.C. §§ 1331, 1338; and (c) 28 U.S.C. § 1332(a). This Court has jurisdiction over Plaintiff's related state and common law claims pursuant to 28 U.S.C. § 1367, under principles of pendent jurisdiction.

9. Venue is proper in this judicial district pursuant to 28 U.S.C. § 1391(b)(1) and (2), because all named Defendants either reside or have principal executive- and/or headquarter-offices and continuous systematic operations within this judicial district, and because a substantial portion of the actions, events and/or occurrences giving rise to this action have occurred within this judicial district.

THE PARTIES

10. Plaintiff Marcel is a Florida corporation with its principal place of business in the Southern District of Florida, but which maintains offices and conducts business in this judicial district.

11. Defendant Lucky Brand Dungarees, Inc. is a Delaware corporation, licensed to do business within

the State of New York, with its principal office located at 1 Claiborne Avenue, North Bergen, New Jersey 07047 and having additional executive offices within the County of New York.

12. Defendant Lucky Brand Dungarees Stores, Inc. is a Delaware corporation licensed to do business within the New York State, with its principal executive office located at 1 Claiborne Avenue, Tax Dept. 8th Fl., North Bergen, New Jersey 07047, and has executive offices in New York County.

13. Defendant Lucky Brand Dungarees, LLC is a Delaware limited liability company licensed to do business within the State of New York, with its headquarters located at 540 S. Santa Fe Avenue, Los Angeles, California 90013, and having additional executive offices (including the headquarters of its wholly-owned subsidiary, identified below) in New York County. *See* ¶ 17, *infra*.

14. Defendant Lucky Brand Dungarees Stores, LLC, a Delaware limited liability company licensed to do business within the State of New York, with its principal, headquarter offices located at 1441 Broadway, New York, New York 10018, within the County of New York, and is a wholly-owned subsidiary of its ultimate parent company, Lucky Brand Dungarees, LLC. *See* ¶ 16, *supra*.

15. Defendant Kate Spade & Co., *formerly known as Liz Claiborne, Inc. and subsequently*, (however intermittently or temporarily) *known as* Fifth & Pacific, Inc., but is indisputably and by its own admissions (including but not limited to Kate's SEC filings such as its most recent 10-K filed with the SEC reporting annual earnings, issued and published

March 3, 2015) **is, in fact, the stated successor** (or “*successor-in-interest*”) to the entity formerly known as Liz Claiborne, Inc.) is a Delaware corporation, licensed to do business in New York State, and has its principal executive office at 2 Park Avenue, New York, New York 10016, within the County of New York.

16. Defendant Liz Claiborne, Inc., as set forth above (see ¶ 15, *supra*), is firmly believed by Plaintiff to be the predecessor-in-interest to defendant Kate Spade & Co., and is a Delaware corporation licensed to business within the State of New York, with its principal executive offices located at 1441 Broadway, New York, New York 10018 (New York County).

17. Defendant Leonard Green & Partners, L.P. is a U.K.-based private equity firm/holding company, with its principal, headquarter offices located at 11111 Santa Monica Boulevard, Los Angeles, California 90025, and is a parent-affiliate and financier of all the “Lucky” named Defendants identified above, who formally acquired the Lucky Brand Companies on February 3, 2014 *via* the use of an intermediary-affiliate company, identified in detail below, but generally and legally known as LBD Acquisition Company, LLC. See ¶ 20, *infra*.

18. Defendant LBD Acquisition Company, LLC is a Delaware limited liability company and publicly disclosed affiliate of Leonard Green & Partners, which may or may not be licensed to do business within the State of New York, and, upon information and belief, does maintain at least one (1) office within the State, City and County of New York, but which, importantly, parent-Defendant Kate Spade & Co. has affirmatively

stated in its SEC filings,³ that “the *successor* of LBD Acquisition, [is] Lucky Brand Dungarees, LLC—the very same entity and newly named defendant identified above in the instant Amended Complaint, at paragraph 16, *supra*, and, is located at or has principal executive offices at The Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801 (File # 5444498).

³ Including but not limited to its annual “10-K” earnings report as published by Kate Spade & Co. on March 3, 2015, in which the public parent company’s “management and analysis of the company’s financial condition” are set forth in detail for both the SEC and shareholders alike, which, notably, is also publicly available online *via* the EDGAR/SEC online interface. *See id.*, at Item 7 (re: “*Recent Developments and Operational Initiatives*”). *See* MarketWatch.com’s republication of Kate Spade & Co.’s most recent 10-K annual earnings report, publicly available for free viewing at the following web address: <http://www.marketwatch.com/story/10-k-kate-spade-co-2015-03-03>. Based on counsel’s initial due diligence regarding the specific issue of Defendants’ corporate structure—which has irrefutably changed and drastically so, particularly so over the course of the instant litigation, which began in 2011 at or around the time that Liz Claiborne, Inc. and the Lucky Brand parties originally named began implementing their grand design for a carefully structured and strategically achieved top-down corporate reorganization, it would appear that the LBD Acquisition entity was and is a “single-purpose” entity created solely to effectuate and execute the leveraged acquisition discussed in detail herein and below.

FACTS COMMON TO ALL CLAIMS

This Court Has Already Determined that Defendants' Unauthorized, Unlawful, and Unapproved Use of the LUCKY BRAND MARKS Constitutes Infringement

19. Since as far back as 1998, Original Defendants have aggressively targeted, singled out and relentlessly pursued Marcel as part of a spirited corporate campaign designed to bully and intimidate the competition (however small by comparison) and have sustained a constant attack on Marcel at every turn in an attempt to appropriate the rights to the LUCKY BRAND and GET LUCKY Marks.

20. In 2005 the Original Defendants commenced a civil action against Plaintiff Marcel (among others) in the U.S. District Court for the Southern District of New York entitled, *Lucky Brand Dungarees, Inc. et al. v. Ally Apparel Resources LLC et al.*, No. 05-CV-6757.

21. Plaintiff counterclaimed, and after five (5) years of voluminous discovery exchange (that resulted in severe sanctions against certain of the Defendants) and substantial motion practice, the Court rendered the Final Order and Judgment on May 28, 2010, which was entered June 1, 2010. *See Exh. A.*

22. The jury found, and the subsequent Final Order and Judgment affirmed that, *inter alia*:

5. Lucky Brand Parties infringed Marcel Fashion's GET LUCKY trademark (Reg. No. 2,765,974) pursuant to Counterclaim II (Reverse Confusion), Counterclaim III (Federal Unfair Competition) and Counterclaim VII (Common Law Trademark Infringement) by using GET LUCKY, the

LUCKY BRAND trademarks and any other trademarks including the word “Lucky” after May 2003.

6. For Lucky Brand Parties’ infringement of Marcel Fashion’s GET LUCKY trademark on men’s and women’s t-shirts and on women’s long sleeved shirts, and for their breach of the settlement agreement by using GET LUCKY in connection with fragrance advertising, Marcel Fashion is awarded \$10,000 in compensatory damages, and \$140,000 in punitive damages.

7. For Lucky Brand Parties’ infringement of Marcel Fashion’s GET LUCKY trademark by their use of GET LUCKY, the LUCKY BRAND trademarks and any other marks including the word ‘Lucky’ after May 2003, Marcel Fashions is awarded \$10,000 in compensatory damages, and \$140,000 in punitive damages.

Exhibit A, at pp. 5-6, ¶¶ 5-7.

23. In short, the Original Defendants were found liable under federal statutory and New York State common law; for Defendants’ use of the GET LUCKY and the LUCKY BRAND Marks in connection with their clothing, apparel, accessory and fragrance business was found to infringe upon Plaintiff’s rights therein.

**Defendants' Unlawful Acts Stand in
Direct Violation of The Court's
Final Order and Judgment**

24. Despite the Final Order and Judgment's entry on June 1, 2010, as well as Defendants' full knowledge of the nature and scope of Plaintiff's rights confirmed thereby, Defendants have continued to willfully infringe upon Plaintiff's GET LUCKY Mark by using the LUCKY BRAND Marks in the identical manner and form, and in connection with the identical goods for which they were found liable for trademark infringement by this Court.

25. Despite having been found liable for infringement, and having been required to pay *punitive damages* for such infringement, remarkably, Defendants continue to this day to use the LUCKY BRAND Marks in the identical manner that was found to be infringing upon Plaintiff's rights and interest in the GET LUCKY Mark, and which directly violates the declaratory judgment of infringement set forth in the Final Judgment. *See Exhibit A*, pp. 2-3, and 5, ¶ 1.

26. Notwithstanding, Defendants have failed and refused to cease and desist their infringing misconduct, which has already caused Plaintiff irreparable harm.

27. Defendants' annual sales (upon information and belief) are in excess of \$400,000,000 per year, and exceed \$2,000,000,000 (Two Billion Dollars) and Defendants have profited considerably from using the LUCKY BRAND Marks in violation of Plaintiff's rights.

28. The Final Judgment plainly states that:

[O]n April 19, 2010, the Court ruled that [Plaintiff] is the owner of the GET LUCKY trademark ... , that the GET LUCKY trademark is valid and enforceable, that the mark is inherently distinctive and not generically descriptive or requiring secondary meaning, and that [Plaintiff] did not abandon the mark, and that [Plaintiff]'s GET LUCKY trademark ... was registered and used prior to [Defendants Lucky Brand and Claiborne]'s use and registration of any of the [Fraudulent Marks (*see* ¶ 50, *infra*)].

Exhibit A, at pp. 4-5.

29. The Court also found that Defendants use of the LUCKY BRAND Marks infringed upon Plaintiff's GET LUCKY Mark pursuant to Plaintiff's reverse confusion claim, its federal unfair competition claim, and its common law infringement claim, by using the LUCKY BRAND Marks and other confusingly similar marks or source identifiers containing the word "Lucky" after 2003. *Id.*, ¶ 5.

30. Despite the Court's entry of the Final Judgment, Defendants have continued their uninterrupted and willful infringing use of the LUCKY BRAND Marks, in addition to certain other confusingly similar trademarks and/or source identifiers containing the word "Lucky," which practice has already been adjudicated as constituting trademark infringement and unfair competition. *See id.*

31. Defendants operate some 180 stores, make prevalent use of the LUCKY BRAND Marks in connection with their: online sales catalogs; magazine

advertisements; radio spots; web-ads; and other media, and have continued to saturate the market with their wide range of products, advertisements, promotional and marketing materials bearing or otherwise making use of the LUCKY BRAND Marks to such a degree that Plaintiff is no longer able to control the goodwill of its own GET LUCKY Mark.

32. As a result, Plaintiff has been unable to expand its business through appropriate license agreements, and is continued to be perceived as the “junior user” who is “knocking off” Defendants.

33. Importantly, Plaintiff was awarded a permanent injunction against the Original Defendants by virtue of their breach of a previous 2003 settlement agreement, prior to the entry of the Final Judgment that is unmistakably referenced, reiterated and even quoted in the Final Judgment itself:

[O]n April 22, 2009, the Court granted a permanent injunction against [Defendants Lucky Brand and Claiborne] forbidding them from ever “using in commerce any reproduction, counterfeit, copy or colorable imitation [Plaintiff’s]’s GET LUCKY trademark on or in connection with men’s and women’s apparel, fragrances, and accessories.” *Id.*, at pp. 2-3.

34. Plaintiff, after entry of a Final Order and Judgment, was awarded final injunctive relief, and damages that vindicated Marcel as the “senior user” of the GET LUCKY Mark, and, after twelve (12) years of near constant litigation and harassment, and Plaintiff’s expenditure of millions of dollars on legal fees, Plaintiff was finally, fairly and fully determined

to be the rightful senior user of the GET LUCKY Mark. Defendants negotiated and consented to the entry of that Final Order and Judgment.

35. Upon information and belief, Defendants have made substantial sales since June 1, 2010, and have reaped a considerable profit based on their new and continued uses of the LUCKY BRAND Marks and certain other confusingly similar trademarks and/or source identifiers containing the word “Lucky,” which has already been deemed to constitute infringement and unfair competition. *Id.*, at ¶ 5.

36. Since June 1, 2010, Defendants’ continued use of the LUCKY BRAND Marks and certain other confusingly trademarks and/or source identifiers containing the word “Lucky” in the identical fashion in which they used the marks at the time the Final Order and Judgment was entered.

37. Despite actual knowledge of the Final Judgment’s entry, and said use has thus been willful and with utter disregard not only of Plaintiff’s senior rights in the marks, but also in violation of the declaratory judgment entered, despite having been agreed to and negotiated between the parties, their predecessors, and is binding on their successors.

38. Defendants have made no effort to transition from the use of the LUCKY BRAND Marks or any other confusingly similar trademark and/or source identifier containing the word “Lucky,” to a new mark that is not infringing upon Plaintiff’s well-established rights.

39. The Defendants were fully aware that a Final Order and Judgment was entered, and that

Defendants Lucky Brand and Claiborne's uses of the LUCKY BRAND Marks constituted infringement.

40. Defendants' counsel has admitted, on several occasions, and at oral argument before the Second Circuit Court of Appeals, that the Final Order and Judgment contains a finding that Defendants use of the LUCKY BRAND Marks was found to be infringing on the rights of Plaintiff.

41. Defendants, corporately and individually, personally took part in carrying out an ongoing campaign of willful infringement by authorizing and approving the continued use of the LUCKY BRAND Marks, and knowingly authorized and approved Defendants Lucky Brand and Claiborne's use of the LUCKY BRAND Marks, in connection with the goods and services as stated in the trademark registrations that are attached to the Final Order and Judgment.

42. Defendants have utterly and willfully defied their obligation to cease any further use of the infringing marks, and continue to this day to infringe upon Marcel's Mark by using the LUCKY BRAND Marks and any other confusingly similar trademark or source identifier containing the word "Lucky," which has already been deemed to constitute infringement and unfair competition. *See id.*

43. On information and belief, Defendants will not cease their continued infringing uses of the LUCKY BRAND Marks and/or any other confusingly similar trademark and/or source identifier including the word "Lucky," absent a direct and definitive decision and order from the Court that clearly and unequivocally holds Defendants are permanently enjoined from continuing such infringing use.

44. Defendants are liable to Plaintiff for any and all profits, and a reasonable royalty, reaped from their sales of clothing and other products contained in the description of the goods and services of the varied trademark registrations owned by Defendants and cited in the Final Judgment. *Id.*, at pp. 4-6.

45. Defendants' use of the LUCKY BRAND Marks in connection with the goods referenced in Defendants' trademark registrations (attached to the Final Judgment as Exhibits, *see, e.g.*, **Exhibit A**) continue to be used by Defendants on the same and identical goods that were being sold at the time that the Final Order and Judgment was entered by the Court.

46. Defendants have used and continue to use the LUCKY BRAND Marks and certain other confusingly similar trademarks and/or source identifiers containing the word "Lucky" without the permission, authorization or approval of Plaintiff, in complete and direct violation of the Final Judgment.

47. Defendants' unlawful conduct described above not only constitutes trademark infringement and unfair competition, but also constitutes blatant contemptuous misconduct of the highest order, as such misconduct was carried out knowingly and purposefully in violation of the Court's direct orders. Defendants' counsel has admitted that it has continued to use the LUCKY BRAND Marks in the identical fashion, and on the same goods that they used the LUCKY BRAND Marks on at the time of entry of the Final Order and Judgment, and did so while admittedly knowing that the use was already deemed to be infringing, and because the Final Order and Judgment did not specifically enjoin such conduct.

These admissions were made to support an argument that Plaintiff's claims are barred by res judicata. (An argument rejected by the Second Circuit).

48. As a result of Defendants' willful and calculated refusal to even feign compliance with the Final Order and Judgment, in addition to other extreme and contumacious misconduct of the highest order, there can be no doubt that Defendants are at a minimum, guilty of, and liable for, infringement for knowingly and willfully dishonoring and disobeying the clear and unequivocal directives of the Court in the Final Order and Judgment.

49. All conditions precedent to Plaintiff's claims have been satisfied and/or waived.

50. Plaintiff has engaged the services of the undersigned counsel to represent it in this action and is obligated to pay its attorneys a reasonable fee for their services rendered in connection herewith.

**AS AND FOR PLAINTIFF'S FIRST CLAIM
FOR RELIEF FOR REVERSE
CONFUSION/TRADEMARK INFRINGEMENT
AS AGAINST ALL DEFENDANTS**

51. Plaintiff repeats, realleges, reavers and incorporates paragraphs 1 through 50 above as if fully set forth herein.

52. This is an action for reverse confusion, false designation of origin, and unfair competition under Section 32 of the Lanham Act, 15 U.S.C. § 1114, and Defendants are causing a likelihood of confusion, reverse confusion, and common law trademark infringement.

53. Without the consent of Plaintiff, Defendants are using the LUCKY BRAND Marks and other trademarks and/or source identifiers containing the word “Lucky” in direct violation of the Final Order and Judgment.

54. Defendants have sold clothing under the LUCKY BRAND Marks and other confusingly similar trademarks and/or source identifiers and continue to do so with willful disregard for the rights of Plaintiff, which were clearly established at trial, resulting in the entry of the Final Order and Judgment which, among other things, unequivocally found and held that Defendants’ acts constituted reverse confusion.

55. Defendants’ deliberate and willful misconduct has caused and will continue to cause irreparable injury to Plaintiff and its GET LUCKY Mark absent this Court’s awarding damages, and granting the preliminary and permanent injunctive relief requested herein—damages for which Plaintiff has no adequate remedy at law.

**AS AND FOR PLAINTIFF’S SECOND
CLAIM FOR RELIEF FOR FEDERAL
UNFAIR COMPETITION AS AGAINST
ALL DEFENDANTS**

56. Plaintiff repeats, realleges, reavers and incorporates paragraphs 1 through 55 above as though set forth in full herein.

57. Pursuant to Section 43(a) of the Lanham Act, 15 U.S.C. §1125(a), and Defendants acts constitute unfair competition and false designation of origin.

58. Defendants use’ of the LUCKY BRAND Marks and other confusingly similar marks or source

identifiers containing the word “Lucky,” in connection with the sale, offering for sale and/or advertising for sale Defendants’ products constitutes unfair competition and false designation of origin, causing a likelihood of confusion as to the source or sponsorship of Defendants’ goods and services.

59. Defendants’ use of the LUCKY BRAND Marks in connection with the sale, offering for sale, distribution, and advertisement of Defendants’ products are likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of Defendants with Plaintiff, as to the origin, sponsorship or approval of their goods by Plaintiff.

60. Defendants’ use of the LUCKY BRAND Marks and other confusingly similar trademarks or source identifiers including the word “Lucky” is causing and will continue to cause severe damage to Plaintiff, including without limitation, irreparable harm for which there is no adequate remedy at law.

61. Defendants’ misconduct and misuse of the LUCKY BRAND Marks or any other confusingly similar mark(s) or source identifier(s), absent this Court’s granting the preliminary and permanent injunctive relief requested here—damages for which Plaintiff has no adequate remedy at law.

62. Defendants’ willful misuse of the LUCKY BRAND Marks has caused and will continue to cause irreparable harm to Plaintiff and its GET LUCKY Mark absent this Court’s awarding damages, and granting the preliminary and permanent injunctive relief requested here—damages for which Plaintiff has no adequate remedy at law. Defendants’ use of the

LUCKY BRAND Marks is identical to the use found to be infringing and subject to the Final Order and Judgment.

**AS AND FOR PLAINTIFF'S THIRD CLAIM
FOR RELIEF FOR COMMON LAW
TRADEMARK INFRINGEMENT AS
AGAINST ALL DEFENDANTS**

63. Plaintiff repeats, realleges, reavers and incorporates paragraphs 1 through 60 above as though fully set forth in full herein.

64. Defendants' conduct described herein constitutes common law trademark infringement and unfair competition under New York State common law.

65. Defendants' misconduct described above was undertaken willfully and intentionally, and has caused and is continuing to cause damages, and irreparable injury for which there is no adequate remedy at law.

PRAYER FOR RELIEF

WHEREFORE Plaintiff requests a final order and judgment to issue from this Court as follows:

- (A) Preliminarily or temporarily enjoining and restraining Defendants, and their employees, heirs, attorneys, successors, affiliates, representatives, dealers, distributors, assigns, and all persons or corporate entities acting by, under, or in connection with Defendant, from:
 - (i) Imitating, copying, using, reproducing, displaying or authorizing any third party to imitate, copy, use, reproduce, or display the LUCKY BRAND Marks, or any marks and/or

source identifiers confusingly similar thereto, business name, domain name or other indicia of origin, including but not limited to “LUCKY” “LUCKY BRAND” and variations thereof, in manner or form, alone or in combination with any words or designs, and from using any variation, reproduction, counterfeit, copy, colorable imitation, or simulation of “LUCKY” in connection with the manufacture, importation, distribution, display, advertisement, promotion, sale, offering for sale, or providing of any men’s and women’s apparel, fragrances, and accessories;

- (ii) Using in any way any false designation of origin or false description, or performing any act that can, or is likely to mislead members of the trade or public to believe that a product or service offered by Defendants is in any manner associated or connected with Plaintiff, or sponsored, approved or authorized by Plaintiff, or otherwise misleading the public to believe that Plaintiff is associated with or attempting to mislead an association between the Marks;
- (iii) Engaging in any other activity constituting unfair competition with Plaintiff, or constituting an infringement of Plaintiff’s rights to and interests in its GET LUCKY Mark; and
- (iv) Assisting, authorizing, aiding or abetting any other person or business entity engaging in or

performing any of the activities referred to in subparagraphs **(i)** through **(iii)**.

- (B) Directing that Defendants deliver to Plaintiff within five (5) days following entry of judgment in Plaintiff's favor, all articles, conduits, vehicles and/or instruments of Defendants' infringing conduct, including the following non-exhaustive illustrative list of examples of such items: any and all goods; products; promotional, informational and/or advertising materials, literature or writings (including but not limited to any and all promotional or informational flyers, pamphlets, inserts, packing slips, etc.); any physical or tangible objects or other manifestations and/or demonstrations of Defendants' infringing misconduct, including without limitation any cartons, boxes, containers, labels, wrappers, advertisements, promotional materials, brochures, catalogs, signs, point-of-sale displays, literature, stationary, pamphlets business cards, flyers and/or any and all other materials, objects, literature, writings, or any other physical matter in Defendants' care, custody, control or possession, also including but not limited to any simulations, variations or colorable imitations of the GET LUCKY, LUCKY, or LUCKY BRAND Marks or which could be used to reproduce the same.
- (C) Directing that within five (5) days after entry of judgment, Defendants delete, remove and expunge any and all references to Defendants' LUCKY BRAND Marks, or any other trademarks or source identifiers confusingly similar thereto,

from all sales, advertising, and promotional materials, including but not limited to use on or in connection with Internet website(s) and/or domain name(s).

- (D) Directing such other relief as this Court may deem just, warranted and appropriate to correct any erroneous impression among the trade and purchasing public, created by Defendants' acts, that any product(s) manufactured, displayed, advertised, offered for sale, sold or promoted by Defendants bearing the LUCKY BRAND Marks or other marks or source identifiers confusingly similar thereto, is related in any way to Plaintiff, or vice versa.
- (E) Directing that Defendants file with this Court and serve upon Plaintiff's counsel within thirty (30) days after entry of such judgment, a report in writing under oath setting forth in detail the manner and form in which Defendants have complied with the above.
- (F) Directing the Trademark Office pursuant to Section 37 of the Lanham Act, 15 U.S.C. § 1119, to cancel each and every one of the LUCKY BRAND Marks;
- (G) Awarding Plaintiff an accounting of royalties due, if any, and such damages as it has sustained or will sustain by reason of Defendants' trademark infringement, unfair competition and false designation of origin, all gains, profits and advantages derived by Defendants from such conduct; and pursuant to Section 35 of the Lanham Act, 15 U.S.C. § 1117, damages in an amount of up to three (3) times the actual amount

of such damages, as a result of Defendants' willful violation of the Lanham Act and Plaintiff's rights.

- (H) Awarding Plaintiff exemplary and punitive damages to deter any future willful infringement as this Court deems just, warranted and appropriate under the circumstances of this action.
- (I) Granting Plaintiff such other, different and further relief as this Court deems just, warranted and appropriate under the circumstances of this action.

Dated: New York, New York

October 22, 2015

The Law Offices of
Matthew A. Pek, Esq.

By: /s/ Matthew A. Pek
Matthew A. Pek, Esq

* * *

Motion for Permanent Injunction

(S.D. Fla. May 4, 2011)

Plaintiff, MARCEL FASHIONS GROUP, INC., (“Marcel”), through undersigned counsel, files this Motion For Permanent Injunction against Defendants LUCKY BRAND DUNGAREES, INC. (“Lucky Brand”), LIZ CLAIBORNE, INC. (“Claiborne”), and LUCKY BRAND DUNGAREES STORES, INC. (“Lucky Brand Stores”)(collectively, “Defendants”), and as for grounds, states as follows:

INTRODUCTION

Plaintiff Marcel, and Defendants Liz Claiborne and Lucky Brand Dungarees have been feuding over the seniority in the trademarks GET LUCKY and the LUCKY BRAND marks and any other mark including the word LUCKY, since 1998.

Plaintiff is the owner of the rights to the mark GET LUCKY, and has used the mark continuously since 1985, nearly 6 years before Defendant Lucky Brand was even incorporated. Plaintiff never abandoned the GET LUCKY mark, and has a judicial determination that it sold its goods nationally, in every state in the country. Plaintiff first registered its mark in 1985, and was awarded US Reg. No.: 1,377,345. That mark was later cancelled, but it established a date of first use under the common law, and established seniority in the GET LUCKY mark, and superior rights over Defendants under the common law.

