

THIS OPINION IS NOT A
PRECEDENT OF THE TTAB

Hearing: March 21, 2013

Mailed: September 26, 2013

UNITED STATES PATENT AND TRADEMARK OFFICE

Trademark Trial and Appeal Board

Gado S.R.L.
v.
Jay-Y Enterprise Co., Inc.

Cancellation No. 92047433

Mark Lerner of Satterlee Stephens Burke & Burke LLP for Gado S.R.L.

Kenneth L. Wilton of Seyfarth Shaw LLP for Jay-Y Enterprise Co., Inc.

Before Grendel, Shaw, and Masiello, Administrative Trademark Judges.

Opinion by Shaw, Administrative Trademark Judge:

Gado S.R.L. (“petitioner”) filed a petition to cancel two registrations owned by Jay-Y Enterprise Co., Inc. (“respondent”) for the mark DG in the stylized forms shown below for “Sunglasses, optical frames, and reading glasses,” in International Class 9:



¹ Registration No. 2582314, filed September 19, 2000 under Section 1(a) and issued June 18, 2002.

Petitioner brought the cancellation proceeding on the grounds that defendant’s DG marks so resemble petitioner’s previously used and registered famous marks, DOLCE & GABBANA, D&G DOLCE & GABBANA, and D&G, shown below, as well as petitioner’s common law rights in DG (collectively, the “D&G Marks”), when used on identical or closely related goods, as to be likely to cause confusion, to cause mistake, or to deceive under Trademark Act Section 2(d), 15 U.S.C. § 1052(d).

DOLCE & GABBANA ³	<i>Inter alia</i> , “eyeglasses,” in International Class 9.
	<i>Inter alia</i> , “clothing for men, women and children, namely, suits made of leather; shirts; blouses; skirts; jackets; trousers; shorts; vests; jersey; pajamas; stockings; singlets; corsets; garters; pants; petticoats; hats; foulards; neckties; raincoats; overcoats; great-coats; bathing suits; sports overalls; wind-resistant jackets; ski pants; belts; furs; scarves; dressing gowns; footwear, namely, slippers; shoes; sports shoes; boots,” in International Class 25.
	<i>Inter alia</i> , “spectacles, sunglasses, spectacle frames, spectacle lenses, spectacle cases,” in International Class 9.

In addition, petitioner alleges that respondent’s marks dilute and/or are likely to dilute the distinctive quality of petitioner’s marks under Trademark Act Section 43(c), 15 U.S.C. § 1125. Respondent filed an answer denying all of the salient allegations in the petition for cancellation and asserting the affirmative

² Registration No. 2663337, filed November 4, 2001 under Section 1(a) and issued December 17, 2002.

³ Registration No. 1742622, issued December 29, 1992.

⁴ Registration No. 2096500, issued September 16, 1997.

⁵ Registration No. 3108433, issued June 27, 2006.

defense of laches. Respondent also counterclaimed to cancel petitioner's D&G registration on the grounds of priority and likelihood of confusion.⁶

Both petitioner and respondent objected to certain deposition testimony and exhibits on a variety of grounds. The case is fully briefed. An oral hearing was held on March 21, 2013.

Evidentiary Objections

Both parties have filed extensive evidentiary objections. Respondent has filed a motion to strike testimony and documentary evidence submitted by petitioner regarding the launch of various Dolce & Gabbana marks in the United States, and regarding amounts spent by petitioner on advertising. Petitioner, for its part, objects to respondent's purchase and sales reports and reprints of its sales invoices. We now address these objections.

1. The 2001 Annual Review

Respondent first objects to the use of petitioner's 2001 Annual Review, to show the launch of the Dolce & Gabbana line, on the grounds that any statements in the report are hearsay and cannot be used to prove the truth of the matters asserted.⁷ We agree with respondent, but only with regard to statements regarding the history of the Dolce & Gabbana brand, not with regard to the financial information contained in the review. Annual reports are not admissible to show the truth of the matters stated therein unless a competent witness has testified to the truth of such matters. *See Midwest Plastic Fabricators Inc. v. Underwriters*

⁶ Respondent also counterclaimed for cancellation of petitioner's marks based on fraud but these claims were stricken as improperly pleaded by order of the board on April 15, 2010.

⁷ Respondent's Motion to Strike, p. 3.

Laboratories Inc., 12 USPQ2d 1267, 1270 n. 5 (TTAB 1989) *aff'd*, 906 F.2d 1568, 15 USPQ2d 1359 (Fed. Cir. 1990). Petitioner has not provided competent testimony to support the historical details in the Annual Review, but we find the financial information contained in the review to be admissible because it was properly testified to by Paolo Vannucchi who had personal knowledge of the information through his duties as Director of Planning and Control for Dolce & Gabbana S.R.L. Even though Mr. Vannucchi joined Dolce & Gabbana in 1999, his testimony clearly demonstrated that he had assisted in the preparation of the financial information from petitioner's business records.⁸ The objection is affirmed in part and overruled in part. The 2001 Annual Review will be considered only with regard to the financial information contained therein.

2. Gabriella Forte's testimony regarding use of initials by third parties

Respondent objects to the testimony of Gabriella Forte regarding the practice of designers to use initials as marks, on the grounds that it is hearsay.⁹ We disagree. Ms. Forte has over 30 years of fashion experience and has held senior positions at firms such as Giorgio Armani and Calvin Klein, as well as at petitioner, Dolce & Gabbana.¹⁰ She is a highly credible witness who demonstrated her knowledge in matters of style as well as business. Her extensive experience in the fashion industry easily qualifies her to opine on the practices of fashion designers, especially ones with which she has worked. The objection is overruled.

⁸ Paolo Vannucchi testimony, pp. 35-37.

⁹ Respondent's Motion to Strike, p. 6.

¹⁰ Gabriella Forte testimony, pp. 9-13.

3. The remaining objections are not outcome determinative

As will be seen *infra*, none of the remaining testimony and/or exhibits sought to be excluded is outcome determinative. Given this fact, coupled with the number of objections, we see no compelling reason to discuss the remaining objections in a detailed fashion. Suffice it to say, we have considered all of the testimony and exhibits submitted by the parties. In doing so, we have kept in mind the various objections raised by the parties, and we have accorded whatever probative value the subject testimony and exhibits merit.¹¹

The Record

The record consists of the pleadings and the files of the involved registrations. In addition, the parties introduced the following evidence into the record:

- The affidavit of Michael K. Koran, Vice President of Audit Services for the Audit Bureau of Circulation, with exhibits;
- The deposition of Gabriella Forte, Merchandise Manager and consultant to Dolce & Gabbana, with exhibits;
- The deposition of Paolo Vannucchi, Director of Planning and Control for Dolce & Gabbana, with exhibits;
- The deposition of Lou Zollo, Senior Controller for Dolce & Gabbana, with exhibits;
- The deposition of Roberto Lupano, Media Manager for Planning and Buying at Dolce & Gabbana, with exhibits;
- The deposition of James Chen, President of Jay-Y Enterprise, with exhibits;

¹¹ Respondent objects to the testimony of Roberto Lupano on the grounds that it is improper rebuttal in that it was taken on May 6, 2011, during petitioner's rebuttal testimony period. Respondent's Motion to Strike, p. 2. The actual date of the Lupano testimony is unclear. Both parties refer to the deposition as being taken on May 6, 2011; however, according to the notary public who certified the testimony, it was taken a year earlier on May 6, 2010, not 2011. Lupano testimony, pp. 1 & 198. Nevertheless, inasmuch as we have not relied on the Lupano testimony, respondent's objection is moot.

- The deposition of Teresa Chen, an employee of Jay-Y Enterprise and the wife of James Chen, with exhibits;
- The deposition of Ward Chen, an employee of Jay-Y Enterprise and the son of James Chen, with exhibits;
- The deposition of Michael Ou, a computer consultant employed by Jay-Y-Enterprise, with exhibits;
- Copies of Federal registrations and applications introduced by Petitioner's First Notice of Reliance;
- Portions of printed publications introduced by Petitioner's First Notice of Reliance and Second Supplemental Notice of Reliance; and
- Respondent's responses to petitioner's interrogatories introduced by Petitioner's First Notice of Reliance and Second Supplemental Notice of Reliance.

The Parties

Petitioner is an Italian company which owns the D&G marks identified above and licenses them to Dolce & Gabbana S.R.L., (hereinafter, "Dolce & Gabbana"), an Italian entity which makes and sells clothing and accessories, including eyewear. Dolce & Gabbana began selling clothing under the Dolce & Gabbana mark in 1985 and added a second line of clothing and accessories in approximately 1995 which is sold under the mark D&G Dolce & Gabbana. The two lines of clothing and accessories differ mainly in price, and they are generally sold in different stores and are advertised separately.

Respondent, Jay-Y Enterprise, is a family-owned wholesaler of imported sunglasses and reading glasses. Respondent has a showroom in Pomona, California and sells its eyeglass products at trade shows, over the internet, and via catalog.

Laches

Prior to our consideration of petitioner's pleaded claim of priority and likelihood of confusion, we must first address respondent's affirmative defense of laches to determine whether petitioner's claim is barred thereby.

In order to prevail on the affirmative defense of laches, respondent must establish that there was undue or unreasonable delay by petitioner in asserting its rights, and that prejudice to respondent resulted from that delay. *See Bridgestone/Firestone Research Inc. v. Automobile Club de l'Quest de la France*, 245 F.3d 1359, 58 USPQ2d 1460, 1462 (Fed. Cir. 2001) ("Mere delay in asserting a trademark related right does not necessarily result in changed conditions sufficient to support the defense of laches. There must also have been some detriment due to the delay.").

In the context of this proceeding, laches begins to run from the time action could have been taken against the registration of the involved marks, regardless of when use of the mark began. *National Cable Television Ass'n, Inc. v. American Cinema Editors, Inc.*, 937 F.2d 1572, 19 USPQ2d 1424, 1431-32 (Fed. Cir. 1991). Petitioner is charged with constructive notice of the registrations when they issued on June 18, 2002 and December 17, 2002, respectively. *See Teledyne Technologies, Inc. v. Western Skyways, Inc.*, 78 USPQ2d 1203, 1210 (TTAB 2006), *aff'd unpublished opinion*, Appeal Nos. 2006-1366 and 1367 (Fed. Cir. 2006). Thus, laches begins to run no later than the issue date of the registrations.