After discovering that its mark was cancelled, Plaintiff filed again in 1998. That application was opposed by Defendant Lucky Brand in the United

States Patent and Trademark Office, where Defendant Lucky Brand claimed a likelihood of confusion between their LUCKY BRAND marks and Plaintiff's GET LUCKY mark. Plaintiff Marcel then filed in federal court to protect its rights and to establish priority. On the eve of trial, the parties settled, and Defendants paid Plaintiff \$650,000. Defendants withdrew their opposition in the USPTO and Plaintiff was awarded US Registration No.: 2,765,974 for the same goods it had always used its mark on.

As soon as the case settled in May 2003, Plaintiff sought licensees, entered into agreements with 2 minor players, and began to bring its products to market. It takes almost 1 year to bring a line to market, with design, sampling, and manufacturing. In 2005, almost as soon as Plaintiff's products hit the market, Defendants Lucky Brand and Liz Claiborne sued Plaintiff and its licensee in the Southern District of New York, seeking amongst other things, a preliminary injunction and a judicial finding that Plaintiff's GET LUCKY mark infringes Defendants' Lucky Brand and Liz Claiborne's LUCKY BRAND marks.

It is believed that the trademark infringement lawsuit filed by Defendants was intended to drive Plaintiff out of business by using its superior financial resources and market power by filing the lawsuit and a Motion for Preliminary Injunction about one week before MAGIC, the largest and most important trade show in the industry. That Motion for Preliminary Injunction was denied, as Judge Swain believed that Defendants Lucky Brand and Liz Claiborne were not

likely to succeed on the merits. Rather than take the hint, Defendants Lucky Brand and Liz Claiborne continued its effort to destroy Plaintiff Marcel.

The suit forced Plaintiff to dedicate so much of its resources to defending the lawsuit that it has been unable to expand its business volume and market share, and was nearly run out business. While they enjoyed zero legal success on any of the issues, Defendants Lucky Brand and Liz Claiborne nearly crushed Plaintiff by forcing it to defend in New York and having to pay New York prices for legal fees, which was in the millions.

In September of 2005, Plaintiff Marcel counter-claimed in the New York case, claiming that it was the senior user of the mark, that its use was continuous under the common law since at least 1985, that it never abandoned the mark, and that it sold goods in every state in the country, establishing nationwide rights under the common law. Plaintiff also claimed reverse confusion, that Defendants have so saturated the market with its LUCKY BRAND trademarks that Plaintiff lost the ability to enjoy the goodwill it had established in its GET LUCKY trademarks as the senior user who used the mark for nearly 6 years before Lucky Brand was even formed.

Plaintiff would show his goods at the very same trade shows as Defendants, and was consistently subject to comments and opinion that Plaintiff was a “knock-off” of Defendants LUCKY BRAND marks. Finding licensees not only became difficult, but the licensees it did sign up abandoned Plaintiff under threat of legal action from Defendants, who actually did sue one of Plaintiff’s licensees. Plaintiff was forced

to pay the legal expenses of licensee as well. Defendants Lucky Brand and Liz Claiborne do business with almost every major player in the industry, including JC Penney and Li & Fung, and most are or will be unwilling to do business with Plaintiff because the market value of Plaintiff's GET LUCKY brand is damaged because of the reverse confusion caused by Defendants and by virtue of their acts of unfair competition that were already judicially determined.

Another 5 years passed as the litigation became a legal knock-down, drag-out brawl, and after expending several million dollars fighting for its corporate life, and the owner's personal life, the case went to trial in April 2010. Plaintiff Marcel prevailed on all claims.

After settling the first case here in the Southern District, Defendants found it prudent to file against Plaintiff Marcel in New York. While Plaintiff was wholly exonerated, as fate would have it, Defendants Lucky Brand and Liz Claiborne *were actually found to have committed trademark infringement in several ways*. First, Defendants were found to have committed trademark infringement by virtue of their use of Plaintiff's GET LUCKY mark on t-shirts and in perfume advertisements, and a permanent injunction was entered against Defendants Lucky Brand and Liz Claiborne against any future use of the mark GET LUCKY. Secondly, the jury found that Defendants use of the LUCKY BRAND marks, and any mark including the word LUCKY infringed Plaintiff's GET LUCKY mark. Plaintiff also prevailed on its reverse

confusion claim, its federal unfair competition claim, and its common law trademark infringement claim.

There is no adequate remedy at law for Plaintiff Marcel. The first lawsuit, which was filed in the Southern District of Florida, and presided over by Judge Dimitrouleas, was settled in 2003 by Defendants Lucky Brand and Liz Claiborne, and they paid Plaintiff Marcel \$650,000. The second lawsuit that was decided last April in New York resulted in a verdict of \$300,000, which included \$280,000 in punitive damages against Defendants Lucky Brand and Liz Claiborne for their acts of trademark infringement and unfair competition.

Now, incredibly, Defendants continue to use the LUCKY BRAND marks and other marks including the word LUCKY after having been judicially determined to be infringers, and Defendants Lucky Brand, Liz Claiborne, and Lucky Brand Stores have sold an estimated \$400,000,000 in goods under the marks just since last April when the Final Order and Judgment was entered, and a permanent injunction was entered.

Despite having had their trademark rights judicially determined, after having a jury enter a verdict against them, and after entry of a Final Order and Judgment entered against them, Defendants continue to use the LUCKY BRAND marks with complete disregard of Plaintiff's superior and senior rights. Defendants act as if they simply need to dedicate a budget for tying up Plaintiff Marcel in court, as it has done for the past 12 years.

A copy of the Final Order and Judgment is attached as Exhibit A hereto. It was entered into and jointly drafted by the parties. It also contains a waiver

of any and all rights to an appeal. Any objections to the findings of the jury and Judge were waived and all rights to appeal were waived. (Final Order and Judgment, ¶ 9). Rather than make a transition to another mark, Defendants have acted as if the Final Order and Judgment has no binding effect on them. Plaintiff Marcel does not have the duty or legal responsibility to file suit every month or every year based on Defendants continued and unabashed use of the LUCKY BRAND marks. It is this very tactic that Defendants hope will result in the final ruination and destruction of Plaintiff, who does not have the means to continue to litigate this matter.

It has been 12 years in the making for Plaintiff to have finally received a judicial determination that it is the senior user of the GET LUCKY trademark and any use of the LUCKY BRAND marks and any other mark including the word LUCKY by Defendants is an infringement of Plaintiff's GET LUCKY mark. (¶5 of the Final Order and Judgment).

Plaintiff has no adequate remedy at law and respectfully requests that this Court enter an Order enjoining Defendants from any further use of the LUCKY BRAND marks and from using any other mark including the word LUCKY.

Plaintiff is only seeking the relief it was already awarded in the prior litigation and Order and Final Judgment. Plaintiff also requests an Order requiring an accounting of Defendants profits, and for further relief as stated below in its prayer.

**PLAINTIFF IS ENTITLED TO A
PERMANENT INJUNCTION**

Defendants Lucky Brand, Liz Claiborne, and Lucky Brand Stores have no legal theory that would allow them to continue to use the LUCKY BRAND marks or any mark including the word LUCKY. Plaintiff Marcel has already prevailed in its trademark infringement and unfair competition claims against Defendants. Plaintiff has already prevailed on the merits. (Final Order and Judgment).

A sufficiently strong showing of trademark infringement may by itself constitute irreparable harm to the Plaintiff. *Remy Martin & Co. v. Shaw-Ross Int'l Imports*, 756 F.2d 1525, 1530 (11th Cir. 1985). When a Plaintiff makes a prima facie case of trademark infringement, irreparable harm is ordinarily presumed. *McDonalds's Corp. v. Robertson*, 147 F.3d 1301, 1310 (11th Cir. 1998). It is well established that irreparable harm exists in a trademark case when Plaintiff shows it will lose control over the reputation of its trademark. *Id.*

Where Defendants have been found to be committing acts which constitute unfair competition, there seems little doubt that that money damages are inadequate. If an injunction were denied, the court would be telling Plaintiff to sit by and watch Defendants continue to violate the law and infringe on Plaintiff's rights until such time as Plaintiff decided to sue again for money damages. That is exactly what has happened in this case. Plaintiff is forced, yet again, to seek legal redress at substantial expense, after spending millions to win the last case in New York. Thus an injunction is the standard remedy for

unfair competition cases, and it is often held to be reversible error for the District Judge to deny an injunction against that infringement. See, *McCarthy On Trademarks and Unfair Competition*, (Vol. 5, §30.2, 4th ed., 2006).

Plaintiff succeeded on its reverse confusion claim, where Defendants have so saturated the market by virtue of their yearly sales in excess of \$400,000,000, that Plaintiff cannot be taken seriously as a market player and is deemed in the community to be a “knock-off” artist. Plaintiff Marcel’s ability to expand its market share and find licensees has already been determined to have been compromised.

When balancing the hardships, the Defendants are not entitled to continue to infringe after the entry of the Final Order and Judgment, merely because it is a big corporation. The law is applied equally to all, regardless of economic power and resources.

Defendants have already been adjudicated to be trademark infringers by virtue of their use of the LUCKY BRAND marks and by using other marks including the word LUCKY. (¶5 Final Order and Judgment). They were ordered to pay \$300,000 as damages for their use up to the day of the verdict. That verdict included punitive damages of \$280,000 for their unlawful acts. They also paid for the costs, which were substantial. Defendant should not be allowed to simply continue to commit trademark infringement, year after year, and then merely pay Plaintiff in accordance with the jury verdict. There is a duty to cease from any further acts of infringement and there is no compulsory license under trademark law.

In fashioning relief against a party who has transgressed the governing legal standards, a court in equity is free to proscribe activities that, standing alone, would have been unassailable. *Cumulus Media, Inc. v. Clear Channel Communications, Inc.*, 304 F.3d 1167, 1179 (11th Cir. 2002). A competitive business, once convicted of unfair competition in a given particular, should thereafter be required to keep a safe distance away from the margin line—even if that requirement involves a handicap as compared with those who have not disqualified themselves. *Id.* Defendants Lucky Brand and Liz Claiborne have actual notice of the obligation to change their mark, and to be forced to do so by injunction cannot be deemed a factor to be weighed in its favor.

It is in the public interest to protect the trademark owners and the public from confusion, and to allow the Plaintiff the benefit of its mark and the goodwill associated with it. The public has the right to be free from confusion, whether it be forward, or reverse. In this case, it has been determined that Defendants use of the LUCKY BRAND marks and any mark including the word LUCKY constitutes infringement of Plaintiff's GET LUCKY mark, and unfair competition. An injunction serves the public interest. *Angel Flight of Georgia, Inc. v. Angel Flight America, Inc.*, 522 F.3d 1200, 1209 (11th Cir. 2008). As the 11th Circuit has stated previously, in trademark infringement actions, complete injunctions against the infringing party are the order of the day. *Id.* The reason is simple: the public deserves not to be led astray by the use of inevitably confusing marks, even in cases in which more than one entity has the right to use the mark. *Id.* Here though, Defendants do not

even have a common law right of priority over Plaintiff, and it has been determined that Plaintiff is the owner and senior user of the marks, even under the common law and in the absence of any registration.

The Final Order and Judgment clearly establishes that Defendants' use of the LUCKY BRAND marks and any other mark including the word LUCKY constitutes unfair competition. Whether or not Plaintiff has a trademark registration does not change the analysis. In the absence of a registration, rights to a mark traditionally have depended on the very same elements that are now included in the statutory definition: the bona fide use of a mark in commerce that was not made merely to reserve a mark for later exploitation. *Planetary Motion, Inc. v. Techsplosion, Inc.*, 261 F.3d 1188, 119, note 5 (11th Cir. 2001). In this case, it was determined under both statutory and the common law that Plaintiff is the senior user of the GET LUCKY mark, and Defendants use of the LUCKY BRAND marks and any mark including the word LUCKY is an infringement. (Final Order and Judgment, ¶5). It was also judicially determined that Plaintiff has used its GET LUCKY mark since 1985, the use has been continuous and not abandoned, and that the use has been nationwide. (Final Order and Judgment).

This Court is vested with jurisdiction under the Lanham Act, and has the power to grant injunctions, according to the principles of equity and upon such terms as the Court may deem reasonable, to prevent the violation of any right of the registrant of a mark registered in the Patent and Trademark Office or to

prevent a violation under subsection 1125(a). 15 USC §1116(a).

**PLAINTIFF IS ENTITLED TO
DEFENDANTS PROFITS**

The damages provision of the Lanham Act entitles a trademark holder to recover, amongst other things, the profits earned by a defendant from infringement of the mark. *Burger King Corp. v. C.R. Weaver*, 169 F.3d 1310, 1321 (11th Cir. 1999)(citing 15 U.S.C.A. §1117). The Act confers upon the district court a wide scope of discretion to determine the proper relief due an injured party. *Id.* The law in this Circuit is well settled that a plaintiff need not demonstrate actual damage to obtain an award reflecting an infringer's profits under 15 USC §1117. An accounting for profits has been determined by this Court to further the congressional purpose by making infringement unprofitable, and is justified because it deprives the defendant of unjust enrichment and provides a deterrent to similar activity in the future. *Id.*

Where the record supports the conclusion regarding the need for deterrence and the deliberate and willful nature of infringement, awarding an infringers' profits is justified. *Id.*, at 1322.

In this case, it has been judicially determined that Defendants' use of the LUCKY BRAND marks and any mark including the word LUCKY, infringes Plaintiff's GET LUCKY mark. (Final Order and Judgment, ¶5). Rather than adopt a new mark, Defendants continue to use the LUCKY BRAND marks in the identical manner that they used them prior to the entry of the Final Order and Judgment. Defendants still use the marks on the identical goods

and services as stated in the trademark registrations attached to the Final Order and Judgment.

Defendants continue to use the WEAR US BE LUCKY mark on clothing (attached LUCKY 001145), LUCKY YOU, on clothing (LUCKY 001419), LUCKY BRAND for men's jeans and t-shirts (LUCKY 000168), LUCKY for clothing (LUCKY 000622), LUCKY BRAND DUNGAREES, for handbags, and clothing (LUCKY 001560).

Attached to the Final Order and Judgment is a representative sample of the LUCKY BRAND marks and other marks including the word LUCKY that are deemed to be infringing on Plaintiff's rights. Defendants' use of these marks has been continuous, unabated, and wholly consistent with their use prior to the entry of the Final Order and Judgment. This case is not a new claim, i.e. use of the LUCKY BRAND marks for bicycles, but rather is based on the judicial finding that the marks used on the same goods in the identical manner has continued despite the entry of the Final Order and Judgment.

CONCLUSION

Defendants, LUCKY BRAND and LIZ CLAIBORNE have consistently bullied and pressured Plaintiff MARCEL into defending its rights to the marks at issue. After 12 years of near constant legal wrangling forced by Defendants, the case finally went to the jury. Plaintiff was vindicated and found to be the senior user of the marks and that Defendants use of the LUCKY BRAND marks and any marks including the word LUCKY infringed on Plaintiff's rights. For 12 years, Plaintiff was deprived of the benefit of building its brand, while Plaintiff flourished

by using its marks in a manner that damaged Plaintiff by causing confusion in the market, and by competing unfairly with Plaintiff. Plaintiff was forced to face ridicule in the market, a diminished ability to grow its brand, and substantial lost licensing revenues due to Defendants' wrongful conduct that chased away both actual and potential licensees.

Defendants, Lucky Brand, Liz Claiborne, and Lucky Brand Stores, do business with almost every major player in the industry and have made it extremely difficult for Plaintiff, Marcel, to do business with these players. Finding quality licensees and the ability to expand its market have been seriously compromised by Defendants' widespread and continued use of the Lucky Brand marks.

After a trial on the merits, Plaintiff was awarded \$300,000, plus its costs. A permanent injunction was issued against Defendants Lucky Brand and Liz Claiborne during the litigation against any further use of Plaintiff's GET LUCKY mark, which was used by Defendants on clothing and in perfume advertisements that were distributed to millions of consumers. However, Defendants have refused to cease their use of the LUCKY BRAND marks and other marks including the word LUCKY that were found to be infringing.

A Final Order and Judgment was entered at the close of trial, and Defendants have continued to now willfully infringe Plaintiff's rights. Defendants spend millions of dollars on advertising and have so saturated the market that the public does not view Plaintiff as the senior user. Plaintiff is considered a "knock-off" of Defendants, and Defendants' continued

use for the last year has only further eviscerated Plaintiff's ability to control its trademark and reap the benefits of the goodwill associated with having used the mark for nearly 26 years.

The law treats everyone the same. Defendants have consistently acted as if the law does not apply to them because they are a billion dollar company, and Plaintiff is not. They have forced Plaintiff to spend millions of dollars defending itself. Over the last 12 years, Plaintiff has never been able to grow its business as it so desired because it was always defending itself against Defendants', LUCKY BRAND and LIZ CLAIBORNE, claims and acts of infringement.

The case was finally adjudicated. Plaintiff Marcel won. Now, Defendants refuse to grasp the magnitude of the Final Order and Judgment. Defendants have continued to use the marks with no intention of ever ceasing their wrongful activities. An injunction is the only remedy available to deter and force Defendants, LUCKY BRAND, LIZ CLAIBORNE, and LUCKY BRAND STORES, to follow the law.

In addition, Plaintiff is entitled to an award of Defendants' profits from the sale of their goods under the marks that have been deemed to be infringing. The use by Defendants has been willful, and with reckless disregard for the New York Court's ruling, and the rights of Plaintiff.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff, Marcel prays that the Court award the following relief:

A. Permanent injunctive relief by enjoining Defendants, LUCKY BRAND, LIZ CLAIBORNE and

LUCKY BRAND STORES, their officers, employees, and agents, and all persons or entities in active concert with them, from using, displaying, advertising, or selling their goods under, or from otherwise doing business under the “Lucky Brand” trademarks and any other mark including the word “Lucky” and any confusingly similar alternative or variation thereof;

B. Order Defendants to terminate any all domain names that contain the “Lucky Brand” marks and any other mark including the word “Lucky;”

C. Order the forfeiture, and/or destruction of any clothing, printed materials, store signage, advertisements, web sites, or any other items or materials containing any variation of the “Lucky Brand” marks and any mark including the word “Lucky;”

D. Order that Defendants pay monetary relief under 15 USC §§1117 and 1125, and treble any damages awarded as a result of Defendants willful and intentional acts;

E. Find that this is an exceptional case, and award damages in conformance with 15 USC §§1117 and 1125; including attorney’s fees, and Defendants’ profits; and

F. Such other relief as may be warranted by this Court as just and proper.

Motion to Transfer Venue

(S.D. Fla. May 27, 2011)

Defendants, LUCKY BRAND DUNGAREES, INC., LIZ CLAIBORNE, INC., AND LUCKY BRAND DUNGAREES STORES, INC. (collectively “Lucky Brand Parties”), pursuant to Rule 12(b)(3) of the Federal Rules of Civil Procedure, move to transfer this action to the United States District Court for the Southern District of New York pursuant to 28 U.S.C. § 1404(a).

I. Introduction

Plaintiff, Marcel Fashions Group, Inc. (“Marcel”), is attempting to re-litigate a trademark case in which Judge Laura Taylor Swain of the Southern District of New York entered a “Final Order and Judgment” on May 28, 2010.¹ In its Motion for Permanent Injunction filed herein (Doc. 5), Marcel misconstrues the Final Order and Judgment, taking the erroneous position that it is entitled to certain injunctive relief. In fact, such injunctive relief was not granted in the Final Order and Judgment and, as a matter of law, is not available to Marcel now. Accordingly, Lucky Brand Parties have moved to stay action on the motion for injunction (Doc. 10), pending the Court’s disposition of

¹ Judge Swain entered the Final Order and Judgment (attached as Exhibit 1) in *Lucky Brand Dungarees, Inc., Liz Claiborne, Inc. v. Ally Apparel Resources, LLC d/b/a Get Lucky, Key Apparel Resources, Ltd., Marcel Fashion Group, Inc. and Ezra Mizrachi*, Southern District of New York, Case No. 05 Civ. 6757 (the “New York case”). Plaintiff’s counsel, Mr. Gigliotti, was a material witness for Marcel in the New York case, and will be in this litigation as well. Accordingly, Defendants have also filed a motion to disqualify Mr. Gigliotti.

this Motion to Transfer the case to the Southern District of New York, where it can be scrutinized by Judge Swain.

II. The Case Belongs in New York, Where Judge Swain’s Final Order and Judgment Will Likely be Dispositive.

The Complaint alleges that “[t]his matter has already been determined by the Southern District of New York.” (Doc. 1, ¶ 39.) In light of this, there can be no justification for Marcel’s filing suit in the Southern District of Florida. The principles of judicial efficiency, economy, convenience, and basic fairness dictate that the action be transferred to New York pursuant to 28 U.S.C. § 1404(a).

The Final Order and Judgment was the culmination of a hotly contested, factually complex trademark litigation involving full discovery, multiple summary judgment hearings, other evidentiary hearings, extensive pre-trial motion practice, case management conferences, and a six-day jury trial. Following the jury’s verdict, the Parties jointly drafted the Final Order and Judgment, and mutually waived all rights to appeal or modify the judgment. (Exhibit 1, ¶ 9.) The Final Order and Judgment reflects Lucky Brand Parties’ ownership of various federal registrations for their “LUCKY BRAND” trademarks, which remain “valid and enforceable.” (Exhibit 1, p. 4.) Consistent with the jury’s verdict, there is no provision enjoining Lucky Brand Parties’ use of those marks in the future.

The communications leading to submission of the draft order and judgment to Judge Swain shed light on the reason Marcel has filed this action in Florida.

Marcel's counsel in the New York case, Ann Schofield Baker, made an improper, last-minute attempt to insert injunctive language into the draft order. As indicated in the Declaration of John F. Triggs, Lucky Brand Parties' counsel in the New York case:

[A]t the eleventh hour of the parties' negotiation to submit an agreed upon order, we received a document [from Marcel's counsel] which was not redlined and had a paragraph not seen in any earlier drafts that provided for [injunctive relief]. We immediately advised counsel that we would not agree to that particular paragraph. The only response we received came later that afternoon when the proposed order that we had agreed to (without the problem paragraph) was submitted by [Marcel's] counsel to the court as an agreed upon order.

(Declaration of John F. Triggs, ¶ 7, attached as Exhibit 2.)

Marcel has specific and indisputable knowledge that the Final Order and Judgment contains no provisions for injunctive relief as to the LUCKY BRAND marks. Nevertheless, in a bold action that flies in the face of Judge Swain's Final Order and Judgment, Marcel has filed a follow-on action in Florida, claiming it is somehow entitled to the injunctive relief it was denied in the New York case. As discussed herein, it appears that Marcel's claims are precluded as a matter of law under the doctrine of *res judicata*, but Judge Swain is clearly in the best position to make that determination. For this reason alone, the case should be transferred to New York.

III. The Present Action is Related to the New York Case, and *Res Judicata* May Apply.

Transferring the case to New York is also appropriate under the traditional factors this and other courts apply when weighing transfer under 28 U.S.C. § 1404(a). *See Cellular Vision Tech. & Telecom., L.P. v. Alltel Corp.*, 508 F. Supp. 2d 1186, 1188 (S.D. Fla. 2007). The threshold issue is whether the suit could have originally been brought by the plaintiff in the alternative venue. *See id.* at 1189. Since the New York case involved the same parties and claims, this case could have been brought there. Indeed, Marcel's Complaint references the Final Order and Judgment no less than ten times as the basis for its claims.

It is common for cases to be transferred to courts that have already handled related litigation. Such transfers serve the "interest of justice" by avoiding duplicative proceedings, encouraging judicial efficiency, and reducing the likelihood of inconsistent judgments. *See, e.g., Reiffin v. Microsoft Corp.*, 104 F. Supp. 2d 48, 58 n.19 (D.D.C. 2000) ("The fact that another court has been the site of a related action is so strong a public interest factor that this court has transferred venue *sua sponte.*"); *Frankel v. McDonough*, No. 10-20979-CIV, 2010 WL 3222498, at *1, 3 (S.D. Fla. Aug. 13, 2010) (transferring venue to New York where underlying arbitration took place); *Sapp v. FirstFitness Int'l, Inc.*, No. 5:09-CV-048, 2009 WL 2997624, at *4 (M.D. Ga. Sept. 16, 2009) (holding original court was "in a better position to determine which claims were raised in the litigation before it, and what issues were decided in the Injunction. The

interests of justice would be better served by transferring case to the court most familiar with the previous litigation”); *Univ. of Pittsburgh v. Varian Med. Sys., Inc.*, No. C-08-2973, 2008 WL 4279704, at *1, 4 (N.D. Calif. Sept. 16, 2008) (transferring action to district court that previously ruled on infringement and validity of the same two patents in suit); *R.E.F. Golf Co. v. Roberts Metals, Inc.*, 24 USPQ2d 1070, 1992 WL 161041, at *1, 4 (M.D. Fla. 1992) (transferring case to district court that had issued injunction based a finding of infringement of the same patent).

Transfer is even more compelling when the resolution of a prior related case could preclude a later claim. As stated in *Sapp v. FirstFitness Int’l*: “The interests of justice ‘strongly support a transfer’ in cases, such as this one, where the transferee court ‘reviewed and decided the prior litigation between the parties . . . , especially [when the] case turns on the preclusive effect of that’s court’s judgment.’” 2009 WL 2997624, at *3 (internal citations omitted; alteration in original); *see also Nolte v. Bellsouth Telecomm., Inc.*, No. 3:07-CV-782IP, 2007 WL 2253561, at *3 (N.D. Ala. June 29, 2007) (“[B]ecause prior similar litigation has occurred and the present action turns on the preclusive effect of Judge Duffey’s Order in *Nolte I*, the interests of justice would be served by transferring this case to the court that reviewed and decided *Nolte I*.”); *Sykes v. Eckankar*, No. C 98-0858, 1998 WL 296368, *1 (N.D. Cal. June 1, 1998) (“Defendants have made a colorable claim that the principles of res judicata apply to plaintiff’s present action, based on a recently-dismissed case, also filed by plaintiff, with similar facts. . . . [I]n light of . . . the interests of

justice in having defendants' claim of res judicata decided by a judge with knowledge of the previous litigation between the parties, the court GRANTS defendants' motion to transfer.").