Petitioner brought this cancellation proceeding on April 26, 2007, less than 5 years after the earliest issue date of respondent's registrations. Such time periods cannot generally be viewed as unreasonable, given that the Trademark Act provides that a cancellation action may be brought on the ground of likelihood of confusion up until the point that a registration is five years old. Nevertheless, the two factors of unreasonable delay and prejudice must be considered together.

Respondent argues that it has suffered evidentiary and economic prejudice as a result of petitioner's delay in bringing this proceeding.¹² We find that respondent's proofs fall short of establishing detriment due to the delay. *Hornby v. Tjx Companies Inc.*, 87 USPQ2d 1411, 1419 (TTAB 2008).

Regarding evidentiary prejudice, respondent states that representative samples of sunglasses and records relating to early sales were no longer kept, but respondent provides no explanation of when these items might have been disposed of. In particular, respondent does not argue that these records were disposed of between the time its marks registered and the filing of this action. Moreover, respondent freely admits that that it was able to obtain representative samples of early sunglasses purporting to show the DG marks, as well as related invoices, thus undercutting any claim of prejudice. Finally, given that respondent filed its applications for its DG marks over seven years after its claimed dates of first use, respondent must bear some of the blame for any loss of evidence.

Regarding economic prejudice, the record is devoid of any figures regarding investments to develop the DG marks, significant advertising expenditures, or the

¹² Respondent's Br. at 38.

like. In the absence of such facts, it is impossible to assess the detriment, if any, suffered by respondent during the alleged delay.

In light of the foregoing, we find that respondent has not demonstrated that petitioner's claim is barred by laches. We turn then to petitioner's pleaded ground of priority and likelihood of confusion.

Standing

Petitioner has shown through the TESS printouts made of record that it is the owner of the pleaded registrations (Registration Nos. 1742622, 2096500, and 3108433) and that the registrations are valid and subsisting. Because petitioner's registrations are of record, petitioner has established its standing. *Cunningham v. Laser Golf Corp.*, 222 F.3d 943, 55 USPQ2d 1842, 1844 (Fed. Cir. 2000); *Lipton Industries, Inc. v. Ralston Purina Co.*, 670 F.2d 1024, 213 USPQ 185, 189 (CCPA 1982). For its part, respondent has standing to bring its counterclaims by virtue of its position as a defendant in this cancellation proceeding. *See Finanz St. Honore B.V. v. Johnson & Johnson*, 85 USPQ2d 1478, 1479 (TTAB 2007).

Priority

To establish priority on a likelihood of confusion claim brought under Trademark Act Section 2(d), a party must prove that, vis-à-vis the other party, it owns "a mark or trade name previously used in the United States . . . and not abandoned. . . ." Trademark Act Section 2, 15 U.S.C. § 1052. A party may establish its own prior proprietary rights in a mark through ownership of a prior registration, actual use, or even through use analogous to trademark use, such as use in

advertising brochures, trade publications, catalogues, newspaper advertisements and Internet websites which create a public awareness of the designation as a trademark identifying the party as a source. *See* Trademark Act Sections 2(d) and 45, 15 U.S.C. §§ 1052(d) and 1127. *See also T.A.B. Systems v. PacTel Teletrac*, 77 F.3d 1372, 37 USPQ2d 1879 (Fed. Cir. 1996), vacating *Pactel Teletrac v. T.A.B. Systems*, 32 USPQ2d 1668 (TTAB 1994). In addition, since respondent has counterclaimed for cancellation of one of respondent's registrations, each party in this case bears the burden of establishing its priority in connection with its claims of likelihood of confusion.

For purposes of establishing priority, either party may rely on its registrations as proof of constructive use of the marks at least as early as the filing date of the underlying applications. Trademark Act Section 7(c), 15 U.S.C. § 1057(c). A party may prove the date of first use alleged in an underlying application, if earlier than the filing date, by a preponderance of the evidence. *Hydro-Dynamics Inc. v. George Putnam Co. Inc.*, 811 F.2d 1470, 1 USPQ2d 1772, 1773 (Fed. Cir. 1987).

On the other hand, a party attempting to establish first use dates earlier than the dates alleged in its applications or registrations is subject to a higher evidentiary burden of proof. Such facts must be established by clear and convincing evidence, as opposed to the preponderance of the evidence standard. *See Hydro-Dynamics Inc.*, 1 USPQ2d at 1773 (a date of first use earlier than that alleged in the application is a change of position from one "considered to have been made against

interest at the time of filing the application,” and therefore must be established by “clear and convincing evidence.”); *see also Martahus v. Video Duplication Services Inc.*, 3 F.3d 417, 27 USPQ2d 1846, 1852 n. 7 (Fed. Cir. 1993); *Threshold.TV Inc. v. Metronome Enterprises Inc.*, 96 USPQ2d 1031, 1036 (TTAB 2010) (a party “is entitled to prove an earlier date of use than the date alleged in its application, but its proof must be clear and convincing and must not be characterized by contradiction, inconsistencies or indefiniteness.”); and *American Hygienic Laboratories Inc. v. Tiffany & Co.*, 12 USPQ2d 1979, 1984 (TTAB 1989) (holding testimony of manager regarding use of TIFFANY on compacts nine years earlier was not clear and convincing absent corroborating documents showing use of the mark.).

In proving priority, the oral testimony of a single witness may suffice, if sufficiently probative. However, to be determinative, the testimony must not be characterized by contradictions, inconsistencies and indefiniteness, but rather must carry a conviction of accuracy and applicability. *B.R. Baker Co. v. Lebow Bros.*, 150 F.2d 580, 66 USPQ 232 (CCPA 1945). Of course, oral testimony is strengthened by documentary evidence which corroborates the dates of use. *Elder Manufacturing Co. v. International Shoe Co.*, 194 F.2d 114, 92 USPQ 330 (CCPA 1952). Finally, when considering evidence of first use, we must “look at the evidence as a whole, as if each piece of evidence were part of a puzzle which, when fitted together, establishes prior use.” *West Florida Seafood Inc. v. Jet Restaurants Inc.*, 31 F.3d 1122, 31 USPQ2d 1660, 1663 (Fed. Cir. 1994).

1. Respondent's Priority

Respondent is entitled to claim a date of first use of its DG marks at least as early as the filing date of the applications which matured into the registrations at issue, i.e., September 19, 2000 for Registration No. 2582314 and November 4, 2001 for Registration No. 2663337. Further, respondent is entitled to prove use of the mark as of the dates alleged in the applications, i.e., December 1, 1999, by a preponderance of the evidence. *Hydro-Dynamics Inc.*, 1 USPQ2d at 1773.

As late as November 30, 2007, respondent, in its Responses to Petitioner's First Set of Interrogatories, claimed that its date of first use of the DG marks was December 1999.¹³ Respondent now claims it used the DG marks much earlier than the December 1, 1999 date alleged in the underlying applications, and submits evidence purporting to show first use of the marks as early as early as 1993. Accordingly, respondent must prove the earlier dates of first use by "clear and convincing" evidence that is not "characterized by contradictions, inconsistencies and indefiniteness." *B.R. Baker Co. v. Lebow Bros.*, 66 USPQ at 236.

In order to establish the earlier priority date, respondent offered the testimony of three current and former principal employees, James Chen, Teresa Chen, and Ward Chen, as well as testimony from a computer consultant, Michael Ou. The testimony was accompanied by exhibits consisting of representative models of sunglasses bearing the DG marks, numerous purchase and sales records, and customer invoices printed from respondent's SBT computerized accounting

¹³ Respondent's Responses to Petitioner's First Set of Interrogatories, Response to Interrogatory No. 16, p. 11.

system which was installed the same year respondent alleges it started using the DG marks.¹⁴ Respondent also submitted copies of printed product catalogs for the years 1995 through 1998.

We note that although respondent's evidence related to showing earlier use of the DG marks is voluminous, the probative value of the evidence is significantly reduced by a variety of factors, *inter alia*: critical factual omissions; testimony contradicted or unsupported by other testimony or by what documentary evidence is available; a lack of contemporary documentation or advertising showing any use of DG prior to the filing of the applications; and the imperfect or selective memories of some of respondent's principal employees regarding adoption of the DG marks and the filing of the trademark applications.

The testimony of respondent's president, James Chen, was vague and evasive regarding the adoption and registration of the DG marks. Chen founded Jay-Y Enterprise in 1983 but claimed that he turned over much of the operation of the company to his wife, beginning in around 1990, except for "managing" respondent's relationship with its factories in Taiwan and China.¹⁵ Nevertheless, in 2000 and 2001, Chen, as president of Jay-Y Enterprise, signed both underlying applications which matured into the registrations at issue. His testimony indicates that he had little, if any, understanding regarding what he was signing and whether the marks were in use. The following testimony is representative of Chen's testimony:

Q. "Do you recognize [the stylized DG mark shown in Registration No. 2582314] as a trademark that is owned by Jay-Y?"

¹⁴ Michael Ou testimony, p. 11.

¹⁵ James Chen testimony, p. 15.

A. "I'm not sure. I had signed the [application], but I'm not sure if that was used or not."

* * *

Q. "Do you recognize this collection of papers [the application underlying Registration No. 2663337]?"

A. "Well, basically I really don't understand the English, but I remember that there was an application, but it's been such a long time ago. . . ."

* * *

Q. At the time you signed it (the application underlying Registration No. 2582314) do you know whether you understood the document you were signing?"

A. My wife did tell me about it."

Q. What did she tell you?

A. Oh, I'm not sure. I don't remember anymore.

* * *

Q. And did you believe that the declaration [in the application underlying Registration No. 2582314] was true at the time that you signed it?"

A. "I believed my wife."

* * *

Q. "Did you hold the title of president for Jay-Y Enterprise in November 2001?"

A. "Well just legally, legally the company I was the person who was responsible, but nobody calls me Mr. President. They just call me Mr. Chen."