In light of the Final Order and Judgment entered in the New York case, it appears that Marcel's current claims are precluded by the doctrine of *res judicata*. As Judge Swain indicated in *Marshall v. Nat'l Ass'n of Letter Carriers BR36*, "[a] final judgment on the merits of an action precludes the parties or their privies from relitigating issues that were or could have been raised in that action." No. 03-civ-1361, 2004 WL 2202574, at *3 (S.D.N.Y. Sept. 30, 2004) (alteration in original). Similarly, in *Shell v. Hollywood Housing Auth.*, this Court held that "[r]es judicata bars the filing of claims which were raised or could have been raised in an earlier proceeding." No. 08-civ-61154, 2009 WL 837654, at *1 (S.D. Fla. Mar. 27, 2009) (Zloch, J.) (internal citations and quotation marks omitted). As the presiding judge in the earlier proceeding, who entered the order, Judge Swain is in the best position to evaluate the issue, and to conduct further proceedings in the present litigation, in the event it survives.

IV. Additional Venue Factors Also Weigh in Favor of Transfer.

The overarching purpose of § 1404(a) is to prevent the waste of "time, energy, and money" and to protect litigants, witnesses and the public against unnecessary inconvenience and expense. *Thermal Techs., Inc. v. Dade Serv. Corp.*, 282 F. Supp. 2d 1373, 1375 (S.D. Fla. 2003). As indicated by considering the

additional relevant factors below, this purpose will be achieved by transferring the case to New York.

A. Plaintiff's Choice of Forum Should Be Given No Weight

Marcel's choice of forum is only a ploy to avoid scrutiny in New York, and should be given no weight.

B. Convenience of the Parties

The Southern District of New York is a more convenient forum for all Defendants. Lucky Brand Dungarees, Inc. and Lucky Brand Dungarees Stores, Inc. are wholly-owned subsidiaries of Defendant, Liz Claiborne, Inc., which is headquartered in the Southern District. Conversely, Defendants have minimal contacts in and no particular nexus to the Southern District of Florida.² New York is also convenient for Marcel, as demonstrated by its litigating the prior case there, through a full trial, without objection, and even filed a Counterclaim. Moreover, during the course of the trial it was established that Marcel does business in every state, and its personnel travel extensively to New York for trade shows each year. *See* New York case Trial Tr. vol. 5, 758:7-24, vol. 4, 620:23-621:14 (April 20-21, 2010), attached as Composite Exhibit 3.

C. Convenience of Witnesses

The convenience of both party and nonparty witnesses is another important factor which, in this

² The Complaint alleges incorrectly that Defendant, Lucky Brand Dungarees Stores, Inc., is a Florida Corporation. (Doc. 1, ¶ 8.) As shown by Marcel's own exhibit (Doc. 21-1), the company is actually a Delaware corporation with its principal place of business in New Jersey.

case, weighs in favor of transfer. *See Gonzalez v. Pirelli Tire, LLC et al.*, No. 07-80453-CIV, 2008 WL 516847, *2 (S.D. Fla. Feb. 22, 2008). The Parties' witnesses would not be inconvenienced by testifying in New York, as they did before. More importantly, the known nonparty witnesses will not be inconvenienced. In the prior New York case, Marcel insisted that two of its nonparty witnesses—Messrs. Enders and Gigliotti—provide trial testimony in person, not by deposition. These demands were accommodated, and Mr. Gigliotti in particular became a material witness for Marcel on a number of topics, just as he will be in the present case. Mr. Gigliotti's testimony will also be necessary on at least one additional topic—whether he participated in, or had knowledge of, Marcel's "eleventh hour" attempt to insert injunctive language into the document that became the Final Order and Judgment. Certainly, the testimony of Ann Schofield Baker, Marcel's New York counsel, will be needed on this topic, and as she practices law in New York City, within the subpoena power of the Southern District, she will not be inconvenienced by appearing there.

D. Public Interest

The public interest in conserving the litigants' and judicial resources also compels a transfer to New York. All the necessary proceedings can be conducted efficiently in New York, with minimal duplication of prior efforts. The extensive docket and trial record of the prior New York case reside in the Southern District, and can be accessed easily by Judge Swain and court personnel. Moreover, having presided over a full trial, Judge Swain is personally familiar not only with the complex facts of the Parties' historical

relationship, but also the demeanor and credibility of the witnesses whose testimony will be at issue again.

As opposed to the laborious process of “starting over” in Florida, efficiency with respect to both public and private resources will be accomplished through transfer of this case to the Southern District of New York. Judge Swain is uniquely suited to determine whether Marcel’s claims are precluded at the outset, and if not, conducting a streamlined proceeding to determine the Parties’ rights relative to her Final Order and Judgment.

V. Conclusion

For the foregoing reasons, Defendants respectfully request transfer of this case to the Southern District of New York under 28 U.S.C. § 1404(a).

Dated: May 27, 2011

Respectfully submitted,

s/ Larry M. Roth

Larry M. Roth, Esquire

Response to Motion to Transfer Venue

(S.D. Fla. June 6, 2011)

Plaintiff, MARCEL FASHIONS GROUP, INC., (“Marcel”), through undersigned counsel, responds to Defendants’ Motion to Transfer Venue as follows:

INTRODUCTION

Defendants allege that Plaintiff is attempting to re-litigate the case that was decided in the Southern District of New York that, after a full trial on the merits decided by Judge and jury, resulted in entry of judgment against Defendants Lucky Brand Dungarees, Inc. and Liz Claiborne, Inc. That judgment is embodied in a Final Order and Judgment that was entered on June 1, 2010.

Defendants make no reference to what issues would need to be re-litigated, nor do they make any specific reference to why there would be a need to re-visit witness testimony or participation by the New York court. Plaintiff contends that there is nothing to re-litigate, and no need for testimony already given. This case is about Defendants using trademarks that have been already been found to infringe Plaintiff’s GET LUCKY mark.

Defendants contend that because the language of the Final Order and Judgment does not enjoin Defendants from using the LUCKY BRAND marks, that Plaintiff’s claims filed here in the Southern District of Florida requires re-litigating the case in New York.

Defendants have misconstrued the nature of Plaintiff’s Complaint and Motion for Permanent Injunction. Plaintiff contends that the issues of

infringement have already been litigated, and Defendants were found to have committed trademark infringement in several ways. There is an injunction against Defendants using the GET LUCKY mark, and Plaintiff now seeks an injunction against Defendants using the LUCKY BRAND marks since Defendants have continued to use the infringing marks in this District *after* entry of the Final Order and Judgment.

The parties have a fundamental disagreement regarding the impact the Final Order and Judgment has on Defendants right to continue to use the very trademarks that were deemed to infringe Plaintiff's GET LUCKY mark.

The Final Order and Judgment at paragraph 5 states:

Lucky Brand Parties infringed Marcel Fashion's GET LUCKY trademark (Reg. No. 2,765,974) pursuant to Counterclaim II (Reverse Confusion), Counterclaim III (Federal Unfair Competition) and Counterclaim IV (Common Law Trademark Infringement) by using GET LUCKY, the LUCKY BRAND trademarks, and any other trademarks including the word "Lucky" after 2003.

Plaintiff is not seeking to re-litigate this issue. There is no more work for the New York court to do, no fact finding, and no interpretation of the Final Order and Judgment. The Final Order and Judgment is clear on its face. While the Final Order and Judgment contains an injunctive provision against Defendants' using Marcel's GET LUCKY trademark, it does not contain specific injunctive language against

Defendants using its LUCKY BRAND marks and any mark including the word Lucky.

If the Final Order and Judgment did contain that specific language, then this would be an action for contempt. Instead, this is an action for injunctive relief and for damages and is filed to prevent Defendants from continuing its acts of infringement after Judge and jury have determined their use to be infringing.

Defendants are essentially arguing that because the Final Order and Judgment does not contain certain injunctive language, then Defendants are free to continue their infringing activities. If that were true, then in this case, the absence of injunctive language in the Final Order and Judgment would result in an irrevocable license granted to Defendants allowing them to continue to commit unlawful acts of infringement for eternity with absolute immunity. Even if that were true, there is still no legal justification to transfer this case to New York. That argument can be made here in defense against Plaintiff's claims.

Injunctive language is an edict preventing future conduct. If Defendants, after having been deemed infringers, ceased their infringing conduct, no injunction would be necessary. However, since they have not discontinued their infringing activities, Plaintiff has every right to file this action, seeking entry of a permanent injunction. The Final Order and Judgment is simply a legal decision on the merits that Defendants' use of the LUCKY BRAND marks infringes Plaintiff's GET LUCKY trademark.

If this case were reversed, had Defendants prevailed in the New York case, and Marcel was continuing to commit acts of infringement, Defendants would be seeking the very same remedy, and this Court is well experienced in addressing injunctive relief for post-judgment acts of infringement.

**I. DEFENDANTS ARE NOT ENTITLED TO
TRANSFER OF VENUE.**

Defendants seek to transfer venue based on 28 USC §1404(a) which states:

For the convenience of the parties and witnesses, in the interest of justice, a district court may transfer any civil action to any other district or division where it might have been brought.

The Southern District of New York is no more convenient than this District. Defendants' attorney in that case is from Nashville. The Defendants' corporate address is New Jersey. Plaintiff's witnesses that testified in New York are from Florida. The only reason the case was brought in New York was because the Plaintiff's licensee was Ally Apparel, based in New York City and the maker of the garments Defendants objected to. Ally is not part of this suit. Marcel was served with a Motion for Preliminary Injunction (which was denied) and the case was filed in New York. Defendants attached to their Motion to Transfer Venue, an affidavit from John Triggs, their counsel in the New York case, and at paragraph 3, references the major witnesses, almost all of whom reside out of New York State, and certainly out of the Southern District of New York. If this Court rules that the Final Order and Judgment is clear on its face, then there is simply

no legal basis to re-litigate the issue of whether Defendants' marks infringe Plaintiff's.

Having to re-litigate this case in New York will be such a burden on Plaintiff that it may result in its financial failure. That case lasted over 5 years and cost several million dollars to defend. In the New York case, Defendants Lucky Brand Dungarees, Inc. and Liz Claiborne, Inc., were deemed to be "at best, grossly negligent" in handling its discovery obligations. (Doc. 164, Order on Sanctions). Defendants' so obstructed the discovery process that they were sanctioned by the New York court and were forced to pay over \$100,000 to Plaintiff for legal fees and were precluded from asserting certain defenses. That Order on Sanctions resulted, in part, in summary judgment for Marcel. If Plaintiff is again forced to re-litigate the issues it already prevailed on, then Plaintiff is likely to face the same obstruction of the justice process. The New York court entered a 26 page Order addressing the egregious behavior of Defendants, and Defendants were heavily sanctioned. They simply refused to take Marcel seriously and obstructed Marcel's attempt at finding the truth. That activity cost Plaintiff hundreds of thousands of dollars, resulted in prolonged litigation, and prevented Marcel from building its business for almost two more years.

If Defendants had complied with the Final Order and Judgment, and changed their marks, then there would be no pending case or motions. However, they have continued to use the LUCKY BRAND marks in the Southern District of Florida, and their acts of infringement complained of are ongoing, and occur here. The Complaint alleges that this Court has

jurisdiction over the Defendants, and that the acts complained of occurred and are occurring here.

For purposes of venue, a defendant who is a corporation shall be deemed to reside in any judicial district in which it is subject to personal jurisdiction at the time the action is commenced. **28 USC §1391(c)**. Defendants collectively operate a multi-billion dollar business and they sell goods in almost every city in the United States. Defendants cannot deny, nor have they, that they are subject to personal jurisdiction in this District.

As the basis of its Complaint, it is alleged that Defendants are using the LUCKY BRAND marks in the Southern District of Florida. Their stores are here, and they sell millions of dollars worth of goods here under infringing marks. The only relevance that the New York forum has is that the Final Order and Judgment was entered there, and that the merits were decided there.

Plaintiff asserts that this Court has every right to hear Plaintiff's case, and particularly, Plaintiff's Motion for Permanent Injunction. Plaintiff is not seeking to enforce a provision in the Final Order and Judgment. Rather, Plaintiff is relying on the binding legal effect the Final Order and Judgment has on the factual issues. The facts and findings cannot be re-litigated and they have a binding effect on the Defendants. Plaintiff's case here is specific in what it seeks.

Venue is proper here in the Southern District of Florida.

A). Plaintiff is domiciled here in the Southern District. Each of the Defendants does business in the

Southern District of Florida. Defendants Lucky Brand Dungarees Stores, Inc. is a Delaware corporation, registered to do business in Florida, is domiciled in this District, with a registered agent in Plantation. Plaintiff attached a copy of the corporate status from the State of Florida website to its Response to Defendants' Motion to Stay/Strike. It is important to note that the Director of Defendant Lucky Brand Dungarees Stores, Inc. is William McComb, the Chief Executive Officer for Liz Claiborne, Inc. Defendants, in their Corporate Disclosure Statement admit that the Defendants are all related companies and wholly owned subsidiaries of Defendant Liz Claiborne, Inc.

B). Defendant Lucky Brand Dungarees, Inc. operates out of the same offices as Defendant Liz Claiborne, Inc. in New Jersey and manufactures Lucky Brand products which are sold on their website to Floridians, and throughout retail stores in the Southern District of Florida. In fact, there are 10 stores located in the Southern District of Florida alone, not including the rest of Florida. Plaintiff attached as Exhibit B to its Response to Defendants' Motion to Stay/Strike, a printout from Lucky Brand Dungarees, Inc.'s website with a store locator. The Defendants sell millions of dollars worth of products in the Southern District of Florida. Plaintiff's claims of infringement are occurring in this District and are undisputed fact. Defendants have not yet denied that they are selling the goods complained of in the Southern District of Florida.

Defendants' Motion to Transfer Venue is based on the assertion that the Southern District of New York is the appropriate forum because it heard the case for

5 years and the core operative facts and the locus should be New York. Defendants assert that it is a more convenient forum. However, and most vital to Plaintiff's case is its assertion that the facts of this case have already been decided, and a judicial determination has already been made. That Court entered a Final Order and Judgment in favor of Plaintiff, and that Court's work is done. Plaintiff is entitled to select its venue for the relief sought.

There is no fact finding needed in this case as it relates to injunctive relief, other than whether the infringing activities are continuing. This is simply a matter of law for this Court to decide, namely, whether Defendants use of the LUCKY BRAND marks after entry of the Final Order and Judgment should be enjoined.

II. THE PARTIES AGREE THAT THIS CASE SHOULD NOT BE RE-LITIGATED.

Defendants seek to transfer this case because they believe that Plaintiff is seeking to re-litigate claims that were decided in the New York case. Plaintiff has contended from its Complaint and Motion for Permanent Injunction that it is not. Plaintiff's Motion for Permanent Injunction and the Complaint, is based on two issues:

1) That all of the facts have already been determined in the New York case. There was entry of a Final Order and Judgment. That makes all facts and claims final. Defendants did not appeal the jury's finding that their use of the LUCKY BRAND marks infringes Plaintiff's GET LUCKY mark.

2) The relief sought by Plaintiff here is based on the fact that *after* entry of the Final Order and

Judgment, Defendants have continued their unlawful acts of infringement.

Plaintiff contends that Defendants are continuing their unlawful and infringing activities here in the Southern District of Florida by making and selling goods under the infringing marks in their 10 stores and through their website. Each Defendant makes, sells, and sponsors the infringing activities. These acts occur daily, and unless enjoined, will continue until Plaintiff is run out of business. The acts complained of occur in the Southern District of Florida.

Regardless of whether the Final Order and Judgment contains specific language enjoining future infringement, Defendants acts are unlawful, and constitute infringement. The facts have been determined and Defendants' use of the LUCKY BRAND marks, and any mark including the word "Lucky" infringes Plaintiff's GET LUCKY mark.

As a matter of law, Plaintiff is the senior user, Plaintiff sold its goods under the mark in every state, and its use has been continuous and not abandoned. (Final Order and Judgment). These facts can no longer be disputed, and the law of the land is that Defendants are infringers. The remaining issue is whether Plaintiff is entitled to seek injunctive relief based on the findings of Judge and jury, and whether this Court has jurisdiction to grant the relief Plaintiff seeks, especially in light of the fact that the infringing activities are occurring in the Southern District of Florida on a daily basis and there is no intent by Defendants to stop.

The Lanham Act provides this Court with specific jurisdiction and the power to issue injunctions for trademark violations.

The several courts vested with jurisdiction of civil actions arising under this Act (Lanham Act) shall have the power to grant injunctions, according to the principles of equity, and upon such terms as the court may deem reasonable, to prevent the violation of any right of the registrant of a mark registered in the Patent and Trademark Office or to prevent a violation under subsection (a), (c), or (d) of section 43 (15 USC §1125).

(See, 15 USC 1116(a)).

Any such injunction granted upon hearing, after notice to the defendant, by any district court of the United States, may be served on the parties against whom such injunction is granted anywhere in the United States where they may be found, and shall be operative and may be enforced by proceedings for contempt, or otherwise, by the court by which such injunction was granted, or by any other United States district court in whose jurisdiction the defendant may be found.

(See, 15 USC 1116(a)).

This Court has statutory jurisdiction to grant an injunction for a violation of any of Plaintiff's rights under the Lanham Act. The injunction is enforceable in any district where Defendants may be found or do business. Since Defendants do business here, Plaintiff seeks an injunction from this Court. The injunction, if

granted, may reach every corner of the United States. The Judge and jury in New York found that Defendants' use of the LUCKY BRAND marks and any mark including the word "Lucky" infringes Plaintiff's GET LUCKY trademark, under statutory and common law. That finding is equally relevant and applicable here in the Southern District of Florida as it is in New York. The factual issue of whether Defendants' use of the LUCKY BRAND marks infringe Plaintiff's mark has already been decided. Therefore, this Court does not need to re-litigate the issues, and has the jurisdiction to enter an injunction, especially since Defendants have continued their infringing ways in this District.

New York is hardly a more convenient forum, and forcing Plaintiff to litigate there would likely result in its financial ruin, as it will be forced to again pay New York prices for legal services. To re-litigate the issues would also subject Plaintiff to the same obstructive tactics employed by Defendants that were sanctioned in New York. The very purpose of a trial is to decide the facts on the merits.

CONCLUSION.

Defendants have continued to infringe Plaintiff's trademark. The Final Order and Judgment clearly states that Defendants' use of the LUCKY BRAND trademarks infringe on Plaintiff's GET LUCKY trademark. This Court has authority and jurisdiction to hear the case as filed. Plaintiff resides here, Defendant Lucky Brand Dungarees Stores, Inc. is registered to do business here, Defendant Lucky Brand Dungarees, Inc. sells goods under the LUCKY BRAND marks to 10 stores in the Southern District of

Florida alone, and Defendant Liz Claiborne, Inc. owns all of it, and its very CEO is the named corporate Director for all Defendants.

Defendants seek to transfer venue to New York because they know it will cripple Plaintiff financially, and will otherwise delay this matter, all the while as they continue to infringe with willful and reckless disregard for Plaintiff's rights. Defendants seek to delay the inevitable.

Venue is proper here, and Plaintiff seeks to merely rely on the factual findings that are clear on the face of the Final Order and Judgment. Defendants, despite having filed several motions intended to distract the Court from the central issues, has not yet cited any authority on why the injunctive relief sought should be granted.

* * *

WHEREFORE, Plaintiff respectfully requests that the Court deny Defendants' Motion to Transfer Venue.

By: s/Louis R. Gigliotti

* * *

**Report and Recommendation re Motion for
Transfer of Venue**

(S.D. Fla. July 19, 2011)

This matter is before the Court on Defendants' Motion to Transfer Venue [D.E. 24], as well as various other motions, referred to me by the Honorable William J. Zloch [D.E. 39].¹ I have reviewed the parties' motions, the filings supporting and opposing the motions, and the other materials in the case file. For the reasons that follow, I respectfully recommend that the Court grant Defendants' Motion to Transfer Venue and transfer this action to the United States District Court for the Southern District of New York.² See 28 U.S.C.A. § 1404(a) (West 2006) (authorizing a district court, "[f]or the convenience of parties and witnesses, in the interest of justice," to "transfer any civil action to any other district or division where it might have been brought"). I further recommend that the Court deny as moot the parties' remaining motions, without prejudice to the parties' renewal of those motions after the case is transferred.

¹ The other pending motions include Plaintiff's Motion for Permanent Injunction [D.E. 5]; Defendants' Motion to Stay, or in the Alternative, Motion to Strike Plaintiff's Motion for Permanent Injunction [D.E. 10]; Plaintiff's Motion for Hearing on Plaintiff's Motion for Permanent Injunction [D.E. 20]; and Defendants' Motion to Disqualify Plaintiff's Counsel, Louis R. Gigliotti [D.E. 22].

² Defendants have filed a Request for Oral Argument on their Motion to Transfer Venue [D.E. 25]. Because the facts and legal arguments concerning Defendants' Motion to Transfer are adequately presented in the parties' filings, it is unnecessary to hold a hearing on the Motion. I therefore recommend that the Court deny Defendants' request for oral argument.

I. Background Facts

A. Overview

This case is the latest front in a lengthy trademark battle. Plaintiff Marcel Fashions Group, Inc., (“Marcel”) seeks to enjoin Defendants Lucky Brand Dungarees, Inc.; Liz Claiborne, Inc.; and Lucky Brand Dungarees Stores, Inc., (together, the “Lucky Brand parties” or “Defendants”) from selling clothing and other goods using registered trademarks that include the term “Lucky Brand” or other variations of the word “Lucky” (the “Lucky Brand marks”). Marcel claims that it is entitled to an injunction based on an earlier finding by a federal court in the Southern District of New York that the Lucky Brand parties’ use of the Lucky Brand marks infringes Marcel’s registered trademark “GET LUCKY.”

Defendants contend that the final judgment in the prior New York litigation bars Marcel’s present action seeking injunctive relief regarding use of the Lucky Brand marks other than the “GET LUCKY” mark, a remedy it failed to obtain in the earlier case. Defendants further argue that the New York federal court—having become thoroughly familiar with the parties’ dispute during *five years* of litigation—is in the best position to determine the preclusive effect of its judgment and, if necessary, the merits of Marcel’s current claims for injunctive relief. Therefore, Defendants move this Court to transfer Marcel’s action to the Southern District of New York.

B. Prior Litigation

In July 2005, two of the Lucky Brand parties³ filed an action in the Southern District of New York against Marcel, its president, and an apparel company to which Marcel had licensed its GET LUCKY mark for use on clothing. Alleging that the licensee's use of the GET LUCKY mark was confusingly similar to the Lucky Brand parties' use of the Lucky Brand marks on their apparel, the Lucky Brand parties asserted several federal and state claims for trademark infringement, dilution, and unfair competition.⁴ Shortly after the case was filed, the New York federal court denied a motion by the Lucky Brand parties for a preliminary injunction; that ruling was affirmed on appeal.

In September 2005, Marcel and its licensee brought various counterclaims against the Lucky Brand parties. These counterclaims generally alleged that the Lucky Brand parties' use of the Lucky Brand marks infringed Marcel's GET LUCKY mark, caused confusion among consumers about the origin of the parties' respective goods, and violated a previous settlement agreement between the parties (*see supra*

³ Lucky Brand Dungarees, Inc., and Liz Claiborne, Inc.

⁴ The trademark dispute between Marcel and the Lucky Brand parties actually began several years before the New York federal action was filed. In 1998, Marcel applied for federal registration of the GET LUCKY mark for use on clothing; the Lucky Brand parties subsequently filed an opposition to that application. In 2001, Marcel sued the Lucky Brand parties in this District, claiming trademark infringement and unfair competition. As part of a 2003 settlement agreement in that case, the Lucky Brand parties withdrew their opposition to Marcel's registration application, which was later approved.

note 4). In addition to monetary remedies, significantly, Marcel and the licensee sought a permanent injunction barring further infringing conduct by the Lucky Brand parties. *See* D.E. 37-1 at 43-44; *see also id.* at 39 (alleging that “[c]ounter-plaintiffs do not have an adequate remedy at law, and will continue to be damaged by counter-defendants’ activities unless this Court enjoins counter-defendants from such conduct”). Similarly, in later pre-trial statements, Marcel and the licensee maintained that one of the issues to be decided was “[w]hether Marcel is entitled to an injunction against Lucky Brand enjoining Lucky Brand from selling merchandise using GET LUCKY, LUCKY, LUCKY BRAND or any other mark incorporating Lucky.” *E.g.*, D.E. 37-2 at 6.

In April 2009, the New York federal court granted partial summary judgment to Marcel on its counterclaims against the Lucky Brand parties. Specifically, the court held that the Lucky Brand parties’ sale of men’s t-shirts, women’s t-shirts, and women’s long-sleeve shirts bearing the designation GET LUCKY violated Marcel’s rights concerning that trademark. The court also found that this same conduct, as well as the Lucky Brand parties’ advertising and promotion of fragrances using Marcel’s GET LUCKY mark, breached the parties’ prior settlement agreement. Based on these conclusions, the court enjoined the Lucky Brand parties from using the GET LUCKY mark in connection with the sale of men’s and women’s apparel, fragrances, and accessories. The injunction did not expressly refer to other Lucky Brand marks.