* * *

Q. Do you recall what your understanding was at the time that you signed the application?

A. Well it's whatever she told me, but all the details legally, that I don't know.¹⁶

In sum, James Chen's testimony was vague and lacking in any probative value regarding respondent's first use of the DG marks and the filing of the applications.

¹⁶ James Chen testimony, pp. 29-38.

Teresa Chen testified that she began working for respondent in 1987 in “sales and purchasing,”¹⁷ eventually taking over more of respondent’s operations until around 2004, when her son, Ward Chen, took over.¹⁸ Teresa Chen testified regarding the way in which respondent’s sunglasses were purchased from suppliers when she began working for respondent:

I would go to the factories, and then they would suggest samples to me. Then what I liked or what I think would sell, well, then I would arrange for the colors. Then I would discuss pricing and then make an order.¹⁹

Chen testified that she decided respondent needed to develop its own brands of sunglasses to better compete in the sunglass market.²⁰ She testified that she came up with three brands, CG, DG, and Challenger:

Well, when I was thinking about the logo, I was trying to think about what might be appropriate. So when I saw the Christian Dior, they have the logo CD, or Calvin Klein, they have CK. So I came up with the idea of having either CG or DG and also using the brand Challenger.²¹

Chen testified she then contacted the factory to have these newly-chosen marks applied to several styles of sunglasses:

Well, after I thought up the names, then I went to the factory and asked them to do some drawings for me. And after that I chose – after I chose the drawings, then I asked them to put it on one or two styles maybe on the corner of the sunglasses or on the lens.²²

¹⁷ Teresa Chen testimony, p. 21.

¹⁸ Teresa Chen testimony, p. 48

¹⁹ Teresa Chen testimony, p. 22.

²⁰ Teresa Chen testimony, pp. 23, 25-26.

²¹ Teresa Chen testimony, pp. 27-28.

²² Teresa Chen testimony, p. 30.

Chen further testified that each “style or model” of sunglasses sold by respondent has a “model number[] that is unique to each style of sunglass.”²³

Teresa Chen’s son and respondent’s current manager, Ward Chen, began working in the warehouse at Jay-Y in 1997.²⁴ In 1999 he took over additional duties in the company eventually taking over all management responsibilities in 2004. Ward Chen confirmed respondent’s practice of applying its marks, including the DG marks, to existing styles of sunglasses offered by respondent’s manufacturers:

Q. So as to those . . . manufacturers from whom Jay-Y purchases sunglasses, does Jay-Y also instruct those manufacturers as to the designs of glasses that it wishes them to manufacture?

A. Let me explain it to you then. People have different designs. Then they’ll offer the designs to us. Like, you know one factory may just have ten designs. So, you know, we see them. We – okay. We like this one. So we buy from this guy. And then we put our trademarks on it, our marks on it.

* * *

Q. [W]as this model shown to you [by the manufacturer] as is with the letters DG as being available for purchase from a manufacturer?

A. This one in particular, no. . . . It probably had something else besides the mark, the logo right here (indicating). . . . But then we told them to use DG instead of the existing logo that it had here.²⁵

Respondent’s primary evidence consists of sales records from the SBT accounting system showing that certain sunglass models, purportedly bearing the

²³ Teresa Chen testimony, pp. 74-75.

²⁴ Ward Chen testimony, p. 6.

²⁵ Ward Chen testimony, pp. 20-26.

DG marks, were sold by respondent between 1993 and 1998.²⁶ But Teresa Chen testified that the DG marks were applied to existing sunglass styles offered by various manufacturers to respondent.²⁷ This testimony exposes a critical shortcoming in respondent's proof of priority: Teresa Chen did not testify whether pre-existing sunglass styles offered by respondent's manufacturers retained their model numbers when the DG marks were applied, or whether they were given new model numbers. Without knowing whether the model numbers changed when the DG marks were applied to a manufacturer's existing sunglass styles, we cannot tell, simply by looking at the model numbers listed on the invoices, whether a particular model of sunglasses sold in a given year by respondent did or did not bear the DG marks. That is, the evidence only proves which styles or models were sold in a given year, not whether those particular models carried the DG marks. In addition, the evidence does not explain whether respondent ever sold any unbranded models of the identified sunglasses models either before or after it claims to have affixed the DG marks to these models. Simply put, the sales records fail to prove by clear and convincing evidence that the model numbers identified and sold by respondent carried the DG marks during the period from 1993 to 1998.

We find also that there is a complete lack of contemporary evidence corroborating use of the DG marks during the period from 1993 to 1998. Further, testimony purporting to explain the absence of such contemporary evidence is contradicted by the record. For example, none of respondent's catalogs from the

²⁶ Teresa Chen testimony, pp. 75-76.