In April 2010, the New York federal court held a five-day jury trial on the parties' remaining claims and counterclaims, several of which were dismissed during the course of trial. The jury returned a verdict finding that (1) Marcel's licensee had willfully infringed two of the Lucky Brand parties' registered trademarks, but Marcel had used its GET LUCKY mark throughout the United States before the Lucky Brand parties had registered their marks (thereby giving Marcel's mark priority over the Lucky Brand parties' competing marks and providing Marcel and its licensee with a complete defense to all infringement claims); (2) the Lucky Brand parties had infringed Marcel's GET LUCKY mark by using it and the Lucky Brand marks after May 2003; and (3) as a result of the Lucky Brand parties' infringement and the violations described in the court's partial-summary-judgment order, Marcel was entitled to compensatory damages totaling \$20,000 and punitive damages of \$280,000.

The parties subsequently agreed to submit a joint proposed Final Order and Judgment incorporating the court's rulings and the jury's verdict. According to the Lucky Brand parties, during the process of drafting the joint submission, Marcel's counsel attempted to add a provision enjoining the Lucky Brand parties from further using the infringing marks. *See* D.E. 24 at 3. Counsel for the Lucky Brand parties objected to the injunction provision, and Marcel's counsel submitted the proposed Final Order and Judgment to the court without the provision. *See id.* On June 1, 2010, the court entered the Final Order and Judgment as submitted by the parties. *See* D.E. 24-1 at 2-7. As part of the Final Order and Judgment, the parties

agreed to waive all post-judgment motions and any appeal of the judgment. *See id.* at 7.

C. Present Action

On April 29, 2011, Marcel filed its Complaint in this case. *See* D.E. 1. Marcel alleges that despite the New York federal court's finding that the Lucky Brand parties infringed Marcel's GET LUCKY mark through their use of the Lucky Brand marks, the Lucky Brand parties have continued to sell goods using those infringing marks.⁵ Marcel's Complaint, which asserts various trademark and unfair-competition claims, primarily seeks to enjoin the Lucky Brand parties from continuing to use the Lucky Brand marks. Additionally, Marcel has filed a Motion for Permanent Injunction seeking the same relief.⁶ *See* D.E. 5. Marcel explains in that Motion that "[t]his case is not a new claim, i.e. use of the LUCKY BRAND marks for [different types of products than those addressed in the Southern District of New York litigation], but rather is based on the judicial finding that the marks used on the same goods in the identical manner has continued despite the entry of the Final Order and Judgment." *Id.* at 10-11.

⁵ It is important to distinguish between the GET LUCKY mark, the use of which the Southern District of New York specifically enjoined, and the other Lucky Brand marks, to which the Southern District of New York did not expressly refer in its injunction. Marcel does not claim that Defendants have violated the New York federal court's order enjoining them from using Marcel's GET LUCKY mark in connection with their products.

⁶ In its Complaint and Motion for Permanent Injunction, Marcel also seeks certain monetary remedies, including recovery of Defendants' profits from their use of the infringing marks.

In their Answer to Marcel’s Complaint, the Lucky Brand parties admit that they “continue to use the Lucky Brand marks in connection with the same goods and services that were being sold at the time of the entry of the Final Order and Judgment.” D.E. 38 at 8. But the Lucky Brand parties deny any further liability to Marcel for their use of those marks, noting that “the Final Order and Judgment did not enjoin Defendants’ use of the Lucky Brand marks.” *Id.*

Further, the Lucky Brand parties have moved to transfer this action to the Southern District of New York. *See* D.E. 24; 28 U.S.C.A. § 1404(a). They assert that the New York federal court’s Final Order and Judgment, which did *not* enjoin the Lucky Brand parties from using the Lucky Brand marks in the future, bars Marcel’s present claims seeking that relief. *See* D.E. 37 at 2 (“The doctrine of *res judicata* prevents Marcel from reopening the New York case by renewing its claim for the same relief it was previously denied.”).⁷ Moreover, the Lucky Brand parties contend that the presiding judge in the New York federal case—who oversaw five years of extensive litigation between the parties—is in the best position to determine whether the Final Order and Judgment precludes Marcel’s current action seeking injunctive relief that it did not obtain in the earlier case. The

⁷ In their Reply supporting the transfer motion, the Lucky Brand parties request alternatively that this Court dismiss Marcel’s action based on *res judicata*. *See* D.E. 37 at 5. Even if this request were properly before the Court, I find, for the reasons discussed herein, that the New York federal court can best determine the preclusive effect of its own Final Order and Judgment. I therefore recommend that the Court decline Defendants’ invitation to dismiss this action.

Lucky Brand parties further posit that even if Marcel's claims are not barred by *res judicata*, the interests of justice strongly favor allowing the New York federal court to adjudicate those claims, given that court's familiarity with the facts and issues involved in the parties' dispute. *See* D.E. 24 at 8 ("Judge Swain is uniquely suited to determine whether Marcel's claims are precluded at the outset, and if not, conducting a streamlined proceeding to determine the Parties' rights relative to her Final Order and Judgment.").

In opposing Defendants' transfer motion, Marcel cites no case law and does not directly address Defendants' arguments concerning the allegedly preclusive effect of the Final Order and Judgment. Instead, Marcel argues that (1) the New York federal court has already determined that the Lucky Brand parties' use of the Lucky Brand marks infringes Marcel's trademark rights, (2) no further litigation is necessary in that court, and (3) this Court need only decide whether Defendants' continued use of the Lucky Brand marks should be enjoined. Also, without an affidavit or other evidentiary support, Marcel cites the expense of the prior New York litigation and obstructive conduct by the Lucky Brand parties in that case and contends that requiring it to litigate this action in New York would impose a severe financial hardship on the company and "may result in its financial failure." D.E. 33 at 4. Despite seeking to avoid further litigation in the Southern District of New York, however, Marcel acknowledges that the New York federal court's Final Order and Judgment "does not contain specific injunctive language against Defendants using [the] LUCKY BRAND marks" and

that “[t]he parties have a fundamental disagreement regarding the impact the Final Order and Judgment has on Defendants['] right to continue to use [those] trademarks.” *Id.* at 2.

II. Analysis

A. Legal Standards

“For the convenience of parties and witnesses, in the interest of justice, a district court may transfer any civil action to any other district or division where it might have been brought.” 28 U.S.C.A. § 1404(a). Section 1404(a) permits a transfer of venue “to avoid unnecessary inconvenience to the litigants, witnesses, and the public, and to conserve time, energy, and money.” *Cellularvision Tech. & Telecomm. v. Alltel Corp.*, 508 F. Supp. 2d 1186, 1188-89 (S.D. Fla. 2007). The statute thus gives district courts discretion to rule on transfer motions “according to an ‘individualized, case-by-case consideration of convenience and fairness.’” *Stewart Org., Inc. v. Ricoh Corp.*, 487 U.S. 22, 29 (1988) (quoting *Van Dusen v. Barrack*, 376 U.S. 612, 622 (1964)); see *Roofing & Sheet Metal Servs., Inc. v. La Quinta Motor Inns*, 689 F.2d 982, 985 (11th Cir. 1982) (noting that “the decision whether to transfer a case is left to the sound discretion of the district court”).

Deciding a motion to transfer requires a two-part analysis. See *Cellularvision*, 508 F. Supp. 2d at 1189. First, the court must consider whether the action could have been brought in the proposed alternative venue. See 28 U.S.C.A. § 1404(a); *Cellularvision*, 508 F. Supp. 2d at 1189. Second, the court must “balance private and public factors to determine if transfer is justified.” *Cellularvision*, 508 F. Supp. 2d at 1189.

These factors generally include “(1) convenience of the parties; (2) convenience of the witnesses; (3) the relative ease of access to sources of proof; (4) the availability of process to secure the presence of unwilling witnesses; (5) the cost of obtaining the presence of witnesses; and (6) the public interest.” *Id.*; see *Stewart Org.*, 487 U.S. at 29-30 (explaining that the “flexible and individualized analysis” of a motion to transfer requires the court to “weigh in the balance a number of case-specific factors,” including “the convenience of the witnesses and those public-interest factors of systemic integrity and fairness that, in addition to private concerns, come under the heading of ‘the interest of justice’”).

The moving party has the burden to show that a case should be transferred. See *In re Ricoh Corp.*, 870 F.2d 570, 573 (11th Cir. 1989) (per curiam). This is so because the plaintiff’s choice of forum is entitled to “considerable deference” and “should not be disturbed unless it is clearly outweighed by other considerations.” *Id.*; *Robinson v. Giarmarco & Bill, P.C.*, 74 F.3d 253, 260 (11th Cir. 1996) (internal quotation marks omitted). In the end analysis, however, the plaintiff’s choice of forum “is not controlling,” and the district judge “must use his discretion” in weighing that choice against other relevant factors. *Garner v. Wolfenbarger*, 433 F.2d 117, 119 (5th Cir. 1970);⁸ see *Norwood v. Kirkpatrick*, 349 U.S. 29, 32 (1955) (indicating that plaintiff’s choice of

⁸ Opinions of the Fifth Circuit issued prior to October 1, 1981, are binding precedent in the Eleventh Circuit. See *Bonner v. City of Prichard*, 661 F.2d 1206, 1209 (11th Cir. 1981).

forum is but one factor to be considered in § 1404(a) transfer analysis).

B. Application to Present Case

1. New York Forum

Though the parties disagree about whether this case should be transferred to the Southern District of New York, they do not dispute that the action “might have been brought” there. 28 U.S.C.A. § 1404(a). Indeed, the Lucky Brand parties previously sued Marcel in that court for infringement of the Lucky Brand marks—the same trademarks at issue here—and Marcel asserted counterclaims alleging that those marks infringed its GET LUCKY mark. *See supra* Part I. Marcel’s present Complaint relies on the New York federal court’s ruling in Marcel’s favor and seeks additional remedies for Defendants’ alleged continuation of the same infringing conduct. *See id.*

Moreover, the Court sees nothing that would have prevented Marcel from bringing this action—which involves essentially the same claims that Marcel pursued in the prior case—in the Southern District of New York. For example, in the New York federal action, Marcel asserted that the Southern District of New York was a proper venue for its counterclaims because “the wrongful acts committed by Lucky Brand occurred in and are causing injury in the state of New York” and because the Lucky Brand parties “do business in the State of New York.” D.E. 37-1 at 28-29 (citing 28 U.S.C.A. § 1391(b), (c) (West 2006)).⁹

⁹ Subsections (b) and (c) of § 1391, the primary venue statute, provides as follows:

Marcel's counter-complaint further alleged that "Lucky Brand operates various retail stores throughout the United States, including New York." *Id.* at 35. While Marcel's present Complaint emphasizes Defendants' alleged infringement in Florida, Marcel continues to claim that Defendants are selling their infringing goods throughout the country. *See, e.g.*, D.E. 1 at 4 ("Defendants have over 177 stores, use the marks in its catalog sales on-line, advertise extensively through magazines and other medium, and have so continued to saturate the market with its Lucky Brand marks that Plaintiff has

(b) A civil action wherein jurisdiction is not founded solely on diversity of citizenship may, except as otherwise provided by law, be brought only in (1) a judicial district where any defendant resides, if all defendants reside in the same State, (2) a judicial district in which a substantial part of the events or omissions giving rise to the claim occurred, or a substantial part of property that is the subject of the action is situated, or (3) a judicial district in which any defendant may be found, if there is no district in which the action may otherwise be brought.

(c) For purposes of venue under this chapter, a defendant that is a corporation shall be deemed to reside in any judicial district in which it is subject to personal jurisdiction at the time the action is commenced. In a State which has more than one judicial district and in which a defendant that is a corporation is subject to personal jurisdiction at the time an action is commenced, such corporation shall be deemed to reside in any district in that State within which its contacts would be sufficient to subject it to personal jurisdiction if that district were a separate State, and, if there is no such district, the corporation shall be deemed to reside in the district within which it has the most significant contacts.

lost the ability to control the goodwill of its own GET LUCKY mark.”). As Marcel explains in its Response to Defendants’ Motion, “Defendants collectively operate a multi-billion dollar business and they sell goods in almost every city in the United States.” D.E. 33 at 5. Based on these allegations, there is little question that venue would be proper in the Southern District of New York and that Defendants would be subject to personal jurisdiction there.¹⁰ The Court thus concludes that this action meets the first requirement for transfer to the Southern District of New York, namely, that the case could have been brought in that district. *See* 28 U.S.C.A. § 1404(a); *Cellularvision*, 508 F. Supp. 2d at 1189.

2. Convenience and Expense Factors

The Court next considers the convenience to the parties and witnesses of litigating this case in the Southern District of New York as opposed to this District. *See Cellularvision*, 508 F. Supp. 2d at 1189. With regard to the parties, Marcel is a Florida corporation with its principal place of business in Miami. Defendants Lucky Brand Dungarees, Inc., and Liz Claiborne, Inc., (the parent company of the other Lucky Brand parties) are Delaware corporations with

¹⁰ According to Marcel, “[t]he only reason” that the Lucky Brand parties filed the prior action in the Southern District of New York was that Marcel’s licensee (who is not a party to this case) was “based in New York City and the maker of the garments Defendants objected to.” D.E. 33 at 4. Even if this is true, it does not change the fact that Marcel’s past and present infringement allegations against the Lucky Brand parties, based on their nationwide sale of products using the Lucky Brand marks, support venue and jurisdiction in the Southern District of New York.

headquarters in New York City. Defendant Lucky Brand Dungarees Stores, Inc., is a Delaware corporation with its principal place of business in New Jersey. Both Marcel and Defendants conduct business, including selling products under the trademarks at issue, throughout the United States.

Because Marcel is based in South Florida, it would probably be more convenient for the company and its party witnesses to have this case adjudicated in the Southern District of Florida rather than in the Southern District of New York. And while Defendants' business operations are centered in and around New York, any added convenience and cost savings to Defendants of litigating in that forum would likely result in reduced convenience and greater expense to Marcel. *See Mason v. Smithkline Beecham Clinical Labs.*, 146 F. Supp. 2d 1355, 1361 (S.D. Fla. 2001) ("Where a transfer merely shifts the inconvenience from one party to another, Plaintiff's choice of forum should remain." (internal quotation marks omitted)).

Given that both Marcel and Defendants are nationwide companies, however, the Court does not attach great weight to the relative convenience of the parties. In this regard, Defendants point out that Marcel fully litigated the prior action in New York without objection and even asserted counterclaims there. Yet Marcel contends without any evidentiary support that "[h]aving to re-litigate this case in New York will be such a burden on Plaintiff that it may result in its financial failure." D.E. 33 at 4. Instead, Marcel notes that the prior case "lasted over 5 years and cost several million dollars to defend." *Id.* In addition, Marcel claims that the Lucky Brand parties

engaged in obstructive discovery practices that led the New York federal court to impose substantial sanctions against them. *See id.* at 4-5. “If Plaintiff is again forced to re-litigate the issues it already prevailed on,” argues Marcel, “then Plaintiff is likely to face the same obstruction of the justice process.” *Id.* at 5.

The Court does not believe that the financial burden on Marcel of litigating this case in New York would be nearly as great as Marcel suggests. Because Marcel thoroughly litigated the prior action in New York for five years, its claim that further proceedings in that forum would essentially bankrupt the company is difficult to credit. Moreover, Marcel itself contends that no additional factual litigation is needed and that the only issue presented is whether Defendants’ alleged continuing infringement warrants injunctive relief. As for allegedly obstructionist behavior by the Lucky Brand parties, Marcel suggests no reason why the Lucky Brand parties would litigate this case differently in the Southern District of Florida than they purportedly did in the Southern District of New York. And, based on Marcel’s version of events, the Southern District of New York has already demonstrated its unwillingness to tolerate obstructionist conduct by sanctioning such behavior when Marcel claims it occurred in the Southern District of New York case.

Alternatively, if Defendants are correct that this action is barred by *res judicata*—a determination that, as explained below, can be best made by the New York federal court—then further litigation in the New York forum will be minimal. Taking into account all of these

concerns, the Court finds that the convenience of the parties weighs slightly against transferring this action to the Southern District of New York.

Regarding the convenience and expense of witnesses, it is not clear what witnesses will need to testify in this case or the nature of their testimony. Witnesses in the prior New York action included Marcel's present counsel, who practices in Miami, and at least one other witness from Florida. *See* D.E. 24 at 7; D.E. 24-2 at 2-3; D.E. 33 at 4. Other witnesses who testified in that case were from California, New Jersey, North Carolina, Massachusetts, and New York. *See* D.E. 24-2 at 2-3. Defendants assert that Marcel's present counsel will again be a material witness in this case.¹¹ *See* D.E. 24 at 7. Defendants further contend that Marcel's New York counsel, who practices in New York City, will be required to testify concerning her attempt to add an injunctive-relief provision to the Final Order and Judgment in the prior action. *See id.*

Based on this limited information, it is difficult for the Court to evaluate the convenience of the witnesses (especially the nonparty witnesses), the cost of their appearance, and the availability of process to compel their testimony if necessary.¹² *See Cellularvision*, 508 F. Supp. 2d at 1189. Using the prior litigation as a rough guide, however, it appears that the witnesses with relevant knowledge of the parties' dispute reside

¹¹ On this basis, Defendants have moved to disqualify Marcel's counsel from representing Marcel in this action. *See* D.E. 22.

¹² The parties do not address the relative accessibility of other evidence. *See Cellularvision*, 508 F. Supp. 2d at 1189. Therefore, the Court will not consider that factor in its analysis.

mainly on the East Coast. Although some of these potential witnesses live in Florida, a slightly greater number are from the Northeast. Therefore, the factors concerning witnesses weigh slightly in favor of transfer to the Southern District of New York.

3. Public Interest

The Court now turns to the final factor in the transfer analysis—the public interest. *See Cellularvision*, 508 F. Supp. 2d at 1189. This consideration actually involves several “public-interest factors of systemic integrity and fairness” that bear on whether a transfer would be in “the interest of justice.” 28 U.S.C.A. § 1404(a); *Stewart Org.*, 487 U.S. at 30. Among these concerns are “ensuring speedy trials, trying related litigation together, and having a judge who is familiar with the applicable law try the case.” *Heller Fin., Inc. v. Midwhey Powder Co.*, 883 F.2d 1286, 1293 (7th Cir. 1989).

Here, the Lucky Brand parties argue that the public interest strongly supports transferring this case to the Southern District of New York. They assert, specifically, that the New York federal court that handled the prior action is in the best position to determine whether its Final Order and Judgment bars Marcel’s present claims seeking an injunctive remedy that was not included in that final judgment. The Lucky Brand parties further maintain that even if the New York federal court does not dismiss this action based on *res judicata*, that court can most efficiently handle any further proceedings because of its familiarity with the parties’ dispute. The Court agrees with Defendants.

A substantial issue exists about whether Marcel's current claims are barred by the final judgment in the New York federal action. "Under *res judicata*, also known as claim preclusion, a final judgment on the merits bars the parties to a prior action from re-litigating a cause of action that was or could have been raised in that action." *Kaiser Aerospace & Elecs. Corp. v. Teledyne Indus. (In re Piper Aircraft Corp.)*, 244 F.3d 1289, 1296 (11th Cir. 2001). Such a final judgment generally precludes a second action arising from the same group of facts, "even though the plaintiff is prepared in the second action . . . [t]o seek remedies or forms of relief not demanded in the first action." Restatement (Second) of Judgments § 25 (1982); *see id.* § 25 cmt. f; *see also Kaiser Aerospace*, 244 F.3d at 1295 ("It is well settled that *res judicata* turns primarily on the commonality of the *facts* of the prior and subsequent actions, not on the nature of the remedies sought." (emphasis in original)).

As part of its counterclaims in the New York case, Marcel originally sought an injunction against future infringement by the Lucky Brand parties. And after Marcel prevailed on its infringement claims at trial, Marcel's counsel allegedly added an injunctive-relief provision to the proposed Final Order and Judgment. When the Lucky Brand parties' counsel objected to that provision, however, Marcel's counsel purportedly deleted the injunction language and submitted the Final Order and Judgment to the court without the provision. Accordingly, the Final Order and Judgment entered by the court awarded Marcel monetary relief only.

In view of these contentions, the Lucky Brand parties make a non-frivolous argument that Marcel may be barred from seeking an injunction in this action because it failed to obtain that remedy in the earlier case, despite having had an opportunity to do so. By agreeing not to include an injunctive-relief provision in the Final Order and Judgment, Marcel may have waived that relief in the prior action. *See* D.E. 37 at 3 (argument in Defendants’ Reply that “there is no disputing whether the Final Order and Judgment should have included an injunction, because the parties specifically *agreed* that it would not, as confirmed by their preparation and submission of the Order” (emphasis in original)). And while Marcel now claims that injunctive relief is necessary because of Defendants’ continued infringement, there would have been no need for this action if Marcel had obtained an injunction against the Lucky Brand parties when it prevailed in the earlier case. Especially given the lengthy history of the parties’ trademark dispute and the parties’ discussion about whether to include a provision regarding an injunction in the Judgment, it is reasonable to conclude that Marcel foresaw that the Lucky Brand parties might continue to use the Lucky Brand marks. Therefore, if Marcel truly wished to prevent such conduct, it could have ensured that the Final Order and Judgment included an injunction, taking the issue to the court if necessary.

On the other hand, Marcel’s present action for injunctive relief is based, at least in part, on alleged acts of infringement that occurred after the final judgment in the prior action. *See* D.E. 1 at 4 (claiming that “Defendants have made substantial sales since

June 1, 2010, and have reaped a profit based on their use of the infringing Lucky Brand marks”). As the Second Circuit has explained in another trademark-related case, “Claims arising subsequent to a prior action need not, and often perhaps could not, have been brought in that prior action; accordingly, they are not barred by *res judicata* regardless of whether they are premised on facts representing a continuance of the same course of conduct.” *Storey v. Cello Holdings, L.L.C.*, 347 F.3d 370, 383 (2d Cir. 2003) (Sotomayor, Circuit Judge) (internal quotation marks omitted). Nevertheless, “claim preclusion may apply where some of the facts on which a subsequent action is based post-date the first action but do not amount to a new claim.” *Id.* at 384. As the court in *Storey* further observed, it is sometimes difficult to determine “what degree of conduct is necessary to give rise to a new ‘claim,’ particularly where ongoing conduct is involved.” *Id.* at 383-84.

Marcel’s allegations of further infringing conduct by Defendants might well ultimately prevent this action from being dismissed based on *res judicata*.¹³ Yet this result is not a foregone conclusion. At its core, Marcel’s current action asserts the same infringement claims that Marcel litigated for five years and eventually prevailed on before the New York federal court. The only real difference is that Marcel now seeks an equitable remedy that it was not awarded—and arguably waived—despite having ample opportunity and incentive to pursue that remedy.

¹³ As noted previously, *see supra* note 6, Marcel’s present Complaint also seeks monetary relief for Defendants’ alleged continuing infringement.

These issues concerning possible claim preclusion, including whether Marcel's present action asserts a new claim for res judicata purposes, can best be evaluated by the New York federal court that oversaw the prior litigation and entered the Final Order and Judgment. That court has unique and extensive knowledge of the history of the prior litigation, including the claims asserted by Marcel and its opportunity to obtain injunctive relief. Thus, the New York federal court can make a fully informed decision about whether Marcel's present suit is barred by the final judgment in the earlier case. *See, e.g., Weinberger v. Tucker*, 391 F. Supp. 2d 241, 245 (D.D.C. 2005) (holding that "the interests of justice strongly support a transfer to the court that reviewed and decided the prior litigation between the parties and their privies, especially because this case turns on the preclusive effect of that court's judgment"); *Reiffin v. Microsoft Corp.*, 104 F. Supp. 2d 48, 57 (D.D.C. 2000) (transferring case to court that had previously handled similar patent-infringement action between the parties, in part because that court's "familiarity with the parties' dispute . . . renders it better suited to determining, in the first instance, which issues and claims in the instant complaint are precluded by its decision in [plaintiff's] closely-related first action against [defendant]").

In addition to deciding whether Marcel's present claims are barred by res judicata, the New York federal court can efficiently conduct any further proceedings. Again, that court is thoroughly familiar with the facts and legal issues in the parties' long-running trademark dispute. *See, e.g., LG Elecs. Inc. v. Advance Creative Computer Corp.*, 131 F. Supp. 2d

804, 815 (E.D. Va. 2001) (“Where a party has previously litigated claims involving certain issues in one forum, as [plaintiff] has here, a court in that district will likely be familiar with the facts of the case. As a matter of judicial economy, such familiarity is highly desirable. Thus, this factor supports transferring the case.” (internal quotation marks omitted)); *Reiffin*, 104 F. Supp. 2d at 57 (noting that court that had handled prior related litigation was “already well acquainted with the facts and legal issues implicated in the instant complaint” and therefore could resolve the case more efficiently). Also, having issued the Final Order and Judgment—which made specific findings on the various claims and trademarks disputed by the parties—the New York court can more readily determine whether Defendants’ alleged continuing infringement warrants the injunctive relief that Marcel now seeks. *See* D.E. 24-1 at 6-7.

In sum, the public interest weighs heavily in favor of transferring this action to the Southern District of New York. And, as discussed above in Part II.B.2, the convenience and expense factors do not point strongly in either direction. Accordingly, while the Court has given appropriate deference to Marcel’s selection of this forum, Defendants have met their burden of showing that transfer is appropriate. *See In re Ricoh Corp.*, 870 F.2d at 573.

III. Conclusion

For the reasons discussed, I respectfully **RECOMMEND** that the Court **GRANT** Defendant’s Motion to Transfer Venue [D.E. 24] and, pursuant to 28 U.S.C.A. § 1404(a), **TRANSFER** this action to the

United States District Court for the Southern District of New York. I further recommend that the Court **DENY AS MOOT** the parties' other pending motions, without prejudice to the parties' renewal of those motions in the Southern District of New York.

The parties shall have fourteen (14) days from the date of being served with a copy of this Report and Recommendation within which to file written objections, if any, with the Honorable William J. Zloch, United States District Judge. Failure to file objections timely shall bar the parties from a de novo determination by the district judge of an issue covered in the report and shall bar the parties from attacking on appeal the factual findings accepted or adopted by the district court except on grounds of plain error or manifest injustice. *See R.T.C. v. Hallmark Builders, Inc.*, 996 F.2d 1144, 1149 (11th Cir. 1993) (per curiam); *LoConte v. Dugger*, 847 F.2d 745, 749-50 (11th Cir. 1988); *see also* 28 U.S.C.A. § 636(b)(1) (West 2006 & Supp. 2011).

FILED and **SUBMITTED** at Fort Lauderdale, Florida, this 19th day of July, 2011.

[handwritten: signature]
ROBIN S. ROSENBAUM
United States Magistrate
Judge

**Order Transferring Action to the
United States District Court for the
Southern District of New York**

(S.D. Fla. Aug. 8, 2011)

THIS MATTER is before the Court upon the Report and Recommendation (DE 40) filed herein by United States Magistrate Judge Robin S. Rosenbaum and Defendants' Motion To Transfer Venue (DE 24). The Court has conducted a *de novo* review of the entire record herein and is otherwise fully advised in the premises.

Accordingly, after due consideration, it is

ORDERED AND ADJUDGED as follows:

1. Plaintiff's Objection To Magistrate Rosenbaum's Report And Recommendation To Transfer Venue To Southern District Of New York (DE 43) be and the same is hereby **OVERRULED**;
2. The Report and Recommendation (DE 40) filed herein by United States Magistrate Judge Robin S. Rosenbaum be and the same is hereby approved, adopted and ratified by the Court;
3. Defendants' Motion To Transfer Venue (DE 24) be and the same is hereby **GRANTED**;
4. The Clerk of the Court for the United States District Court for the Southern District of Florida be and the same is hereby **DIRECTED** to take all necessary steps and procedures to effect the expeditious transfer of the above-styled cause to the United States District Court for the Southern District of New York for further proceedings; and

5. To the extent not otherwise disposed of herein, all pending Motions be and the same are hereby **DENIED** as moot, without prejudice, and may be re-filed after the case is transferred.

DONE AND ORDERED in Chambers at Fort Lauderdale, Broward County, Florida, this [handwritten: 8th] day of August, 2011.

[handwritten: signature]
WILLIAM J. ZLOCH
United States District
Judge

**Response to Plaintiff's Motion for Leave to File
Its [Second Proposed] Amended Complaint**

(S.D.N.Y. Aug. 17, 2015)

Defendants Lucky Brand Dungarees, Inc., Liz Claiborne, Inc., and Lucky Brand Dungarees Stores, Inc. (“Defendants”) file this brief Response to clarify their objections to Plaintiff Marcel Fashions Group, Inc.’s (“MFG” or “Plaintiff”) Motion for Leave to File its [Second Proposed] Amended Complaint (“Motion for Leave to Amend”). (Dkt. 117.) Defendants object to Plaintiff’s second proposed Amended Complaint (the “Amended Complaint”) because, as discussed below, the Amended Complaint does not fully articulate the trademarks at issue in this case, as this Court requested at the parties’ recent Scheduling Conference, and thus prejudices Defendants.

On June 25, 2015, this Court held a Scheduling Conference addressing numerous issues including Plaintiff’s Motion for Leave to Amend and Amended Complaint. At that hearing, this Court unambiguously directed Plaintiff to specifically identify the marks it accuses of infringement in its Amended Complaint. *See* Tr. 14:16–15:3 (“[I]f there’s any question as to what was in play prior in the litigation that led to the release and what’s being asserted as violative in this action, *that needs to be sorted out in the pleadings.*” (emphasis added)). Plaintiff was ordered to file a motion for leave no later than July 17, 2015. (Dkt. 103 at 1.)¹

¹ Plaintiff attempted to file its Amended Complaint without leave of the Court on July 17, 2015. (Dkt. 108.) Plaintiff again attempted to submit its Amended Complaint without leave of the

Defendants' current lead counsel filed appearances on July 29, 2015, and soon thereafter reached out to Plaintiff to discuss its failed attempts to file the Amended Complaint. During a meet and confer on August 6, 2015, Defendants indicated they would be willing to consent to the proposed motion if Plaintiff agreed to revise the Amended Complaint to specifically identify each LUCKY BRAND mark that it alleges infringes the GET LUCKY mark, as this Court previously requested. During that call, Plaintiff's counsel acknowledged this Court's directive and conceded that Plaintiff's Amended Complaint erroneously filed on July 17, 2015—the same document that Plaintiff seeks to file in its Motion for Leave to Amend—did not comply with that instruction. To wit, while it specifically identified certain LUCKY BRAND marks referenced in Exhibit A to the Amended Complaint, it also included a vague clause incorporating unspecified other marks that were allegedly “equally offensive and similarly infringing derivatives, variations, and colorable imitations thereof.” (Dkt. 118-1 at ¶ 1.) This did not comply with this Court's clear guidance on its expectations regarding Plaintiff's Amended Complaint. Plaintiff's counsel indicated they would be willing to fix this deficiency.

On August 12, 2015, Plaintiff did an about-face, and refused to revise its Amended Complaint in accordance with its prior agreement and this Court's directive. Defendants responded on August 13, 2015,

Court on July 20, 2015. (Dkt. 109.) Plaintiff did not ultimately file a Motion for Leave to Amend until August 13, 2015. (Dkt. 117.)

making clear that they believed the Amended Complaint did not comply with this Court's directives, and asked Plaintiff to ensure that its Motion for Leave to Amend specifically advised the Court that:

Defendants do not consent to your motion because it does not adequately identify the accused marks as requested by Judge Swain. Namely, while it specifically identifies the marks attached to Exhibit A as being at issue, it continues to refer to unspecified "other, equally offensive and similarly infringing derivatives, variations, and colorable imitations thereof," which does not comply with Judge Swain's clear directives and thus prejudices Defendants by limiting their ability to prepare their defense.

(Exhibit A.) Instead, Plaintiff stated only that "for a variety of reasons, consent was not given by opposing counsel." (Dkt. 117 at 2.)

Accordingly, Defendants respectfully submit this response to make clear that they believe the Amended Complaint submitted by Plaintiffs fails to comply with this Court's directives by failing to specifically identify the marks at issue this case and thus prejudices Defendants' ability to prepare a defense. As such, Defendants respectfully request that the Court deny Plaintiff's Motion for Leave to Amend and (once again) order Plaintiff to identify with specificity the LUCKY BRAND marks it claims infringe its rights in GET LUCKY. This will serve both to streamline resolution of the parties' claims and defenses, and will also

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eliminate undue prejudice to Defendants that could be easily remedied with a compliant pleading.

Dated: New York, New York

August 17, 2015

/s/Dale M. Cendali

Dale M. Cendali

* * *

**Memorandum of Law in Support of the Motion
to Dismiss the Second Amended Complaint**

(S.D.N.Y. Dec. 18, 2015)

Defendants Lucky Brand Dungarees, Inc., Lucky Brand Dungarees Stores, Inc., Lucky Brand Dungarees, LLC, Lucky Brand Dungarees Stores, LLC, Kate Spade & Co., and Leonard Green & Partners, L.P. (collectively, “Defendants” or “Lucky Brand”)² hereby respectfully submit this Memorandum of Law in support of their motion, pursuant to Rule 12(b)(6) of the Federal Rules of Civil Procedure, to dismiss the Second Amended Complaint of Marcel Fashions Group, Inc. (“Plaintiff”) in its entirety for failure to state a claim upon which relief can be granted.

PRELIMINARY STATEMENT

It is black letter law that a party cannot re-litigate claims it released in a settlement agreement, yet that is precisely what Plaintiff is trying to do here. Because Plaintiff’s effort to re-litigate claims that it released more than 12 years ago is a waste of the parties’ resources and of this Court’s valuable time, Plaintiff’s claims should be dismissed in their entirety.

The history of trademark disputes between Plaintiff and Lucky Brand regarding their respective uses of trademarks incorporating the term “lucky” stretches back almost 15 years. Lucky Brand thought Plaintiff’s claims against Lucky Brand’s LUCKY-formative marks were resolved in 2003, when the parties signed a Release and Settlement Agreement

² Any subset of Defendants in this action also is referred to herein as Lucky Brand.

(the “Settlement Agreement”) ending their then-pending trademark dispute in the Southern District of Florida. Specifically, the Settlement Agreement states:

[Plaintiff] hereby forever and fully remises, releases, and discharges [Lucky Brand] from . . . any and all claims arising out of or in any way relating to Lucky Brand’s rights to use, license and/or register the trademark LUCKY BRAND and/or any other trademarks . . . owned, registered and/or used by Lucky Brand . . . as of the date of this Agreement.

This means that Plaintiff released all claims (1) against marks that were registered or used prior to May 2003 or (2) “arising out of or in any way relating to” Lucky Brand’s rights in such marks.

Despite the express terms of the Settlement Agreement, Plaintiff now has asserted that Lucky Brand is using 12 trademarks that allegedly infringe Plaintiff’s rights in the trademark GET LUCKY. Because 11 of the 12 marks at issue in this case were registered *prior* to the execution of the Settlement Agreement, they necessarily fall within the express scope of the release that Plaintiff granted to Lucky Brand. As for the twelfth mark, because it is merely a combination of a word mark and a design mark that Lucky Brand registered and used prior to May 2003, it too “arise[es] out of” or “relat[es] to” Lucky Brand’s rights in trademarks registered prior to the effective date of the Settlement Agreement and is subject to the release. To the extent Plaintiff alleges that Lucky Brand is using other derivatives, variations and

colorable imitations of these 12 marks that infringe its rights, any such mark(s) similarly arise out of or relate to marks registered prior to the effective date of the Settlement Agreement and are subject to the express release. Thus, each of Plaintiff's claims fail because they are barred by the express release language for which Lucky Brand bargained in 2003, and to which Plaintiff agreed.

Not willing to accept the finality of the Settlement Agreement, Plaintiff likely will argue (as it did during the meet and confer process) that Lucky Brand cannot enforce the Settlement Agreement because this Court found during a 2005 dispute, captioned *Lucky Brand Dungarees, Inc., Liz Claiborne, Inc. v. Ally Apparel Res. LLC d/b/a Get Lucky, et al.*, Civil Action No. 05-cv-6757 (the "2005 Action"), that Lucky Brand breached the Settlement Agreement. It is fundamental, however, that a breach of contract does not automatically rescind the contract. Rather, rescission requires an affirmative disavowal of the contract, something that did not occur here. To the contrary, during the 2005 Action, Plaintiff asserted the Settlement Agreement as a defense to Lucky Brand's claims following Lucky Brand's breach.

Plaintiff also likely will argue that Lucky Brand is barred by *res judicata* from asserting the Settlement Agreement as a defense because it did not pursue this defense at trial in the 2005 Action. This does not prevent Lucky Brand from asserting the Settlement Agreement as a bar to Plaintiff's claims, however, as the trademarks at issue in this case are not the same as those at issue in the 2005 Action. In particular, the allegedly infringing marks at issue in the 2005 Action

included GET LUCKY and a number of trademarks that Lucky Brand registered *after* the effective date of the Settlement Agreement. Here, in contrast, Plaintiff does not claim that Lucky Brand is using the trademark GET LUCKY, nor has it raised infringement claims against numerous trademarks registered after the Settlement Agreement's effective date.

Accordingly, because Plaintiff's claims are barred by the Settlement Agreement, Lucky Brand's motion to dismiss all claims should be granted.

FACTUAL BACKGROUND

I. The 2001 Action and the Resulting 2003 Settlement Agreement

On September 9, 2001, Plaintiff sued Lucky Brand Dungarees, Inc. and Federated Department Stores, Inc. in the Southern District of Florida. (Exhibit A (Settlement Agreement) to the Declaration of Dale M. Cendali, Esq. ("Cendali Decl.") at 1.)³

³ The Court may rely on the Settlement Agreement in deciding whether to dismiss Plaintiff's claims because (1) it has been submitted to this Court at least three times in connection with the New Action (Dkt. 66 ¶ 14, Ex. 6; Dkt. 77 ¶ 3, Ex. 1; Dkt. 107 ¶ 2, Ex. 1), (2) Plaintiff publicly filed the Settlement Agreement in connection with the 2005 Action (see Cendali Decl. Ex. D (Defendants' Answer, Affirmative Defenses and Counterclaims to Plaintiffs' Complaint, *Lucky Brand Dungarees Inc. v. Ally Apparel Res. LLC*, Case No. 05-cv-6757 (S.D.N.Y. Sept. 13, 2005), Dkt. 40) at Ex. A), and (3) Plaintiff clearly knew about the Settlement Agreement and relied upon it in drafting its Second Amended Complaint, referencing it twice in the body of the Second Amended Complaint and four times in Exhibit A thereto (Dkt. 137 ¶¶ 22, 33, Ex. A at 2-4, ¶ 6.) See *Cortec Indus., Inc. v. Sum Holding L.P.*, 949 F.2d 42, 48 (2d Cir. 1991) (finding that in

Approximately eight months later, Plaintiff sued Liz Claiborne, Inc., also in the Southern District of Florida. (*Id.*) Shortly thereafter, the District Court consolidated the two cases and captioned them *Marcel Fashion Grp., Inc. v. Lucky Brand Dungarees, Inc., et al.*, Case No. 01-7495-CIV (S.D. Fla.) (the “2001 Action”). (*Id.*) In the 2001 Action, Plaintiff alleged that Lucky Brand was liable for trademark infringement, reverse confusion, and false designation of origin, among other things, based on its “use of the words ‘get lucky’ in advertisements and promotions for clothing, accessories, and fragrances sold under the trademark LUCKY BRAND.” (*Id.* at 2.)

In May 2003, Plaintiff and Lucky Brand entered into the Settlement Agreement in connection with the 2001 Action, which was explicitly intended to “resolve any and all disputes that [had] arisen between them without resort to further litigation.” (*Id.*)⁴ In the

dismissing complaint the district court could have relied on documents, including a sales purchase agreement referenced in the complaint, but not attached to it or incorporated by reference, because the plaintiff had ample notice of these documents and relied on them in bringing its lawsuit); *Bal v. N.Y. City Loft Bd.*, Case No. 00-cv-1112, 2000 WL 890199, at *2 (S.D.N.Y. July 5, 2000) (court relied on public record of state court litigation and the determination of the New York City Loft Board in granting motion to dismiss). The Court also may take judicial notice of other public filings in connection with the 2001 Action, the 2005 Action, and the New Action. *Bal*, 2000 WL 890199, at *2.

⁴The signatories to the Settlement Agreement were Lucky Brand Dungarees, Inc., Federated Department Stores, Inc., Liz Claiborne, Inc. (collectively, the “Settlement Defendants”) and Plaintiff. By its terms, the Settlement Agreement applied to, *inter alia*, each of the Settlement Defendants’ subsidiaries, parents, affiliates, successors and assigns, as well as any entities

Settlement Agreement, Plaintiff specifically released any claims arising out of or relating to Lucky Brand's right to use, license or register LUCKY BRAND or any other marks that it was using or had registered at the time of the Settlement Agreement:

With the exception of obligations contained in this Agreement, [Plaintiff] hereby forever and fully remises, releases, and discharges Defendants Lucky Brand, Federated Department Stores and Liz Claiborne from any and all actions, causes of action . . . claims, demands or other liability or relief of any nature whatsoever, whether known or unknown, foreseen or unforeseen, resulting or to result . . . that [Plaintiff] ever had, now has or hereafter can, shall or may have, by reason of or arising out of any matter, cause or event occurring on or prior to the date hereof, including but not limited to: . . . (e) *any and all claims arising out of or in any way relating to Lucky Brand's rights to use, license and/or register the trademark LUCKY BRAND and/or any other trademarks, trade names, brands, advertising slogans or tag lines owned, registered and/or used by Lucky Brand* in the

owned or controlled by them. (See Cendali Decl. Ex. A ¶¶ 2-5.) It is binding on all Defendants in this motion, as Plaintiff itself has alleged that each of them are a subsidiary, parent, affiliate, successor, and/or assign of the Settlement Defendants, or has cited to documents explaining that Defendants are so related. (See Dkt. 137 ¶¶ 11-18 & n. 3; 10-K: Kate Spade & Co. (Mar. 3, 2015), available at <http://www.marketwatch.com/story/10-k-kate-spade-co-2015-03-03> (cited by Plaintiff at Dkt. 137 n. 3).)

United States and/or in any foreign country as of the date of this Agreement. No claims of any kind are reserved.

(*Id.* ¶ 8 (emphasis added).) Prior to 2003, Lucky Brand owned Registrations Nos. 1,646,123; 1,739,962; 2,129,881; 2,158,107; 2,306,342; 2,330,052; 2,381,638; 2,383,437; 2,400,358; 2,469,997; and 2,686,829 (collectively, the “Pre-2003 Marks”). (Dkt. 137 Ex. A at Ex. 1.)

For its part, Lucky Brand agreed to cease use of the phrase “Get Lucky” and to pay Plaintiff \$650,000. (Cendali Decl. Ex. A ¶¶ 7, 9, 13.) Following execution of the Settlement Agreement, the court dismissed the 2001 Action with prejudice. (*Id.* Ex. B (Final Order of Dismissal, *Marcel Fashion Group, Inc. v. Lucky Brand Dungarees, Inc.*, Case No. 01-7495-CIV (S.D. Fl. May 27, 2003), Dkt. 98).)

II. The 2005 Action and the Resulting Final Order and Judgement

In July 2005, Lucky Brand sued Plaintiff, Plaintiff’s then-licensee Ally Apparel Resources LLC (“Ally”), and various other defendants in the Southern District of New York for trademark infringement, unfair competition, and dilution, alleging that Ally’s “Get Lucky” line of jeanswear and sportswear products infringed Lucky Brand’s family of Lucky-related trademarks. (Dkt. 137 ¶ 20, Ex. A at 1.) The keys to Lucky Brand’s claims were that Ally “slavishly copied almost every design and style component of genuine LUCKY BRAND jeanswear and sportswear for its GET LUCKY jeanswear and sportswear products, [sometimes] tak[ing] Lucky Brand’s *exact* logos, designs and design concepts” and changed the

“Get Lucky” brand to compete more directly with Lucky Brand by, for example, entering Lucky Brand’s established men’s and young women’s jeans and sportswear markets (markets in which Plaintiff did not sell clothing previously), selling clothing in department stores when Plaintiff previously had not, and advertising nationally when Plaintiff previously had not. (Cendali Decl. Ex. C (Complaint, *Lucky Brand Dungarees, Inc. v. Ally Apparel Res. LLC*, Case No. 05-cv-6757 (S.D.N.Y. July 27, 2005), Dkt. 1) ¶¶ 51-59, 62-67.)







Plaintiff counterclaimed, alleging, *inter alia*, that Lucky Brand had infringed Plaintiff’s GET LUCKY trademark by using the trademark GET LUCKY and various “Lucky Brand marks” in connection with Lucky Brand’s clothing. (Cendali Decl. Ex. D ¶¶ 59-78.) Plaintiff also claimed that Lucky Brand had breached the Settlement Agreement by continuing to use the trademark GET LUCKY in violation of the terms of the Settlement Agreement. (*Id.* ¶¶ 84-87.) Notably, many of the “Lucky Brand marks” that Plaintiff claimed infringed its rights were registered *after* May 2003.⁵ *Lucky Brand Dungarees Inc. v. Ally*

⁵ When Lucky Brand raised the Settlement Agreement as a defense in the 2005 Action, this Court rejected Lucky Brand’s motion for precisely this reason. *Ally Apparel*, 2006 LEXIS 91998, at *5. Plaintiff also raised the Settlement Agreement as a defense in the 2005 Action. (Cendali Decl. Ex. G (Order, *Lucky Brand Dungarees, Inc. v. Ally Apparel Res. LLC*, Case No. 05-cv-6757 (Nov. 16, 2007), Dkt. 148) at 1.) The Court denied Plaintiff’s motion because Lucky Brand’s claims were based on “events occurring after the spring of 2004, when Marcel agreed to license its ‘Get Lucky’ trademark to [Ally], which in turn created the allegedly infringing products” and the Settlement Agreement was “not unambiguous as to whether the parties contemplated

Apparel Res. LLC, Case No. 05-cv-6757, 2006 LEXIS 91998, at *5 (S.D.N.Y. Dec. 20, 2006) (emphasis added).

On May 28, 2010, following a jury trial, this Court issued the Final Order and Judgment (the “Final Order”), which included as Exhibit 1 copies of several of Lucky Brand’s trademark registrations (the “Accused Marks”). (Dkt. 137 ¶ 21, Ex. A at 4 and Ex 1.) As the Final Order explained, the Accused Marks formed the basis of Lucky Brand’s claims against Plaintiff in the 2005 Action. (*Id.* Ex. A at 4.) The Final Order did not conclude that the Accused Marks infringed Plaintiff’s rights, nor did it enjoin Lucky Brand from using the Accused Marks. (*Id.* Ex. A.) A summary of the Accused Marks, listed by registration date, is set forth below:

any restrictions on Defendants’ use of the ‘Get Lucky’ trademark.” (*Id.* at 1-2.) Nothing in these decisions precludes Lucky Brand’s motion here as, unlike the marks at issue in the 2005 Action, all of the marks at issue here were registered prior to May 2003, are combinations of marks registered prior to May 2003, or, admittedly, are colorable imitations of marks registered prior to May 2003, *see infra* at 11-12, and there are no allegations in the Second Amended Complaint that Lucky Brand’s use of its marks has changed since May 2003 the way Plaintiff’s use of its marks had changed leading up to the 2005 Action.

Registration No.	Mark	First Use In Commerce	Filing Date	Registration Date
1,646,123	LUCKY BRAND	6/5/1990	7/30/1990	5/28/1991
1,739,962	LUCKY YOU	12/7/1990	4/20/1992	12/15/1992
2,129,881		1/1991	6/12/1996	1/20/1998
2,158,107		1/1991	6/13/1996	5/19/1998
2,306,342	LUCKY YOU	12/12/1990	6/11/1996	1/4/2000
2,330,052	LUCKY BRAND	12/7/1990	6/11/1996	3/14/2000
2,381,638		12/7/1990	11/10/1999	8/29/2000
2,383,437	WEAR US  BE LUCKY	12/7/1990	11/10/1999	9/5/2000
2,400,358		1/1990	6/11/1996	10/31/2000
2,469,997	LUCKY ME	5/1998	3/16/1998	7/17/2001
2,686,829	LUCKY BRAND DUNGAREES	8/30/1996	12/8/1995	2/11/2003
3,107,591		12/31/1996	10/31/2003	6/20/2006

(*Id.* Ex. A at Ex. 1.)⁶ The Accused Marks include all 11 of the Pre-2003 Marks as well as a twelfth mark,

⁶ Plaintiff cannot in good faith claim that Registrations Nos. 2,129,881 and 2,400,358 infringe its trademark rights in the phrase GET LUCKY, as neither trademark uses the word LUCKY, let alone the phrase GET LUCKY. The claims against

namely the mark set forth in Registration No. 3,107,591 (the “591 Mark”).

III. The New Action

On April 29, 2011, approximately 11 months after this Court issued the Final Order, Plaintiff filed the present litigation (the “New Action”). (Dkt. 1.) On October 22, 2015, Plaintiff filed the Second Amended Complaint in the New Action.⁷ (Dkt. 137.) In the Second Amended Complaint, Plaintiff alleges that Lucky Brand has engaged in reverse confusion/trademark infringement and false designation of origin under the Lanham Act, unfair competition under the Lanham Act, and common law trademark infringement and unfair competition under New York law, based on its use of “the very same trademarks” that were identified in Exhibit 1 to the Final Order in the 2005 Action (*i.e.* the Accused Marks), as well as unspecified “other, equally offensive and similarly infringing derivatives,

these two marks should be dismissed for this reason as well. *See Energy Intelligence Grp., Inc. v. UBS Fin. Servs., Inc.*, Case No. 08-cv-1497, 2009 WL 1490603, at *7 (S.D.N.Y. May 22, 2009) (granting motion to dismiss because the marks were “so dissimilar as to overwhelm any likelihood of confusion between the marks”); *Le Book Pub., Inc. v. Black Book Photography, Inc.*, 418 F. Supp. 2d 305, 311-12 (S.D.N.Y. 2005) (same).

⁷ In the interim, Lucky Brand filed a motion for summary judgment on the basis of *res judicata*, which this Court granted. (Dkt. 88.) The Second Circuit vacated the decision and remanded for further proceedings. *Marcel Fashions Grp., Inc. v. Lucky Brand Dungarees, Inc.* (“*Marcel Second Circuit*”), 779 F.3d 102, 112 (2d Cir. 2015).

variations and colorable imitations thereof . . . in commerce.”⁸ (Dkt. 137 ¶ 1.)

ARGUMENT

I. Legal Standard

To survive a motion to dismiss pursuant to Rule 12(b)(6), a pleading “must contain sufficient factual matter, accepted as true, to ‘state a claim to relief that is plausible on its face.’” *Ashcroft v. Iqbal*, 556 U.S. 662, 678 (2009) (quoting *Bell Atlantic Corp. v. Twombly*, 550 U.S. 544, 570 (2007)).