²⁷ Teresa Chen testimony, p. 30.

years 1995 to 1998 show any use of the DG marks. Teresa Chen testified that she asked for the DG marks to be put “on the lens”²⁸ of some of the sunglasses, but there are no sunglasses bearing the DG marks on the lens in any of respondent’s catalogs. Many of the sunglass models alleged to bear the DG marks are displayed in respondent’s catalogs; however, the DG marks are not visible on any of the sunglasses because the glasses all face forward while the identified sunglasses show the DG marks on the side of the glasses.²⁹ When asked by petitioner’s counsel why the DG marks could not be seen on any of the sunglasses in the catalogs, Teresa Chen stated that the photographers preparing the catalog needed to show the sunglasses facing forward, thus obscuring a view of the DG marks on the side of the glasses.³⁰ Teresa Chen also testified that it was “more important” to show the front of the glasses.³¹ This testimony, claiming a need to show only the front of the sunglasses, is clearly contradicted by the fact that respondent’s catalogs present numerous other sunglass models in a three-quarter perspective showing both the front and decorative side or temple portion of the glasses.

Similarly, Ward Chen’s testimony regarding his involvement in the decision to file trademark applications for the DG marks is contradicted by his own testimony elsewhere in the record. Ward Chen testified that he was not involved in the decision to register the DG marks and was not involved in the filing of the applications:

²⁸ Teresa Chen testimony, p. 30.

²⁹ Respondent’s Exhs. 100-130, 132 & 135 to Teresa Chen testimony.

³⁰ Teresa Chen testimony, p. 249.

³¹ Teresa Chen testimony, p. 249.

Q. Were you involved in the decision to register the mark DG?

A. No.

Q. Were you involved in filing the application for the mark DG?

A. No, I was not.³²

But respondent's responses to Petitioner's First Set of Interrogatories, prepared by Ward Chen himself,³³ provided a completely different answer—that he was involved in the filing of the applications for the DG marks.

INTERROGATORY NO. 10:

Identify each person or concern who participated in the decision to register Respondent's mark(s) in the United States, and the duties or services performed by such persons.

RESPONSE TO INTERROGATORY NO. 10:

Ward Chen, Purchasing Director of Respondent; Teresa Chen, General Manager of Respondent and attorneys representing Respondent.

* * *

INTERROGATORY NO. 12:

Identify all persons or concerns who participated in the decision to file and the actual filing of the application, Ser. No. 78/026,522 [now Registration No. 2582314], on or about September 19, 2000.

RESPONSE TO INTERROGATORY NO. 12:

See response to Interrogatory No. 10.³⁴

Thus, Ward Chen initially admitted that he was directly involved in the decision to register the DG marks, and then later testified that he was not involved in

³² Ward Chen testimony, pp. 40-41.

³³ Ward Chen declared that he was "the individual primarily responsible for providing information relating to . . . Jay-Y's initial responses to Gado's interrogatories. . . ." Declaration of Ward Chen dated August 25, 2009, p. 15.

³⁴ Respondent's Responses to Petitioner's First Set of Interrogatories, Response to Interrogatory Nos. 10 & 12, pp. 8-10.

registering the marks. His contradictory statements reduce the credibility of his testimony and undercut respondent's proof of priority.

Teresa Chen also testified that respondent was trying to build the DG brand by highlighting it to potential customers, but this testimony is unsupported by any documentary evidence.³⁵ There is no mention or use of the letters DG in any description of respondent's goods or as part of a model number in any of the numerous sales records or invoices from 1993 to 1998.³⁶ Except for the catalogs, which do not show the DG marks, respondent has not submitted any advertisements, trade show records, or other documents promoting any of its goods, much less sunglasses bearing the DG marks. It is certainly not necessary to use a mark in these ways to show use, but the lack of any evidence corroborating attempts to build the DG brand during this period diminishes the credibility of respondent's testimony that it began using the DG marks in 1993.

Finally, no credible explanation was given for why the earlier dates of first use were not included in the applications for registration. Teresa Chen testified only that the significance of the dates of first use "was not really explained" to her.³⁷

When we look at the evidence of respondent's priority as a whole, as we must under *West Florida Seafood*, we find it does not establish respondent's use of the DG marks prior to the date alleged in the applications by clear and convincing evidence.

In particular, the testimony of the Chens is "characterized by contradictions,

³⁵ Teresa Chen testimony, p. 31.

³⁶ It appears that respondent's sunglasses bearing the DG marks now use the letters DG as part of the model numbers. Ward Chen testimony, pp. 21-27. There is no testimony or evidence explaining when or why this practice changed.

³⁷ Teresa Chen testimony, p. 39.

inconsistencies and indefiniteness” regarding the adoption and use of the marks. Respondent’s president, James Chen, had little recollection of signing the application, much less any recollection about adopting the marks. Teresa Chen’s testimony was significantly compromised by a lack of contemporary documentation showing use of the marks and was contradicted by respondent’s catalogs. And Ward Chen’s testimony was contradicted by respondent’s own answers to petitioner’s interrogatories which he prepared. Most importantly, the sales invoices do not corroborate whether the identified sunglass models actually bore the DG marks during that time period. All in all, we find that respondent’s testimony, rather than being strengthened by documentary evidence, is weakened by a lack of credible corroborating evidence showing any use of the DG marks during the period from 1993 to 1998. *B.R. Baker Co. v. Lebow Bros.*, 66 USPQ at 236; *Cerveceria Centroamericana v. Cerveceria India*, 892 F.2d 1021, 13 USPQ2d 1307, 1312 (Fed. Cir. 1989) (the testimony of the witness regarding use was afforded little weight because it was “to say the least, vague.”). Based on the forgoing, we find that respondent has not shown use of the DG marks prior to the filing date of the applications underlying the registrations by clear and convincing evidence.