Courts routinely grant motions to dismiss where a prior settlement agreement or release bars a party’s claims. *See, e.g., Jackson v. BellSouth Telecomm.*, 372 F.3d 1250, 1278-79 (11th Cir. 2004) (affirming motion to dismiss where settlement barred claims); *Brooklands, Inc. v. Sweeney*, Case No. 14-81298-CIV, 2015 WL 1930239, at *5 (S.D. Fla. Apr. 28, 2015) (granting motion to dismiss where release barred claims); *Nextdoor.com, Inc. v. Abhyanker*, Case No. C-12-5667, 2014 WL 4684101, at *2 (N.D. Cal. Sept. 19, 2014) (granting motion to dismiss where defendant released trademark claims in settlement agreement

⁸ Plaintiff apparently interprets the Final Order’s statement that Lucky Brand “infringed [Plaintiff’s] GET LUCKY trademark . . . by using GET LUCKY, the LUCKY BRAND trademarks, and any other trademarks including the word ‘Lucky’ after May 2003” as a finding that Lucky Brand infringes Plaintiff’s rights by using *any* trademark containing the word “lucky,” whether it be GET LUCKY, LUCKY BRAND, LUCKY YOU, or some other mark containing the word LUCKY. (Dkt. 137 ¶¶ 22-23, 29, 35, 53-54, Ex. A.) Significantly, however, the Second Circuit already has rejected this interpretation of the Final Order as “sheer speculation.” *Marcel Second Circuit*, 779 F.3d at 112.

thus making plaintiff's declaratory judgment action moot); *Musselman v. Blue Cross & Blue Shield of Ala.*, Case No. 13-20050-CV, 2013 WL 4496509, at *4-8 (S.D. Fla. Aug. 20, 2013) (granting motion to dismiss claims released by settlement); *Yamashita v. Merck & Co.*, Case No. 11-62473-CIV, 2013 WL 275536, at *5 (S.D. Fla. Jan. 24, 2013) (granting motion to dismiss where plaintiff released claims in prior agreement); *Cornelius v. United Parcel Serv., Inc.*, Case No. 11-cv-3206, 2012 WL 975053, at *1 (S.D.N.Y. Mar. 21, 2012) (same); *Shelby v. Factory Five Racing, Inc.*, 684 F. Supp. 2d 205, 213-14 (D. Mass. 2010) (granting motion to dismiss trade dress claims released in settlement agreement); *White v. U.S. Postal Serv.*, Case No. 04-cv-0602, 2005 WL 408047, at *3 (E.D.N.Y. Feb. 16, 2005) (granting motion to dismiss where prior settlement barred plaintiff's claim).

II. The Settlement Agreement's Express Release Bars Plaintiff's Claims

It is fundamental that a party may not re-litigate claims that it previously released. *See Jackson*, 372 F.3d at 1278-79 (affirming motion to dismiss claims released in settlement); *Musselman*, 2013 WL 4496509, at *4-8 (granting motion to dismiss claims released by prior agreement); *Yamashita*, 2013 WL 275536, at *5 (same); *Bellefonte Ins. Co. v. Queen*, 431 So. 2d 1039, 1040-41 (Fla. Dist. Ct. App. 1983) (finding that trial court should not have allowed case to proceed where release barred claims).⁹ To determine

⁹ Because the Settlement Agreement contains a choice-of-law provision selecting Florida law (Cendali Decl. Ex. A ¶ 23), Florida law governs whether the release bars Plaintiff's claims. *See In re AMR Corp.*, 491 B.R. 372, 376 (Bankr. S.D.N.Y. 2013) (applying

whether claims have been released by a settlement agreement, “the Court is guided first by the language of the documents itself.” *Musselman*, 2013 WL 4496509, at *4; *see also V & M Erectors, Inc. v. Middlesex Corp.*, 867 So. 2d 1252, 1253-54 (Fla. Dist. Ct. App. 2004). “[W]here the contract is clear and unambiguous, there is no reason to go further.” *V & M Erectors*, 867 So. 2d at 1253 (citation and internal quotation marks omitted).¹⁰ Because the plain language of the Settlement Agreement makes clear that Plaintiff is seeking to re-litigate claims that it long ago released, this Court should dismiss the Second Amended Complaint in its entirety.

There can be no doubt that the Settlement Agreement bars the claims at issue here. It explicitly

choice of law specified in settlement agreement to determine whether agreement barred plaintiff’s claim); *see also Bank of N.Y. v. Yugoimport*, 745 F.3d 599, 609 (2d Cir. 2014) (“New York choice-of-law rules . . . require[] the court to honor the parties’ choice [of law provision] . . .” (citation and internal quotation marks omitted)).

¹⁰ The rule is the same under New York law, as New York courts also look to the language of the agreement itself to determine whether it has preclusive effect. *See Goldman v. C.I.R.*, 39 F.3d 402, 405-06 (2d Cir. 1994) (as a contract, settlement agreement’s meaning had to be determined from the four corners of the instrument); *White*, 2005 WL 408047, at *3 (preclusive effect of a settlement is measured by the parties’ intent, which is determined by looking at the language of the agreement itself); *Hudson v. I.R.S.*, Case No. 03-CV-172, 2004 WL 1006266, at *7 (N.D.N.Y. Mar. 25, 2004) (“If the terms of the contract are not ambiguous, the Court determines the parties’ intent from the language of the agreement itself.”); *see also Cornelius*, 2012 WL 975053, at *1 (“It is well settled that a release freely entered into that clearly waives a right to pursue a cause of action is binding.”) (citation omitted).

states that Plaintiff “fully” releases “any and all claims arising out of or in any way relating to Lucky Brand’s right to use, license, and/or register the trademark LUCKY BRAND and/or any other trademarks . . . owned, registered and/or used by Lucky Brand . . . as of the date of this Agreement.” (Cendali Decl. Ex. A ¶ 8 (emphasis added).) That the Pre-2003 Marks were registered prior to May 2003, when the parties signed the Settlement Agreement, is clear from the face of the applicable registration certificates. (Dkt. 137 ¶ 1, Ex. A at Ex. 1.) Thus, the Settlement Agreement bars all of Plaintiff’s claims based on Lucky Brand’s use of these eleven trademarks.

As for the remaining Accused Mark, namely the



‘591 Mark, , it is merely a stylized combination of the following two marks, both of which Lucky Brand had registered and used prior to May 2003:

LUCKY BRAND
DUNGAREES



Reg. No. 2686829

Reg. No. 2400358

(Dkt. 137 Ex. A at Ex. 1.) Because the Settlement Agreement expressly released “any and all claims *arising out of or in any way relating to*” Lucky Brand’s right to use marks registered prior to May

2003, Plaintiff's claims with respect to the '591 Mark also are barred by the Settlement Agreement as Lucky Brand's use of this mark clearly "aris[es] out of" or "relat[es] to" its use of marks registered prior to May 2003. (Cendali Decl. Ex. A ¶ 8 (emphasis added).)

Finally, although Plaintiff suggests in its Second Amended Complaint that other marks that are "derivatives, variations and colorable imitations" or "confusingly similar" exist and infringe its marks, nowhere does it actually identify any specific marks other than the Accused Marks that allegedly fit this description. (Dkt. 137.) Nevertheless, to the extent Plaintiff claims that Lucky Brand's use of "other equally offensive and similarly infringing derivatives, variations and colorable imitations" of the Accused Marks, or "confusingly similar marks" that "contain[] the word 'Lucky,'" infringe its rights (Dkt. 137 ¶¶ 1, 51-62), such claims also are barred by the Settlement Agreement's express release provision because they naturally "aris[e] out of or in any way relat[e] to" Lucky Brand's right to use marks registered prior to May 2003 (Cendali Decl. Ex. A ¶ 8).¹¹ *See Jackson*, 372 F.3d at 1278-79 (affirming motion to dismiss claims released in settlement); *Musselman*, 2013 WL 4496509, at *8 (granting motion to dismiss where release barred claims); *Yamashita*, 2013 WL 275536,

¹¹ To the extent this Court finds that claims relating to the Accused Marks are barred by the Settlement Agreement, but claims relating to supposed "derivatives, variations, and colorable imitations" of these marks are not, it should grant Lucky Brand's motion to dismiss with respect to the Accused Marks and allow only the claims against the remaining marks (whatever they may be) to proceed to a full adjudication on the merits.

at *5 (same); *see also Nextdoor.com*, 2014 WL 4684101, at *2 (dismissing trademark claims on motion to dismiss where defendant released such claims in settlement agreement thus making plaintiff's declaratory judgment action moot); *Shelby*, 684 F. Supp. 2d at 214 (granting motion to dismiss trademark claims released in settlement agreement).

III. Plaintiff Cannot Avoid The Terms Of The Settlement Agreement

During the meet and confer process, in order to avoid burdening the court, Lucky Brand raised its argument that the Settlement Agreement bars Plaintiff's claims. Plaintiff responded by arguing that Lucky Brand cannot enforce the Settlement Agreement because it breached the agreement and that Lucky Brand is barred by *res judicata* from raising the Settlement Agreement as a defense in this case. Both of these arguments fail.

A. The Settlement Agreement Is Enforceable

Contrary to Plaintiff's claims, notwithstanding the Court's finding in the Final Order that Lucky Brand breached the Settlement Agreement, that agreement remains enforceable because it has not been rescinded or abandoned. *See Jackson*, 372 F.3d at 1279 (plaintiff's claims barred by release where parties had entered a settlement agreement and it had not been rescinded); *Decorative Hardware Studio, Inc. v. Clawfoot Supply LLC*, No. 12-CV-3156, 2014 WL 2766548, at *5 (S.D.N.Y. June 18, 2014) (non-breaching party required to comply with settlement agreement despite defendant's repeated breaches of agreement).

1. The Settlement Agreement Has Not Been Rescinded

“Under Florida law rescission is a harsh remedy which lies within the sound discretion of the court and is not available as a matter of right.”¹² *Gov’t of Aruba v. Sanchez*, 216 F. Supp. 2d 1320, 1365 (S.D. Fla. 2002). Cancellation or rescission of a contract generally “will not be granted for breach of contract, in the absence of fraud, mistake, undue influence, multiplicity of suits, cloud on title, trust, or some other independent ground for equitable interference.” *AVVA-BC, LLC v. Amiel*, 25 So. 3d 7, 11 (Fla. Dist. Ct. App. 2009) (quoting *Richard Bertram & Co. v. Barrett*, 155 So. 2d 409, 411-12 (Fla. Dist. Ct. App. 1963)).

The only exception is where the breach is of a dependent covenant, such as a promise that “goes to the whole consideration of the contract.” *Id.* The party asserting rescission, however, must show that it has “notified the other party of such rescission, has offered to return any benefits from the contract and has no adequate remedy at law.” *Sanchez*, 216 F. Supp. 2d at 1365; *see also Jackson*, 372 F.3d at 1278-79 (no rescission of settlement agreement where settlement payment was not returned); *Duncan Properties, Inc. v. Key Largo Ocean View, Inc.*, 360 So. 2d 471, 473 (Fla. Dist. Ct. App. 1978) (no rescission for breach of

¹² Florida law governs whether the Settlement Agreement has been rescinded or abandoned. (Cendali Decl. Ex A ¶ 23.) *See Lancer Offshore, Inc. v. Dominion Income Mgmt. Corp.*, Case No. 01-cv-4860, 2002 WL 441309, at *3-4 (S.D.N.Y. Mar. 20, 2002) (where release was to “be governed and construed under the laws of the State of California” California law applied to issue of rescission and fraudulent inducement).

dependent covenant where damages were an adequate remedy) *appeal dismissed*, 362 So. 2d 1054 (Fla. 1978). Moreover, the party alleging rescission will be held to have waived the right to rescind unless it can show that it promptly and consistently disavowed the contract. *See Rood Co. v. Bd. of Pub. Instruction of Dade Cnty.*, 102 So. 2d 139, 141-42 (Fla. 1958); *AVVA-BC*, 25 So. 3d at 11. Here, although this Court found in the 2005 Action that Lucky Brand “breached the terms of the 2003 Settlement Agreement,” (Dkt. 137 Ex. A at 3), it is clear that the Settlement Agreement remains valid.

First, far from disavowing the Settlement Agreement, Plaintiff reaffirmed its validity by electing to seek an award of damages for its breach, rather than rescission, in the 2005 Action. (*Id.* Ex. A ¶ 6; Cendali Decl. Ex. D at 41-43.) *Deemer v. Hallett Pontiac, Inc.*, 288 So. 2d 526, 527-28 (Fla. Dist. Ct. App. 1974) (Rescission and damages are “mutually exclusive. A claim for rescission is predicated on disavowal of the contract. A claim for damages is based upon its affirmance.”); *see also Duncan Properties*, 360 So. 2d at 473 (no rescission for breach of contract where damages were adequate remedy).

Second, Plaintiff has not alleged that it ever returned the \$650,000 it received under the terms of the Settlement Agreement (Cendali Decl. Ex. A ¶ 13), nor can it do so, for the simple reason that it kept the entire payment. *Jackson*, 372 F.3d at 1279 (settlement not rescinded where plaintiff did not return the payment it received under the settlement).

Third, Plaintiff waived its right to rescind the Settlement Agreement by continuing to seek to

enforce that contract, including by asserting the Settlement Agreement as a defense to the claims against it in the 2005 Action after the agreement had been breached. (Cendali Decl. Ex. E (Second Amended Joint Pre-Trial Statement, *Lucky Brand Dungarees, Inc. v. Ally Apparel Res. LLC*, Case No. 05-cv-6757 (S.D.N.Y. May 11, 2009), Dkt. 202) at 2 ¶ 2, 4 ¶ 20 (listing “[w]hether the Settlement Agreement . . . precludes Lucky Brand’s claims” against Plaintiff as one of the legal issue to be decided at trial).) *See AVVA-BC*, 25 So. 3d at 11 (right to rescind waived where party seeking rescission continued acting as though the contract was valid following breach).

Fourth, the terms of the Settlement Agreement expressly contemplate that the contract still would be valid notwithstanding any breach. In particular, the contract states that “the waiver by any party of any breach of any provision of this Agreement shall not be construed to be a waiver of such party of any succeeding breach of such provision or a waiver by such party of any breach of any other provision.” (Cendali Decl. Ex. A ¶ 23.) This provision is nonsensical unless the contract remains valid following a breach, such that a subsequent breach is actionable even if an earlier breach is ignored. *Cf. Beck v. Lazard Freres & Co.*, 175 F.3d 913, 914 (11th Cir. 1999) (to have a breach of contract claim you must first have a valid contract).

Finally, the Final Order implicitly recognized that as a matter of law the Settlement Agreement remained in effect following the breach, as nowhere did it state that the agreement was void as a result of

that breach, nor did Plaintiff seek such relief. (Dkt. 137 Ex. A; Cendali Decl. Ex. D at 41-43.) Such an omission is hardly surprising, as it simply reflects the Court's recognition and understanding of the applicable law. *See Graham v. James*, 144 F.3d 229, 237-38 (2d Cir. 1998) (under New York law, breach does not automatically rescind contract); *Duncan Properties*, 360 So. 2d at 472-73 (same under Florida law).

In sum, the Settlement Agreement remains enforceable despite the breach.¹³ *See AVVA-BC*, 25 So. 3d at 11 (agreement not rescinded following breach); *Duncan Properties*, 360 So. 2d at 473 (same).

¹³ The result would be the same under New York law, as New York also provides that that mere breach of a contract alone does not automatically rescind a contract or result in abandonment. *See Graham*, 144 F.3d at 237-38 (2d Cir. 1998); *Decorative Hardware*, 2014 WL 2766548, at *5 (finding that trademark settlement agreement remained in effect despite defendant's breaches of the agreement by marketing product it agreed to cease selling); *Aini v. Sun Taiyang Co.*, 964 F. Supp. 762, 777 (S.D.N.Y. 1997) ("a breach of or failure to perform does not constitute abandonment"), *aff'd sub nom. Topiclear Beauty v. Sun Taiyang Co.*, 159 F.3d 1348 (2d Cir. 1998). Rather, the non-breaching party must take some "affirmative steps" within a reasonable time to manifest its intent to rescind. *Graham*, 144 F.3d at 237-38. Here, Plaintiff has taken no such steps. Rather, the parties' behavior—including Plaintiff's (1) election to seek damages for breach of contract rather than pursuing rescission, (2) attempt to enforce the Settlement Agreement in the 2005 Action, and (3) reliance in its Second Amended Complaint on portions of the Final Order incorporating the Settlement Agreement—suggests that both parties believe the Settlement Agreement remains in effect. *See supra* at 15-16 and n.2; *Decorative Hardware*, 2014 WL 2766548, at *5.

2. The Settlement Agreement Has Not Been Abandoned

A contract is abandoned when the acts of one party are “inconsistent with the existence of the contract” and the other party “acquiesce[s]” in those acts.” *Dean Witter Reynolds, Inc. v. Fleury*, 138 F.3d 1339, 1342 (11th Cir. 1998) (citation omitted). “To constitute abandonment by conduct, the action relied on must be positive, unequivocal, and inconsistent with the existence of the contract.” *Bilow v. Benoit*, 519 So. 2d 1114, 1117 (Fla. Dist. Ct. App. 1988).

Here, it is clear that neither Plaintiff nor Lucky Brand has abandoned the Settlement Agreement as the parties, and in particular Plaintiff, consistently have behaved as though the Settlement Agreement is in effect. For example, Plaintiff stipulated to the dismissal of the 2001 Action as required by the terms of the Settlement Agreement. (Cendali Decl. Ex. A ¶ 12; *id.* Ex. F (Stipulation for Dismissal with Prejudice, *Marcel Fashion Grp., Inc. v. Lucky Brand Dungarees, Inc.*, Case No. 01-7495-CIV (S.D. Fl. May 27, 2003), Dkt. 97).) In addition, by bringing breach of contract claims against Lucky Brand in the 2005 Action, Plaintiff enforced the Settlement Agreement. (Dkt. 137 Ex. A at 2.) Further, as mentioned above, *supra* at 15, Plaintiff tried to use the Settlement Agreement to shield itself from liability in the 2005 Action following Lucky Brand’s breach. (Cendali Decl. Ex. E at 4 ¶ 20 (identifying “[w]hether the Settlement Agreement . . . precludes Lucky Brand’s claims” as legal issue to be decided at trial).) Having used the Settlement Agreement as a shield, Plaintiff cannot now disclaim the same agreement’s validity. Thus, the

Settlement Agreement has not been abandoned. *See Dean Witter*, 138 F.3d at 1342 (no abandonment where defendant acquiesced in behavior allegedly inconsistent with agreement).

B. Lucky Brand Is Not Precluded By *Res Judicata* From Arguing That The Settlement Agreement Bars Plaintiff's Claims

The fact that Lucky Brand did not assert the Settlement Agreement as a bar to Plaintiff's claims in the 2005 Action does not prevent it from asserting the Settlement Agreement here as a bar to Plaintiff's claims in the New Action because (1) issue preclusion does not apply given that the Court did not resolve this issue in the 2005 Action and (2) claim preclusion does not apply because the facts underlying Plaintiff's claims here differ from those underlying the claims in the 2005 Action. *See Kay-R Elec. Corp. v. Stone & Webster Const. Co.*, 23 F.3d 55, 59 (2d Cir. 1994) (no issue preclusion where issue was not actually decided); *Serby v. First Alert. Inc.*, 934 F. Supp. 2d 506, 513 (E.D.N.Y. 2013) (defense not precluded under claim preclusion doctrine because questions remained as to whether the products at issue in the present action were "essentially the same" as those at issue in the prior action).

1. Issue Preclusion Does Not Bar Lucky Brand From Relying On The Settlement Agreement

As the Second Circuit expressly recognized in the 2005 Action, issue preclusion "bars successive litigation of an issue of fact or law *actually litigated and resolved* in a valid court determination essential

to the prior judgment, even if the issue recurs in the context of a different claim.” *Marcel Second Circuit*, 779 F.3d at 108 (quoting *Taylor v. Sturgell*, 553 U.S. 880, 892 (2008)) (emphasis added).

As this Court will recall, in the 2005 Action Lucky Brand moved to dismiss Plaintiff’s trademark infringement-related counterclaims based on the terms of the Settlement Agreement. *Ally Apparel*, 2006 LEXIS 91998, at *4-5. That issue was never resolved, however, as this Court denied Lucky Brand’s motion to dismiss, stating that:

it cannot be said definitively at this stage that all of [Plaintiff’s] allegations of infringement in their counterclaims in connection with [Lucky Brand’s] marks, which include marks registered or filed after 2003, could have been raised in the prior litigation and are thus barred by the doctrine of *res judicata*. [Lucky Brand is] free to raise the issue of *res judicata* again after the record is more fully developed, including further development of the nature and use of the post-2003 marks.

Id. at *5.

As for the Final Order, it did not even address, much less decide, this issue. (Dkt. 137 Ex. A.) Thus, issue preclusion does not bar Lucky Brand’s motion to dismiss. *See Kay-R Elec.*, 23 F.3d at 59 (no issue preclusion because denial of summary judgment was not sufficiently final); *Indagro S.A. v. Bauche S.A.*, 652 F. Supp. 2d 482, 488 (S.D.N.Y. 2009) (no issue preclusion because decision denying a motion to vacate was not sufficiently final).

2. Claim Preclusion Does Not Bar Lucky Brand From Relying On The Settlement Agreement

“Claim preclusion prevents a party from litigating any issue or defense that could have been raised or decided in a previous suit, even if the issue or defense was not actually raised or decided.” *Clarke v. Frank*, 960 F.2d 1146, 1150 (2d Cir. 1992). “It is generally assumed that the defendant may raise defenses in the second action that were not raised in the first, even though they were equally available and relevant in both actions.” Charles Alan Wright, Arthur R. Miller & Edward H. Cooper, 18 Federal Practice and Procedure § 4414 (2d ed.); *see also Davis v. Brown*, 94 U.S. 423, 428-29 (1876) (finding that although defendant had not raised its agreement with the bank as a defense in a prior litigation between the parties, even though the agreement could have been relied upon, it was not precluded from raising the agreement as a defense in subsequent litigation).

As the Second Circuit recognized in the 2005 Action, to establish claim preclusion Plaintiff must show that “(1) the previous action involved an adjudication on the merits; (2) the previous action involved the [same adverse parties] or those in privity with them; and (3) the claims asserted in the subsequent action were, or could have been, raised in the prior action.” *Marcel Second Circuit*, 779 F.3d at 108 (emphasis added and internal quotation marks and citation omitted). Plaintiff cannot meet these requirements, however, because the alleged acts of infringement underlying the claims in the New Action differ from those asserted in the 2005 Action. *See*

Serby, 934 F. Supp. 2d at 513 (applying Federal Circuit law and finding that claim preclusion did not apply to patent infringement claims where issue of fact remained as to whether product at issue in second action between the same parties was “essentially the same” as product at issue in prior action between them, as required for *res judicata* to apply).

First, the claims in the New Action and the 2005 Action differ because they involve two different groups of trademarks. As this Court has recognized, the trademarks at issue in the 2005 Action included “a number of [Lucky Brand’s] marks that were registered or filed *after* the May 2003 settlement agreement and dismissal.” *Ally Apparel*, 2006 LEXIS 91998, at *5 (emphasis added). (*See also* Cendali Decl. Ex. C ¶ 20 (listing 20 of Lucky Brand’s trademarks that were registered or filed after May 2003).) In the New Action, by contrast, all of the Pre-2003 Marks were registered prior to May 2003 and the ‘591 Mark is a derivative of marks registered before May 2003. *See supra* at 7-8, 11-12.

Second, the claims in the two actions differ because the 2005 Action involved issues not presented in the New Action. In particular, in the 2005 Action Plaintiff alleged that Lucky Brand’s use of the phrase GET LUCKY, including in conjunction with other “lucky” marks, infringed. (*See* Dkt. 137 ¶¶ 22, 33, Ex. A at 2-3 and ¶¶ 5-7; *see also* Cendali Decl. Ex. D ¶¶ 46, 53-55, 59-92; *id.* Ex. E at 2-5). In the New Action, however, Plaintiff does not even allege that Lucky Brand is using the phrase GET LUCKY, let alone that it infringes. (Dkt. 137.)

Finally, the claims differ for the simple reason that the alleged acts of infringement at issue in the New Action had not even occurred at the time of the 2005 Action. Just as Plaintiff's claims in the New Action are not barred because they are based on new acts of infringement that occurred after Lucky Brand initiated the 2005 Action, Lucky Brand's defenses to those new claims based on new acts of infringement also are not barred. *See Marcel Second Circuit*, 779 F.3d at 108, n.4. Indeed, as a purely practical matter Lucky Brand could not possibly have defended itself in the 2005 Action against claims that did not yet exist.¹⁴ *See Orff v. U.S.*, 358 F.3d 1137, 1144 (9th Cir. 2004) (where acts underlying claims in the second lawsuit occurred after the acts underlying claims in the first lawsuit, defendant was entitled to raise defense of sovereign immunity in the second lawsuit even though it had waived that defense in the first lawsuit) *aff'd*, 545 U.S. 596, (2005). Thus, claim preclusion cannot bar Lucky Brand from raising the Settlement Agreement as a defense to the new claims asserted in the New Action. *Serby*, 934 F. Supp. 2d at 513.

¹⁴ The Second Circuit's decision regarding *res judicata* does not conflict with Lucky Brand's assertion of the Settlement Agreement as a defense to Plaintiff's claims here. The Second Circuit found that Plaintiff's case could proceed because it was based on acts of alleged infringement occurring subsequent to the 2005 Action. *Marcel Second Circuit*, 779 F.3d 102 at 108, n.4. Although the alleged acts at issue may have occurred after 2005, the specific marks in issue all were registered prior to May 2003 or are variations of those marks (Dkt. 137 ¶ 1) and thus are within the scope of the Settlement Agreement's release.

CONCLUSION

Because (1) Plaintiff's claims all fall within the scope of the Settlement Agreement's release provision, (2) the Settlement Agreement is enforceable, and (3) Lucky Brand's reliance on the Settlement Agreement is not precluded by the fact that it did not pursue the release provision as a defense at trial in the 2005 Action, Lucky Brand respectfully requests that the Court grant its motion to dismiss and dismiss Plaintiff's Second Amended Complaint in its entirety, without leave to replead.

Date: December 18, 2015 Respectfully submitted,

/s/ Dale M. Cendali

Dale M. Cendali

* * *

**Memorandum of Law in Opposition of Motion
to Dismiss the Second Amended Complaint**

(S.D.N.Y. Jan. 15, 2016)

PRELIMINARY STATEMENT

Plaintiff, MARCEL FASHIONS GROUP, INC. (“Plaintiff”), by and through undersigned counsel of record, hereby respectfully submits this Memorandum of Law in Opposition to the Motion to Dismiss Plaintiff’s Second Amended Complaint, filed by defendants Kate Spade & Co., Leonard Green & Partners, L.P., Lucky Brand Dungarees Stores, Inc., Lucky Brand Dungarees Stores, LLC, Lucky Brand Dungarees, Inc. and Lucky Brand Dungarees, LLC (hereinafter collectively, “Defendants”) on December 18, 2015 (Doc. 156) (the “Motion”).

For the reasons set forth more fully below, and based upon the accompanying Declaration in Opposition to Defendants’ Motion to Dismiss, sworn to and affirmed on January 14, 2016 (the “Pek Declaration” or “Pek Dec.”) and the exhibits annexed thereto, this Court should readily deny Defendants’ desperate Motion in its entirety, which relies entirely on stale and recycled yet ultimately unavailing arguments premised upon a settlement agreement over a decade old.

BACKGROUND AND PROCEDURAL HISTORY

Defendants, by and through Lucky Brand Dungarees, have, since 1998, disputed Marcel Fashions’ rights in its GET LUCKY trademark. At every turn, Marcel has prevailed. In June 2010, the Court entered a Final Order and Judgment in favor of

Marcel against Lucky Brand Dungarees. That Final Order and Judgment provided as follows:

5. Lucky Brand Parties infringed Marcel Fashions' GET LUCKY trademark pursuant to its Reverse Confusion Claim, its Federal Unfair Competition Claim, its Common Law Trademark Infringement Claim, by "using GET LUCKY, the LUCKY Brand trademarks, and any other trademarks including the word "Lucky" after May 2003.

Pek Dec., ¶ 3(e), Exhibit E at ¶ 5 (pp. 5-6).

Lucky Brand was ordered to pay damages, including punitive damages, in the amount of \$300,000. *Id* at ¶¶ 6-8. Importantly, at paragraph 9, it the Final Order and Judgment states that:

The parties have jointly drafted this order and agree to waive any and all rights pursuant to Federal Rules of Civil Procedure 59 and 60. The parties further agree to waive any and all rights to appeal this order.

Id at ¶ 9.

Simply, Defendants, through their fourth set of lawyers, are seeking to re-litigate, or appeal, the issue of whether Defendants can rely on certain defenses that were raised during the prior litigation, namely, whether the Settlement Agreement from 2003 bars Plaintiff's claims, as a matter of law. Defendants, in their Motion, claim that:

Because Plaintiff's effort to re-litigate claims that it released more than 12 years ago *is a waste of the parties' resources and of this*

Court's valuable time, Plaintiff's claims should be dismissed in their entirety.

Memorandum of Law in Support of Motion (Doc. 157) ("Def. Memo"), p. 1 (emphasis added).

Defendants' Motion to Dismiss is flawed in that Marcel is not seeking to litigate any issues related to *pre-2003 infringement*. Yet, it is Defendants who are seeking to re-litigate the very issues that were raised, or could have been raised in the 2005 case, that ended in a verdict for Marcel and a jointly drafted Final Order and Judgment. The crux issue that remains is not whether the Settlement Agreement bars Marcel's claims, but rather, what the impact the Final Order and Judgment has on Lucky Brand's continued use of the Lucky Brand Marks, and any other mark containing the word "Lucky."

The issue regarding the Settlement Agreement as a bar to Marcel's claims has already been decided, and is law of the case. This Court is well suited to deny Defendants' Motion to Dismiss based solely on what it has already decided, and that is consistent with the Court's previous rulings on the identical issue.

During the 2005 case, Defendants filed a series of Motions seeking to avoid liability based on the Settlement Agreement. Defendants filed a Motion to Dismiss in that case, and this Motion to Dismiss cites the exact argument made in the 2005 case, that the Settlement Agreement bars Plaintiff's claims. *See* Pek Dec., ¶ 3(c), Exhibit C.

The defense failed, and should be struck based not only on the previous ruling, but also on *res judicata* grounds. This Court, and the Second Circuit have already held that the 2003 Settlement Agreement

does not bar claims for infringement that occurred *after* 2003. Marcel brought a similar Motion, and it too was denied. Simply, the Settlement Agreement does not bar post-2003 claims—for either side.

Defendants also, in the instant Motion, rely on the proposition that the Settlement Agreement has not been rescinded. [DE157, Motion, pg. 2]. Marcel agrees that for certain purposes, the Settlement Agreement remains intact. Terms such as the promise by Lucky Brand not to use GET LUCKY *after* 2003 (Settlement Agreement, at ¶7), the mutual releases for infringement claims prior to 2003 (Settlement Agreement, at ¶8,9), the obligations to keep certain information confidential (Settlement Agreement, at ¶17), and others remain intact. The Settlement Agreement does not have to be rescinded in order to prevent application of the release in the Settlement Agreement.

Defendants' reliance on the defense that the release bars Marcel's claims was already denied based on the very wording of the Settlement Agreement, that the releases only bar pre-2003 claims. Whether the Settlement Agreement is intact is not relevant. Whether the releases preclude Marcel's claims *is* relevant, according to Defendants. That issue has already been squarely decided by this Court, and the Second Circuit.

Defendants, after another 3 years of legal wrangling, must now face the inevitable, that infringement yesterday, is infringement today. Marcel has brought no new claims. The Amended Complaint is merely a recital of the identical claims won in the 2005 case by Marcel, and the entirety of the case

revolves around Defendants' continuing the identical conduct for which they were found liable.

Defendants Continuously Use the Prohibited Lucky Brand Marks After the Final Judgment

Despite entry of a Final Order and Judgment in June 2010, Defendants never stopped using the very marks that were deemed to be infringing Marcel's GET LUCKY trademark. These marks include, but are not limited to, the Lucky Brand Marks, and any other mark containing the word "Lucky." The problem is that Defendants simply do not want to live with the Final Order and Judgment resulting from the 2010 trial and its implications.

Defendants admit that the use has continued, exactly as it was used prior to the Final Order and Judgment. Simply, Defendants do not have a paid up license-for-life to use their marks, Marcel's marks, or any other mark containing the word "Lucky."

The Second Circuit held:

It would make no conceivable sense to construe the lump-sum judgment in Marcel's favor for Lucky Brand's prior infringements of Marcel's "Get Lucky" mark as effective authorization to Lucky Brand to infringe "Get Lucky" at will and without compensation forever into the future. [] And, as for the fact that Marcel did not reserve the right to seek further damages for prospective trademark infringements, *TechnoMarine* made clear there was no need for Marcel to do so, as a suit claiming damages for prior infringements does not bar a subsequent suit for damages for subsequent infringements.

Marcel Fashions, Inc. v. Lucky Brand Dungarees, Inc., 779 F.3d 102, 107 (2d Cir. 2015) (hereinafter, the “*Marcel Appeal*”).

The Final Order and Judgment was negotiated between the Parties, and after great time and expense, the Parties permitted the entry of the Final Order and Judgment, and waived any right to appeal. There are no more chances to argue or rely on defenses that were brought in the 2005 case that resulted in a jury verdict, and was subsequently *jointly* drafted into a Final Order and Judgment. Finality of the issues cannot be denied. The Second Circuit held that Marcel has a valid claim against Defendants for the subsequent use of the Lucky Brand marks, and any mark containing the word Lucky.

Winning a judgment based on the defendant’s violation of the plaintiff’s rights does not deprive the plaintiff of the right to sue the same defendant again for the defendant’s further subsequent similar violations.

Marcel Appeal, 779 F.3d at 107.

Marcel’s claims are now re-instated, and Marcel is claiming that Defendants’ use of the LUCKY BRAND marks and any other marks containing the word “Lucky” is infringing, today, as it was found to be infringing at the time of entry of the Final Order and Judgment. There are no new claims, and Marcel merely claims that the infringement never ceased.

ARGUMENT

I. The Motion Should be Dismissed as a Matter of Law, According to the Well-Settled Doctrine of *Res Judicata*

This is a simple case. Defendants *negotiated and agreed* to the entry of a Final Order and Judgment that states that Defendants use of their LUCKY BRAND marks infringe Marcel's GET LUCKY mark. Defendants admittedly continue to use the Marks in the identical manner in which they were found to have been infringing. Defendants have never sought a license to use the LUCKY BRAND marks, and after years of litigation, have remained defiant of the law.

Marcel's claims, supported by the Second Circuit holding, are valid. Infringement yesterday, is still infringement today. No infringer is permitted to continue to infringe as soon as he leaves the courthouse after having been deemed liable. To claim otherwise would throw trademark law on its ear.

Defendants' position is tantamount to beating a GUCCI knock-off infringer in court, and since no injunction was entered (for whatever reason), the infringer now has a paid-up license and can sell infringing goods to anyone without exposure or liability. If that were the law, then in the absence of obtaining injunctive relief in settlement or at trial, the trademark owner would lose the right to protect its mark for eternity, and the infringer can out-sell the trademark owner by selling cheap, knock-off goods with impunity.

Of course, that is not the law. Infringement yesterday, is infringement today. The Second Circuit agreed. Continued bad acts of infringement, however,

subject the Defendants to additional claims for infringement, which include damages, and injunctive relief. Had Defendants stopped its infringing use of the LUCKY BRAND marks, or sought a license, then injunctive relief would not have been necessary. Injunctive relief is now necessary.

However, and most important for purposes of Defendants' Motion, is the fact that the very defense that is the basis for the Motion, namely, that the Settlement Agreement bars Marcel's claims, has been brought in the prior litigation. In fact, the issue was raised by both sides and the Motions were denied for the same reason, that the Settlement Agreement does not bar claims that post date 2003. This Court has entered Orders that specifically deny the claims and defenses related to whether the Settlement Agreement bars any of the claims brought in this case.

In the 2005 case, the Court denied summary judgment based on the Settlement Agreement and held: "Plaintiffs' claims against Defendants in the instant action are based on events occurring after the Spring of 2004, this Court holding that the "Settlement Agreement does not on its face preclude Plaintiffs from bringing this action." Pek Dec., ¶ 3(b), Exhibit B, at pp. 1-2.

In the 2005 case, Lucky Brand made the identical argument, which resulted in an Order denying their Motion to Dismiss. Defendants claimed:

The Settlement Agreement entered into by Marcel and Plaintiffs state that Marcel "voluntarily and with full knowledge of its rights and the provisions herein, having the benefit of the advice of counsel, now desires to

settle, compromise, and dispose of the claims and the Lawsuit, and to release Lucky Brand and Liz Claiborne of *any and all actual or potential claims that Marcel has or might have against Defendants, including but not limited to those claims related to or arising out of the use of the words “get lucky” and “lucky” by Lucky Brand and Liz Claiborne.*”²⁷ The Settlement Agreement further states that it “settles, bars and waives any and all claims that [Marcel] has or had based on any act, event or omission occurring before the execution of [the] Agreement.”²⁸ Under the terms of the Settlement Agreement, Marcel dismissed its lawsuit with prejudice and acknowledged Plaintiffs rights to “*use, license, and/or register the trademark LUCKY BRAND and/or any other trademarks, trade names, brands, advertising slogans or tag lines owned, registered and/or used by Lucky Brand in the United States and/or in any foreign country as of the date of [the] Agreement.*”²⁹ The Counterclaims are prohibited by the terms of the Settlement Agreement.

Id. at ¶ 3(c), Exhibit C.

Here, Defendants Motion to Dismiss makes the identical claim:

With the exception of obligations contained in this Agreement, [Plaintiff] hereby forever and fully remises, releases, and discharges Defendants Lucky Brand, Federated Department Stores and Liz Claiborne from

any and all actions, causes of action . . . claims, demands or other liability or relief of any nature whatsoever, whether known or unknown, foreseen or unforeseen, resulting or to result . . . that [Plaintiff] ever had, now has or hereafter can, shall or may have, by reason of or arising out of any matter, cause or event occurring on or prior to the date hereof, including but not limited to: . . . (e) *any and all claims arising out of or in any way relating to Lucky Brand's rights to use, license and/or register the trademark LUCKY BRAND and/or any other trademarks, trade names, brands, advertising slogans or tag lines owned, registered and/or used by Lucky Brand* in the United States and/or in any foreign country as of the date of this Agreement. No claims of any kind are reserved.

Def. Memo (Doc. 157), at p. 5(emphasis in original)

Res judicata prevents a party from litigating any issue or defense that could have been raised or decided in a previous suit, even if the issue or defense was not actually raised or decided. Here, the issue was raised, and decided, as Defendants briefed the issue, and the Court entered an Order denying the claim. Pek Dec., ¶ 3(d), Exhibit D.

Res judicata dictates that a final judgment on the merits in an action prevents the same parties, and those in privity with the parties, from relitigating claims that were or could have been raised in the prior action. *Marvel Characters, Inc. v. Simon*, 310 F.3d

280, 286-87 (2d Cir. 2002); *Amherst Records, Inc. v. Silver*, 2000 WL 1041666, *2 (S.D.N.Y. July 27, 2000).

The term *res judicata*, which means essentially that the matter in controversy has already been adjudicated, encompasses two significantly different doctrines: claim preclusion and issue preclusion. See *Taylor v. Sturgell*, 553 U.S. 880, 892 (2008). Under *claim preclusion*, “a final judgment forecloses successive litigation of the very same claim, whether or not relitigation of the claim raises the same issues as the earlier suit.” *Id.* (internal quotation mark omitted). The doctrine precludes not only litigation of claims raised and adjudicated in a prior litigation between the parties (and their privies), but also of claims that might have been raised in the prior litigation but were not. See *St. Pierre v. Dyer*, 208 F.3d 394, 399 (2d Cir. 2000).

The doctrine of *issue preclusion*, in contrast, “bars successive litigation of an issue of fact or law actually litigated and resolved in a valid court determination essential to the prior judgment, even if the issue recurs in the context of a different claim.” *Taylor*, 553 U.S. at 892, 128 S.Ct. 2161. (internal quotation marks omitted). *Marcel Appeal*, 779 F.3d at 108.

Indeed, this Court has acknowledged that:

Under the doctrine of *res judicata*, or claim preclusion, [a] final adjudication on the merits of an action precludes the parties or their privies from relitigating issues that were or could have been raised in that action.” *Bank of India v. Trendi Sportswear, Inc.*, 239 F.3d 428, 439 (2d Cir. 2000) (internal quotations omitted). When determining

whether a suit is barred by res judicata, the court must determine whether “the second suit involves the same ‘claim’- or ‘nucleus of operative fact’-as the first suit.” *Waldman v. Village of Kiryas Joel*, 207 F.3d 105, 108 (2d Cir. 2000).

Pek Dec., ¶ 3(a), Exhibit A, at p. 7.

This Court has determined that Marcel’s purported new allegations are “nothing more than additional instances of what was previously asserted [in the 2005 Action]” and that the instant action is based “principally upon the common nucleus of operative facts shared with [the 2005 Action].” *Id.*, at p. 8. The 2005 case proceeded to trial, the jury ruled in Marcel’s favor, and no appeal was taken. Defendants raised the issue that the Settlement Agreement barred Marcel’s claims, and the defense was denied. Now, Defendants’ fourth set of lawyers, with no place else to turn, are making a last ditch effort to waste time and resources by bringing a Motion based on a defense that already proved futile.

Defendants understood the meaning of the jury’s decision, and negotiated and co-drafted the Final Order and Judgment, which included clear and negotiated language. Paragraph 9 of the Final Order and Judgment confirms that the parties drafted the language, and waived any right to appeal. What remains is what the Final Order and Judgment states on its face. What is relevant is the impact the Final Order and Judgment now has on Defendants rights to use the Lucky Brand marks, and any other mark containing the word Lucky.

What was awarded by the jury, and the boxes it checked on the verdict form, were made irrelevant when the Final Order and Judgment was negotiated, over weeks, and drafts were submitted, corrected, and fought over. What was agreed is in the Final Order and Judgment. The entire Final Order and Judgment is the result of that drafting partnership between the parties.

In sum, this defense is simply implausible, and it fails. Reliance on the portions of the Settlement Agreement cited by Defendants cannot be sustained. The defense fails for 2 reasons: 1) *res judicata*; and 2) this Court and the Second Circuit have held that the Settlement Agreement only bars claims that pre-date the Settlement Agreement.

II. The Second Circuit Has Roundly Ruled that Marcel's Claims for New Acts of Infringement Are Legitimate

In its resounding nineteen-page appellate ruling, the Second Circuit held the following:

Because Marcel in the 2005 Action sought (and won) damages for Lucky Brand's infringements that occurred "after May 2003" but prior to Marcel's complaint, it makes no sense to construe the jury verdict (and the court's judgment) as awarding damages for infringements that had not yet occurred and might never occur. Marcel could not lawfully have been awarded such damages; it had shown no entitlement to such damages, having made no showing that Lucky Brand would infringe its "Get Lucky" mark in the future. The purpose of specifying

infringements “after May 2003” was to make clear that Marcel was neither seeking nor entitled to damages for infringements that occurred prior to the date of the settlement of the 2001 Action, as the settlement agreement specified that it extinguished claims for any infringements that occurred prior to its date.⁵ It would make no conceivable sense to construe the lump-sum judgment in Marcel’s favor for Lucky Brand’s prior infringements of Marcel’s “Get Lucky” mark as effective authorization to Lucky Brand to infringe “Get Lucky” at will and without compensation forever into the future.⁶ And, as for the fact that Marcel did not reserve the right to seek further damages for prospective trademark infringements, *TechnoMarine* made clear there was no need for Marcel to do so, as a suit claiming damages for prior infringements does not bar a subsequent suit for damages for subsequent infringements. *See TechnoMarine*, 758 F.3d at 503-04.

Marcel Appeal, at p. 109.

Defendants make an issue of the Second Circuit’s comment regarding what was intended by the jury when they checked Question 8 on the jury form. In their Motion, Defendants state:

Plaintiff apparently interprets the Final Order’s statement that Lucky Brand “infringed [Plaintiff’s] GET LUCKY trademark . . . by using GET LUCKY, the LUCKY BRAND trademarks, and any other trademarks including the word ‘Lucky’ after

May 2003” as a finding that Lucky Brand infringes Plaintiff’s rights by using *any* trademark containing the word “lucky,” whether it be GET LUCKY, LUCKY BRAND, LUCKY YOU, or some other mark containing the word LUCKY. (Dkt. 137 ¶¶ 22-23, 29, 35, 53-54, Ex. A.) Significantly, however, the Second Circuit already has rejected this interpretation of the Final Order as “sheer speculation.” *Marcel Second Circuit*, 779 F.3d at 112.

Def. Memo (Doc. 157), at p. 9, n. 7.

In response, Marcel contends that the Final Order and Judgment does exactly that, namely, that it contains a finding that Defendants’ use of the Lucky Brand Marks and any other mark containing the word “Lucky” was deemed to be infringing on GET LUCKY, and that the infringement has continued, unabated. There can be no other interpretation in light of the Second Circuit’s holding. The Second Circuit specifically held that Marcel has a claim against Defendants for the identical conduct that continued after the entry of the Final Order and Judgment. There can be no other interpretation.

Regarding Defendants’ interpretation of the Judge Levall’s comment regarding “sheer speculation,” that comment was made in the context of whether *the jury* deemed that Lucky Brand’s continued use of the Lucky Brand Marks *is part of the injunction* that was entered against Defendants’ for their breach of the Settlement Agreement by using GET LUCKY. What Defendants fail to bring to this Court’s attention is the fact that whatever the jury

held, is now immaterial, as the Final Order and Judgment was entered after negotiation between the parties, jointly, and with waiver of any right to appeal.

Judge Levall's concern about "speculation" was nothing more than refusal to guess as to whether the jury believed that the injunction in the Final Order and Judgment, included an injunction against Lucky Brand from using the Lucky Brand Marks, and any other mark containing the word "Lucky." These comments were made in the context of Marcel's Motion for Contempt, and not otherwise related to Marcel's right to bring its claim, or the meaning of the Final Order and Judgment.

The Second Circuit further held:

"Interpreting the jury's answer to Question 8 as necessarily meaning that the jury found that Lucky Brand's use of the "Lucky Brand" marks constituted infringement of "Get Lucky" would be sheer speculation. The district judge in the present case is the same judge that presided over the 2005 action. The fact that the judge who issued the injunction construed the injunction as not prohibiting Lucky Brand from using the "Lucky Brand" marks strongly supports the proposition that, notwithstanding the ambiguity that resulted from the use of the conjunctive, rather than the disjunctive, in Question 8 (which was then copied into the judgment), the jury's verdict and the court's Final Order and Judgment did not require construing the injunction as forbidding Lucky Brand's use of

the “Lucky Brand” marks.” *Marcel Appeal* at p. 112.

Equally, Judge Levall also found that:

“In short, while it is conceivable that the jury’s answer to Question 8 in the 2005 Action represented a finding that Lucky Brand’s use of the “Lucky Brand” marks constituted an infringement of Marcel’s “Get Lucky” mark, and that the court’s wording of the Final Order and Judgment in that action constituted a judgment to that same effect, we cannot say it was an abuse of discretion for the district court to deny Marcel’s motion to hold Lucky Brand in contempt for its use of the “Lucky Brand” marks.” *Id.*

Judge Levall’s comments, and the opinion in its entirety distinguished between whether the jury included the Lucky Brand Marks, and any other marks containing the word “Lucky” in the injunction, and whether the jury decided that Defendants’ use of the Marks is infringing. The opinion overwhelmingly favors Marcel’s interpretation of the case. Judge Levall has left it to this Court to interpret the truest meaning of the Final Order and Judgment, and that interpretation is the very crux issue remaining in this case. The Second Circuit has certainly ruled that Marcel has the right to proceed with its claims, and opined that the Settlement Agreement bars only pre-Settlement Agreement (2003) claims. Defendants’ Motion To Dismiss merely delays the ultimate issue, which, hopefully, will be briefed in the upcoming months.

The question remains: How can the Final Order and Judgment be interpreted to permit Defendants to use the Lucky Brand Marks, and any mark containing the word “Lucky” without permission from Marcel, and without compensation, in light of the Second Circuit’s holding?

CONCLUSION

The Second Circuit has held that Marcel’ claims against Defendants are valid. Defendants’ Motion to Dismiss is based on a defense that was hotly litigated in the 2005 case. The issue was decided, and the Court denied the defense. This Court and the Second Circuit have both held that Marcel’s pending claims are identical in nature to the 2005 case, and that Marcel now merely claims that the identical conduct has continued. Secondly, this Court and the Second Circuit have both held that the Settlement Agreement bars claims that occurred prior to 2003, and does not bar claims that occurred after 2003.

This Court should deny Defendants’ Motion to dismiss on two grounds. The first, that this Court and the Second Circuit have already ruled that the Settlement Agreement does not bar Marcel’s claims; and Secondly, the defenses have been litigated, and are barred by res judicata.

Dated: New York, New York
January 14, 2016

Respectfully Submitted,

By: /s/ Matthew A. Pek
Matthew A. Pek, Esq.

* * *

Release and Settlement Agreement (2003)

THIS RELEASE AND SETTLEMENT AGREEMENT (“Agreement”) is entered into by and between Marcel Fashion Group, Inc. (“Marcel”), and Lucky Brand, Inc. (“Lucky Brand”), Federated Department Stores, Inc. (“Federal Department Stores”) and Liz Claiborne, Inc. (“Liz Claiborne”). Lucky Brand, Federated Department Stores and Liz Claiborne are referred to herein collectively as “Defendants.”

WITNESSETH:

WHEREAS on September 9, 2001, Marcel brought suit against Lucky Brand and Federated Department Stores in the United States District Court for the Southern District of Florida in the case styled *Marcel Fashion Group, Inc. v. Lucky Brand Dungarees, Inc. and Federated Department Stores, Inc.*, No. 01-7495-Civ-Dimitrouleas (“Lucky Brand Lawsuit”); and

WHEREAS on April 29, 2002, Marcel brought suit against Liz Claiborne in the United States District Court for the Southern District of Florida in the case styled *Marcel Fashion Group, Inc. v. Liz Claiborne, Inc.*, Case No. 02-21304-Civ-Moreno (“Claiborne Lawsuit”); and

WHEREAS on June 6, 2002, the Claiborne Lawsuit was transferred to Judge Dimitrouleas, and on September 13, 2002, the Claiborne Lawsuit was consolidated into and with the Lucky Brand Lawsuit; and

WHEREAS the Lucky Brand and Liz Claiborne Lawsuits are referred to herein collectively as the Lawsuit; and

WHEREAS in the Lawsuit, Marcel alleged its ownership of a trademark to the words GET LUCKY used to identify a line of clothing, and sought injunctive relief and damages for trademark infringement, reverse confusion, false designation of origin, common law infringement and unfair competition for Defendants' use of the words "get lucky" in advertisements and promotions for clothing, accessories and fragrances sold under the trademark LUCKY BRAND; and

WHEREAS, Defendants have denied and continue to deny that they have violated any law whatsoever and have denied and continue to deny that they have any liability to Marcel; and

WHEREAS, Marcel and Defendants desire to resolve any and all disputes that have arisen between them without resort to further litigation, and wish to settle the Lawsuit which Marcel agrees to dismiss in its entirety, as to all counts, claims, and allegations, with prejudice, and with each party to bear its own costs, fees, and expenses;

WHEREAS, Marcel and Defendants acknowledge that they are waiving their rights or claims only in exchange for consideration in addition to anything to which they are already entitled; and

WHEREAS, Marcel voluntarily and with full knowledge of its rights and the provisions herein, having the benefit of the advice of counsel, now desires to settle, compromise, and dispose of the claims and the Lawsuit, and to release Defendants of any and all

actual or potential claims that Marcel has or might have against Defendants, including but not limited to those claims related to or arising out of the use of the words “get lucky” and “lucky” by Defendants, upon the terms and conditions hereinafter set forth;

WHEREAS, Marcel understands that this Agreement settles, bars and waives any and all claims that it has or had based on any act, event or omission occurring before the execution of this Agreement; and

WHEREAS, Defendants, voluntarily and with full knowledge of their rights and the provisions herein, having the benefit of the advice of counsel, and without any admission of liability, misconduct or wrongdoing, now desire to settle, compromise and dispose of the claims and Lawsuit, and to release Marcel from any and all actual or potential claims that Defendants have or might have against Marcel, including but not limited to those claims related to or arising out of the use of the words “get lucky” by Marcel, upon the terms and conditions hereinafter; and

WHEREAS, Defendants understand that this Agreement settles, bars and waives any and all claims that Defendants have or had based on any act, event or omission occurring before the execution of this Agreement.