Teresa Chen’s testimony alone, however, is sufficient to show use of the marks as of the date alleged in the applications by a preponderance of the evidence. Teresa Chen testified regarding why she provided the December 1, 1999 dates of use identified in the applications:

Q. [W]ere you the person that provided the date of first use of the DG marks for the applications that were filed in 2000 and 2001?

A. Yes.

Q. And did you base that date of first use on the date when Jay-Y first used hang tags in connection with its sunglasses that included the DG marks?

A. Yes.³⁸

Accordingly, we find that the earliest date of use of the DG marks on which respondent may rely is December 1, 1999.

2. Petitioner's Priority

We next examine priority for each of the marks claimed by petitioner.

a. DOLCE & GABBANA, Registration No. 1742622

Petitioner is entitled to rely on the constructive use date of June 27, 1990 established by the section 44(d) priority filing date of the application underlying this registration. Inasmuch as the filing date underlying this registration predates the earliest use of the DG marks by respondent, petitioner has established its priority as to this mark.

b. D&G DOLCE & GABBANA (stylized), Registration No. 2096500

Petitioner is entitled to rely on the constructive use date of November 7, 1995 established by the filing date of the application underlying this registration. Inasmuch as the filing date of the application underlying this registration predates the earliest use of the DG marks by respondent, petitioner also has established its priority as to this mark.

³⁸ Teresa Chen testimony, p. 39

c. D&G (stylized), Registration No. 3108433

The June 28, 2004 filing date of the application underlying this registration postdates the filing dates of respondent's applications. Petitioner, therefore, may not rely on the filing date of the application as proof of priority. For petitioner to show that it has priority, it must prove that it was using the D&G mark on the goods prior to the date of first use alleged in respondent's applications, December 1999.

Petitioner argues that the date of its first use of the D&G mark should be "no later than September 1995" because it has "employed D&G both separately from and together with Dolce & Gabbana as marks for the D&G Dolce & Gabbana line."³⁹ Rather than assess this this allegation, we first consider the more directly relevant allegation regarding petitioner's use of D&G on eyewear. We will determine priority based on the eyewear goods in Registration No. 3108433 because these goods are the ones most closely related to respondent's goods, and because the application for these goods alleged a date of first use of 1998, which is prior to any date that respondent has proven. Moreover, petitioner's claim that it first used the D&G mark "no later than September 1995" must be interpreted as applying to articles of clothing generally, as opposed to eyewear in particular, inasmuch as petitioner stated that it first used the D&G mark on eyewear when it "launched its D&G eyewear collection in 1998."⁴⁰ Given the forgoing, petitioner must prove its priority as to first use of the mark as early as 1998 by a preponderance of the

³⁹ Petitioner's Br. at 15-16.

⁴⁰ Petitioner's Br. at 16.

evidence. *Hydro-Dynamics*, 1 USPQ2d at 1773. Petitioner's testimony and documentary evidence establish that petitioner used D&G as a mark on sunglasses as early as 1998.

Petitioner has introduced the testimony of Paolo Vannucchi, the Director of Planning and Control Worldwide for Dolce & Gabbana. Vannucchi joined Dolce & Gabbana in March of 1999 and is responsible for "all budgeting processes."⁴¹ Vannucchi authenticated petitioner's sales figures showing sales of D&G sunglasses beginning in 1998 and continuing through at least 2009.⁴² Vannucchi also authenticated portions of petitioner's 2001 Annual Review which identified 1998 as the first year petitioner sold D&G sunglasses. Vannucchi's testimony sufficiently explained how he was familiar with the preparation of the Annual Review and the nature and source of the sales information contained in the review. *See Transamerica Financial Corp. v. Trans-American Collection*, 197 USPQ 43, 46 at n. 6 (TTAB 1977) ("Normally, material contained in an annual report is considered hearsay if introduced in evidence for the truth of the matter contained therein unless it is introduced during the course of the taking of the testimony of an individual who is familiar with the preparation thereof and can explain the nature and source of the material contained therein.").

We find this testimony to be credible, probative, and corroborated by documentary evidence. *B.R. Baker Co. v. Lebow Bros.*, 66 USPQ at 236. Petitioner is entitled to rely on its use of the D&G marks on sunglasses as early as 1998.

⁴¹ Vannucchi testimony, p. 8.

⁴² Vannucchi testimony, pp. 83-86, Exh. C.

d. Petitioner's Common-Law Use of DG

For a plaintiff to prevail on a claim of likelihood of confusion based on its ownership of common-law rights in a mark, the mark must be distinctive, inherently or otherwise, and plaintiff must show priority of use by a preponderance of the evidence. *See Otto Roth & Co. v. Universal Foods Corp.*, 640 F.2d 1317, 209 USPQ 40 (CCPA 1981). Respondent has not questioned the distinctiveness of petitioner's DG mark nor are there any other circumstances in the case which would have put petitioner on notice of this defense, and we therefore find that the mark is distinctive. *See Wet Seal Inc. v. FD Management Inc.*, 82 USPQ2d 1629, 1634 (TTAB 2007); *Cf. Otto Roth*, 209 USPQ at 44 (“Neither the board nor appellee has questioned the inherent distinctiveness of ESPRIT NOUVEAU, and we therefore assume it functions as a trademark.”).