NOW, THEREFORE, in consideration of the foregoing, and of the promises and mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which the parties hereby acknowledge, Marcel, on the one hand, and Lucky Brand, Federated Department Stores and Liz Claiborne, on the other hand, stipulate and agree

to settle all claims and disputes between Marcel and Defendants as follows:

1. The recitals above are true and correct and are incorporated herein.

2. "Marcel" includes its subsidiaries, parents, affiliates, successors and assigns, divisions, officers, directors, employees, agents, representatives, customers, suppliers, distributors, insurers, attorneys, and any partnerships, corporations, sole proprietorships or other entities owned or controlled by Marcel.

3. "Lucky Brand" includes its subsidiaries, parents, affiliates, successors and assigns, divisions, officers, directors, employees, agents, representatives, customers, suppliers, distributors, insurers, attorneys, and any partnerships, corporations, sole proprietorships or other entities owned or controlled by Lucky Brand.

4. "Liz Claiborne" includes its subsidiaries, parents, affiliates, successors and assigns, divisions, officers, directors, employees, agents, representatives, customers, suppliers, distributors, insurers, attorneys, and any partnerships, corporations, sole proprietorships or other entities owned or controlled by Liz Claiborne.

5. "Federated Department Stores" includes its subsidiaries, parents, affiliates, successors and assigns, divisions, officers, directors, employees, agents, representatives, customers, suppliers, distributors, insurers, attorneys, and any partnerships, corporations, sole proprietorships or other entities owned or controlled by Federated Department Stores.

6. Marcel and Lucky Brand, Liz Claiborne and Federated Department Stores are referred to herein collectively as “the Parties.”

7. Defendants shall desist henceforth from use of “Get Lucky” as a trademark, trade name, brand, advertising slogan or tag line in connection with the advertising, promotion or sale of jeans, shirts, t-shirts, shorts, tops, bottoms, pantsuits and fragrances. In the future, should any Defendants seek to use the words “Get Lucky” as a trademark, trade name, brand, advertising slogan or tag line in connection with such goods, the Defendants may contact Marcel or its representatives to discuss an appropriate agreement wherein Marcel permits or licenses such use by the Defendants. Marcel shall be under no obligation to enter into any such arrangement with any of the Defendants.

8. With the exception of obligations contained in this Agreement, Marcel hereby forever and fully remises, releases, acquits, and discharges Defendants Lucky Brand, Federated Department Stores and Liz Claiborne from any and all actions, causes of action, suits, debts, sums of money, accounts, covenants, contracts, agreements, arrangements, promises, obligations, warranties, trespasses, torts, injuries, losses, damages, claims, demands or other liability or relief of any nature whatsoever, whether known or unknown, foreseen or unforeseen, resulting or to result, whether in law or in equity, or before administrative agencies or departments, that Marcel ever had, now has or hereafter can, shall or may have, by reason of or arising out of any matter, cause or event occurring on or prior to the date hereof,

including, but not limited to: (a) any and all claims or defenses of any nature arising out of or in any way relating to Marcel's rights in the trademark GET LUCKY; (b) any and all claims or defenses alleged, pleaded or which could have been alleged or pleaded in or otherwise related to the Lawsuit, or which could have been alleged in any other litigation, administrative proceeding or other legal proceeding between Marcel and Defendants, individually or collectively; (c) any claims or defenses which could result from a discovery of facts that would be in addition to or different from those that Marcel now believes to be true with respect to the matters related herein; (d) any claim that Marcel was fraudulently induced to enter into the settlement and this Agreement; and (e) any and all claims arising out of or in any way relating to Lucky Brand's rights to use, license and/or register the trademark LUCKY BRAND and/or any other trademarks, trade names, brands, advertising slogans or tag lines owned, registered and/or used by Lucky Brand in the United States and/or in any foreign country as of the date of this Agreement. No claims of any kind are reserved.

9. With the exception of obligations contained in this Agreement, Defendants Lucky Brand, Liz Claiborne and Federated Department Stores hereby forever and fully remise, release, acquit, and discharge Marcel from any and all actions, causes of action, suits, debts, sums of money, accounts, covenants, contracts, agreements, arrangements, promises, obligations, warranties, trespasses, torts, injuries, losses, damages, claims, demands or other liability or relief of any nature whatsoever, whether known or unknown, foreseen or unforeseen, resulting

or to result, whether in law or in equity, or before administrative agencies or departments, that Defendants ever had, now has or hereafter can, shall or may have, by reason of or arising out of any matter, cause or event occurring on or prior to the date hereof, including, but not limited to: (a) any and all claims or defenses of any nature arising out of or in any way relating to Marcel's rights in the trademark GET LUCKY; (b) any and all claims or defenses alleged, pleaded or which could have been alleged or pleaded in or otherwise related to the Lawsuit or which could have been alleged in any other litigation, administrative proceeding or other legal proceeding between Marcel and Defendants; (c) any claim that Defendants were fraudulently induced to enter into the settlement and this Agreement; and (d) any claims or defenses which could result from a discovery of facts that would be in addition to or different from those that Lucky Brand now believes to be true with respect to the matters related herein. No claims of any kind are reserved.

10. It is expressly understood and agreed by Marcel and Defendants that this is a full and final general release of those matters described herein and in the Lawsuit, and that this general release is intended to and does embrace not only all known and anticipated damages and injury, but also unknown and unanticipated damages, injury or complications that may later develop or be discovered, including all effects and consequences thereof.

11. It is the intention and understanding of Marcel and Defendants that this Agreement and the general releases incorporated herein will forever and

for all time bar any action or claim whatsoever which arose or which might arise in the future from any acts, omissions, agreements or other occurrences prior to the date hereof, including the matters described herein and in the Lawsuit, and that no lawsuit or claim of any kind ever will be asserted against any person or entity hereby released for any injury or damage, whether known or unknown, sustained or to be sustained, as a result of the matters described herein and in the Lawsuit.

12. Marcel agrees to the dismissal with prejudice of the Lawsuit in its entirety, each party to bear its own costs, fees, and expenses. Marcel and Defendants understand and agree that the terms of the Stipulation Of Voluntary Dismissal With Prejudice and Order of Dismissal are expressly incorporated by reference in this Agreement as if fully set forth herein. The Parties further acknowledge that their attorneys are authorized to execute and to file the Stipulation of Dismissal with Prejudice.

13. After execution of this Agreement and delivery to Defendants' counsel, and the filing and entry of a Stipulation and Order of Dismissal with prejudice which will terminate the Lawsuit, and, provided that the Charging Lien filed in the Lawsuit by Marcel's former attorney Hyatt Fried has been withdrawn, stricken or otherwise resolved by the Court or Marcel, Defendants will make payment of Six Hundred Fifty Thousand and No/100 Dollars (\$650,000.00) (the "Settlement Amount") collectively to Marcel and its attorney Barry Roderman,

14. Marcel shall satisfy all liens, including attorneys' liens and charging liens) and subrogated

interests, if any, arising from the Lawsuit out of the Settlement Proceeds, and Defendants are hereby discharged from any responsibilities with respect to such liens and subrogated interests.

15. Marcel shall and hereby does indemnify and hold harmless Defendants from any and all liability or loss arising in any manner from attorneys' fees or liens, including charging liens, assignments and/or other liens, or claims, if any, arising out of the causes of action raised by Marcel in the Lawsuit.

16. After execution of this Agreement and delivery to Defendants' counsel and the filing and entry of a Stipulation and Order of Dismissal of the Lawsuit, Lucky Brand will file with the United States Patent and Trademark Office a dismissal with prejudice of its Opposition No. 91118603 to Application Serial No. 75/466,537 which Marcel filed for registration of the mark GET LUCKY. A copy of such dismissal will be forwarded to counsel for Marcel.

17. The Parties and their attorneys, including each attorney who represented the interests of Marcel at any time during the pendency of the Lawsuit, agree that this Agreement, including the amount to be paid hereunder, as well as any and all events, conduct or actions forming the basis for or relating in any way to Marcel's alleged claims in the Lawsuit, is deemed confidential. The Parties and their attorneys shall keep the Agreement strictly confidential and will not communicate, disclose or otherwise disseminate any information concerning the settlement or the Agreement to any third person or persons except under the following conditions:

- a. to its attorneys, accountants, financial advisors or to governmental taxing agencies, as necessary, provided that each individual: (i) shall be informed that the existence and terms of this Agreement are strictly confidential; and (ii) shall agree, in writing, to abide by the confidentiality provisions of this Agreement; and
- b. if subpoenaed by a party to a lawsuit or other proceeding, or required by a court or by law to disclose or testify regarding the Agreement, the Parties may testify regarding the Agreement or may produce the Agreement, provided that the disclosing party shall take all steps possible to ensure that the Agreement and/or any information pertaining to it are kept confidential and/or under seal and are not in the public record, and shall have given the other parties at least ten (10) days' written notice before compliance is due to allow the other party or parties the opportunity to seek a protective order, or other appropriate relief, and to assert any objections prior to their testimony, the return of a subpoena, or the entry of a court order.

It is expressly understood and agreed that any violation of this Paragraph by Marcel shall be deemed a material breach of this Agreement giving rise to an immediate cause of action for legal and/or equitable relief, including but not limited to the return of all Settlement Proceeds received by Marcel and/or its attorneys.

18. Except as provided in Paragraph 17 above, no party shall voluntarily or gratuitously disclose that the Lawsuit or underlying disputes have been resolved. In response to a direct inquiry, the Parties shall limit any comment to a statement that “all disputes have been resolved.”

19. It is expressly understood by the Parties that this Agreement is a compromise and settlement of doubtful and disputed claims and that neither this Agreement nor the payment by Defendants of the Settlement Amount is to be construed as an admission of a violation of any law, order, regulation, or enactment, or of wrongdoing of any kind by the Parties hereto and is entered into solely to end any controversies between them. Defendants expressly deny liability and intend merely to avoid further litigation with respect to Marcel’s claims. The payment of the Settlement Amount and this Agreement are construed to be in the nature of a settlement within the meaning of Rule 408, Federal Rules of Evidence.

20. The Parties declare and understand that no promises, inducements or agreements not herein expressed have been made, and this Agreement contains the entire agreement among the Parties hereto, and the terms of this Agreement are contractual and not merely recitals. Further, this Agreement represents the entire understanding and agreement between the Parties and supersede any previous communications, representations or agreements, either oral or in writing, and there are no promises, agreements, conditions, undertakings, warranties, or representations, whether written or

oral, express or implied, between the parties other than as set forth herein. This Agreement cannot be amended, supplemented, or modified except by an instrument in writing signed by the parties against whom enforcement of such amendment, supplement or modification is sought.

21. All Parties agree that they will take no action (including, but not limited to, an appeal or institution of a separate lawsuit) which seeks to challenge any provisions of this Agreement or any document provided for herein.

22. The Parties represent that they have signed this Agreement upon the advice of all of their counsel. The Parties further acknowledge that they have read and understand its terms and fully agrees to be bound by same.

23. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Florida exclusively, both substantive and remedial, to the extent such enforcement is not inconsistent with federal law. The failure of any provision of this Agreement shall in no manner affect the right to enforce the remaining provisions, and the waiver by any party of any breach of any provision of this Agreement shall not be construed to be a waiver of such party of any succeeding breach of such provision or a waiver by such party of any breach of any other provision.

24. If any clause or provision of this Agreement is determined to be illegal, invalid or unenforceable under any present or future law by a final judgment of a court of competent jurisdiction, the remainder of this Agreement will not be affected thereby. It is the

intention of the parties that if any such provision is held to be illegal, invalid or unenforceable, there will be added in lieu thereof a provision as similar in terms to such provision as is possible to be legal, valid and enforceable.

25. The Parties represent and warrant that no person other than the signatories hereto had or has any interest in the matters referred to in this Agreement, that the parties have the sole right and exclusive authority to execute this Agreement, and have not sold, assigned, transferred, conveyed, or otherwise disposed of any claim or demand relating to any matter covered by this agreement.

26. All notices, requests, demands, affidavits and other communications required or permitted to be given hereunder shall be in writing and shall be deemed to have been duly given when delivered in person, or when sent by telex or telecopier or other facsimile transmission (with receipt confirmed), or by overnight delivery (with receipt confirmed) or on the second business day after posting thereof and addressed as set forth below. Any party may designate a change of address by written notice to the other party, received by such other party at least five (5) days before such change of address is to become effective.

As to Marcel:

Marcel Fashion Group, Inc.
394 Northwest 24th Street
Miami, Florida 33127
Att: Ezra Mizrachi
Telephone: 305-
Facsimile: 305-

with a copy to:

Barry G. Roderman, Esquire
888 East Las Olas Boulevard
Suite 601
Fort Lauderdale, Florida 33301
Telephone: 954-761-8810
Facsimile: 954-761-9910

As to Lucky Brand, Liz Claiborne and Federated
Departments Stores:

Martin W. Schiffmiller, Esquire
Kirschstein, Ottinger, Israel
& Schiffmiller, P.C.
489 Fifth Avenue
New York, NY 10017-6105
Telephone: 212-697-3750
Facsimile: 212-949-1690

27. This Agreement may be executed in counterparts, each of which will be deemed an original document, but all of which will constitute a single document. A facsimile counterpart shall constitute an original of this Agreement.

28. MARCEL AND LUCKY BRAND, LIZ CLAIBORNE AND FEDERATED DEPARTMENT STORES FURTHER STATE THAT THEY HAVE CAREFULLY READ THIS AGREEMENT, WHICH CONTAINS RELEASES OF ANY AND ALL CLAIMS; THAT THEY HAVE HAD THE OPPORTUNITY TO HAVE IT REVIEWED BY AN ATTORNEY OF THEIR OWN CHOOSING; THAT IT IS WRITTEN IN A MANNER THAT THEY UNDERSTAND; THAT THEY FULLY UNDERSTAND ITS FINAL AND BINDING EFFECT; THAT THE ONLY PROMISES MADE TO SIGN THE AGREEMENT ARE THOSE

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STATED IN THIS AGREEMENT; AND THAT THEY ARE SIGNING THIS AGREEMENT KNOWINGLY AND VOLUNTARILY WITH THE FULL INTENT OF RELEASING ALL CLAIMS; AND THAT EACH INDIVIDUAL SIGNING THIS AGREEMENT BELOW ON BEHALF OF A PARTY IS FULLY AUTHORIZED BY THAT PARTY TO SIGN ON ITS BEHALF AND TO BIND SAID PARTY.

Executed this ____ day of _____, 2003.

MARCEL FASHION
GROUP, INC.

By: [handwritten: signature]

* * *

LUCKY BRAND
DUNGAREES, INC.

By: [handwritten: signature]

* * *

LIZ CLAIBORNE, INC.

By: [handwritten: signature]

* * *

FEDERATED
DEPARTMENT STORES,
INC.

By: [handwritten: signature]

* * *

Final Order and Judgment

Lucky Brand Dungarees, Inc. v. Ally Apparel Resources LLC, No. 05-cv-6757
(S.D.N.Y. June 1, 2010)

WHEREAS, Plaintiffs Lucky Brand Dungarees, Inc. and Liz Claiborne Inc. (collectively “Lucky Brand Parties”) commenced this Action against defendants Ally Apparel Resources LLC D/B/A Get Lucky (“Ally”), Key Apparel Resources, Ltd., Marcel Fashion Group, Inc. (“Marcel Fashion”) and Ezra Mizrachi on or about July 27, 2005 (the “Complaint”) alleging that Ally’s Get Lucky line of jeanswear and sportswear products, licensed from Marcel Fashion, infringed Lucky Brand’s family of Lucky-related trademarks and asserting the following claims: First Claim - Federal Trademark Infringement under 15 U.S.C. § 1114; Second Claim - Federal Unfair Competition under 15 U.S.C. § 1125(a); Third Claim - Federal Trademark Dilution under 15 U.S.C. § 1125 (c); Fourth Claim - Dilution under New York General Business Law § 360(1); Fifth Claim - Violation of New York General Business Law § 349; Sixth Claim - Common Law Trademark Infringement; Seventh Claim - Common Law Unfair Competition. Lucky Brand also sought a preliminary injunction, which was denied on August 23, 2005.

WHEREAS, on or about September 13, 2005, Defendants asserted affirmative defenses and counterclaims (the “Counterclaims”) against Lucky Brand Parties alleging that Marcel Fashion is the senior user of the trademark GET LUCKY based on its continuous use in commerce of the GET LUCKY trademark on apparel throughout the entire United

States since 1985 and based on U.S. Trademark Registration Nos. 1,377,345 and 2,765,974 and asserting the following claims: Count I - Federal Trademark Infringement, Forward Confusion, under 15 U.S.C. § 1114; Count II - Federal Trademark Infringement, Reverse Confusion, under 15 U.S.C. § 1114; Count III - Federal Unfair Competition under 15 U.S.C. § 1125(a); Count IV - Common Law Unfair Competition; Count V - Violation of New York General Business Law § 349; Count VI - Breach of the May, 2003 Settlement Agreement; and Common Law Trademark Infringement.

WHEREAS, on or about January 2, 2007, Lucky Brand Parties asserted affirmative defenses to Defendants' counterclaims.

WHEREAS, on April 22, 2009, the Court granted partial summary judgment to Defendants that Lucky Brand Dungarees and Liz Claiborne committed federal trademark infringement under 15 U.S.C. § 1114, federal unfair competition under 15 U.S.C. § 1125(a), committed trademark infringement and unfair competition under New York law, and committed deceptive business practices under New York General Business Law § 349 by its sales and offers for sale of men's t-shirts, women's t-shirts and women's long sleeved shirts bearing Marcel Fashion's GET LUCKY trademark.

WHEREAS, on April 22, 2009, the Court granted a permanent injunction against Lucky Brand Parties forbidding them from ever "using in commerce any reproduction, counterfeit, copy or any colorable imitation of Marcel Fashion's GET LUCKY trademark

on or in connection with men's and women's apparel, fragrances, and accessories.”

WHEREAS, on April 22, 2009, the Court granted partial summary judgment to Defendants that Lucky Brand Parties breached the terms of the 2003 Settlement Agreement with Marcel Fashion by their sale and offers for sale of men's and women's t-shirts and women's long sleeved shirts bearing Marcel Fashion's GET LUCKY trademark, and their use of Marcel Fashion's GET LUCKY trademark in national perfume advertisements.

WHEREAS, the trial of the parties' remaining claims and defenses was commenced on April 14, 2010 before the Court and a jury.

WHEREAS, on April 21, 2010, the Court dismissed all of Lucky Brand Parties' claims against Ezra Mizrachi and Key Apparel for the reasons stated on the record.

WHEREAS, on April 19, 2010, the Court dismissed Lucky Brand Parties' federal and state dilution claims, Claims Three and Four, for the reasons stated on the record.

WHEREAS, on April 15, 2010, the Court dismissed Lucky Brand Parties' claims of contributory infringement against Marcel Fashion for the reasons stated on the record.

WHEREAS, on April 19, 2010, Lucky Brand Parties withdrew and the Court dismissed their Fifth Claim - Violation of New York General Business Law § 349.

WHEREAS, on April 20, 2010, Lucky Brand Parties withdrew and the Court dismissed their

Abandonment defense with regard to Marcel Fashion's GET LUCKY trademark.

WHEREAS, on April 19, 2010, Defendants withdrew and the Court dismissed Counterclaim Count V - Violation of New York General Business Law § 349.

WHEREAS, on April 21, 2010, Defendants withdrew and the Court dismissed Counterclaim Count I - Federal Trademark Infringement, Forward Confusion, under 15 U.S.C. § 1114.

WHEREAS, on April 21, 2010, the Court dismissed Counterclaim Count VI - Breach of the May, 2003 Settlement Agreement for the reasons stated on the record.

WHEREAS, Lucky Brand Parties narrowed their allegations of infringement from all of the Lucky-related trademarks listed in Plaintiffs' Exhibit 122 to the following trademarks: 122-A4 (Reg. No. 1,646,123), 122-A13 (Reg. No. 2,330,052), 122-A14 (Reg. No. 2,381,638), 122-A21 (Reg. No. 2,383,437), 122-A26 (Reg. No. 2,306,342), 122-A28 (Reg. No. 3,107,591), 122-A30 (Reg. No. 2,158,107), 122-A34 (Reg. No. 2,469,997), 122-A37 (Reg. No. 1,739,962), 122-A15 (Reg. No. 2,400,358), 122-A18 (Reg. No. 2,129,881), and 122-A29 (Reg. No. 2,686,829) (all of which are attached hereto as Exhibit 1), and on April 21, 2010, the Court dismissed all claims related to infringement of 122-A15, 122-A18, and 122-A29 for the reasons stated on the record.

WHEREAS, on April 19, 2010, the Court ruled that Lucky Brand is the owner of the aforementioned registered trademarks, that they are valid and enforceable, and that they are inherently distinctive

and not generically descriptive or requiring secondary meaning.

WHEREAS, on April 19, 2010, the Court ruled that Marcel Fashion is the owner of the GET LUCKY trademark Reg. No. 1,377,345 (later canceled) and Reg. No. 2,765,974 (attached hereto as Exhibit 2), that the GET LUCKY trademark is valid and enforceable, that the mark is inherently distinctive and not generically descriptive or requiring secondary meaning, that Marcel Fashion did not abandon the mark, and that Marcel Fashion's GET LUCKY trademark number Reg. No. 1,377,345 was registered and used prior to Lucky Brand's use and registration of any of the marks in Plaintiffs' Exhibit 122.

IT IS HEREBY ORDERED, ADJUDGED AND DECREED as follows:

1. The above rulings, withdrawals and dismissals are made with prejudice and all of the above are hereby incorporated into and made part of this Final Order and Judgment.

2. Ally's use of GET LUCKY as licensed from Marcel Fashion constitutes willful infringement of Lucky Brand Parties' 122-A4 and 122-A13 trademarks pursuant to Lucky Brand Parties' First, Second and Sixth Claims, but Defendant Marcel Fashion established its prior ownership, registration (Reg. No. 1,377,345) and use of GET LUCKY throughout the entire United States, and that since its first use in 1985 it never abandoned the GET LUCKY trademark, which, pursuant to 15 U.S.C. § 1115(b)(6) and common law, provides a complete defense to all claims of infringement and establishes priority over Lucky Brand Parties' trademarks.

3. Ally's use of GET LUCKY as licensed from Marcel Fashion does not constitute infringement of Lucky Brand Parties' 122-A4 and 122-A13 marks under Lucky Brand Parties' Seventh Claim for common law unfair competition.

4. Ally's use of GET LUCKY as licensed from Marcel Fashion does not constitute infringement of any trademark rights with respect to Lucky Brand Parties' 122-A14, 122-A21, 122-A26, 122-A28, 122-A30, 122-A34, 122-A37 trademarks.

5. Lucky Brand Parties infringed Marcel Fashion's GET LUCKY trademark (Reg. No. 2,765,974) pursuant to Counterclaim II (Reverse Confusion), Counterclaim III (Federal Unfair Competition) and Counterclaim VII (Common Law Trademark Infringement) by using GET LUCKY, the LUCKY BRAND trademarks, and any other trademarks including the word "Lucky" after May 2003.

6. For Lucky Brand Parties' infringement of Marcel Fashion's GET LUCKY trademark on men's and women's t-shirts and on women's long sleeved shirts, and for their breach of the settlement agreement by using GET LUCKY in connection with fragrance advertising, Marcel Fashion is awarded \$10,000 in compensatory damages, and \$140,000 in punitive damages.

7. For Lucky Brand Parties' infringement of Marcel Fashion's GET LUCKY trademark by their use of GET LUCKY, the LUCKY BRAND trademarks and any other marks including the word "Lucky" after May 2003, Marcel Fashion is awarded \$10,000 in

compensatory damages, and \$140,000 in punitive damages.

8. Lucky Brand Parties shall pay to Marcel Fashion the \$300,000 in damages within seven business days of the parties' joint submission of this order to the Court (by May 24, 2010).

9. The parties have jointly drafted this order and agree to waive any and all rights pursuant to Federal Rules of Civil Procedure 59 and 60. The parties further agree to waive any and all rights to appeal this order.

Dated: New York, New York

[handwritten: May 28], 2010

SO ORDERED.

[handwritten: signature]

Laura Taylor Swain
(U.S.D.J.)