A plaintiff may establish its own prior proprietary rights in a mark through actual use or through use analogous to trademark use, such as use in advertising brochures, trade publications, catalogues, newspaper advertisements and internet websites which creates a public awareness of the designation as a trademark identifying the party as a source. *See Trademark Act Sections 2(d) and 45*, 15 U.S.C. §§ 1052(d) and 1127; *T.A.B. Systems*, 37 USPQ2d 1879.

In order to establish priority in its DG mark, petitioner must show that it used the mark in connection with its goods prior to respondent's date of first use of December 1, 1999. Petitioner presented both testimony and documentary evidence to support its alleged date of first use.

Gabriella Forte testified that the initials DG are generally used where the full name Dolce & Gabbana might not be appropriate, presumably due to size or style considerations:

The initials in Dolce & Gabbana are used, DG specifically, by the designers as a logo identity of their name. They are always interspersed in the designs. Sometimes we find it on a tie. Another time we found it in a belt. . . . It's used on the eyeglasses. . . . It's typical of instead of putting Dolce & Gabbana, Dolce & Gabbana, Dolce & Gabbana, it's the abbreviation that most designers, when they want to graphically make a quick impact, they use their initials of whatever the brand name is.⁴³

The letters DG began to appear in connection with respondent's clothing and fashion accessories at least as early as 1995. For example, the September 1995 issue of Interview magazine displayed a DG tiepin in a photograph accompanying the table of contents.⁴⁴ Gabriella Forte also testified regarding several advertising photographs from the 1995 season showing the DG mark on purses and belts.⁴⁵ Most significant, for purposes of this case, are petitioner's 1998 and 1999-2000 eyeglass catalogs which plainly show use of the letters DG on numerous styles of eyeglasses as well as forming part of the eyeglass model numbers.⁴⁶ Petitioner has shown use of the letters DG as a mark for eyeglasses and sunglasses at least as early as 1998.

⁴³ Forte testimony, pp. 24-25

⁴⁴ Forte testimony, p. 138, Exh. 17. Respondent has objected to exhibit 17 as hearsay. Respondent's Objections to Evidence in Petitioner's Reply Brief, p. 7. We overrule this objection inasmuch as this exhibit shows on its face the use of the letters DG credited to petitioner in a widely circulated fashion magazine as early as 1995.

⁴⁵ Forte testimony, pp. 159-165, Exh. 22.

⁴⁶ Forte testimony, pp. 138-141, Exhs. 20 & 21.

Likelihood of Confusion

Our determination under Section 2(d) is based on an analysis of all of the probative facts in evidence relevant to the factors bearing on the likelihood of confusion issue. *In re E.I. du Pont de Nemours & Co.*, 476 F.2d 1357, 177 USPQ 563 (CCPA 1973). In considering the evidence of record on these factors, we keep in mind that “[t]he fundamental inquiry mandated by § 2(d) goes to the cumulative effect of differences in the essential characteristics of the goods and differences in the marks.” *Federated Foods, Inc. v. Fort Howard Paper Co.*, 544 F.2d 1098, 192 USPQ 24 (CCPA 1976). Petitioner has the burden to establish that there is a likelihood of confusion by a preponderance of the evidence.

1. The fame of petitioner’s Dolce & Gabbana marks

This *du Pont* factor requires us to consider the fame of petitioner’s marks. Fame, if it exists, plays a dominant role in the likelihood of confusion analysis because famous marks enjoy a broad scope of protection or exclusivity of use. A famous mark has extensive public recognition and renown. *Bose Corp. v. QSC Audio Products Inc.*, 293 F.3d 1367, 63 USPQ2d 1303, 1305 (Fed. Cir. 2002); *Recot Inc. v. M.C. Becton*, 214 F.3d 1322, 54 USPQ2d 1894, 1897 (Fed. Cir. 2000); *Kenner Parker Toys, Inc. v. Rose Art Industries, Inc.*, 963 F.2d 350, 22 USPQ2d 1453, 1456 (Fed. Cir. 1992).

Fame may be measured indirectly by the volume of sales and advertising expenditures of the goods and services identified by the marks at issue, “by the length of time those indicia of commercial awareness have been evident,” by

widespread critical assessments and notice by independent sources of the products identified by the marks, as well as by the general reputation of the products and services. *Bose Corp. v. QSC Audio Products Inc.*, 63 USPQ2d at 1305-1306 and 1309. Although raw numbers of product sales and advertising expenses may have sufficed in the past to prove fame of a mark, raw numbers alone may be misleading. Some context in which to place raw statistics may be necessary (*e.g.*, the substantiality of the sales or advertising figures for comparable types of products or services). *Bose Corp. v. QSC Audio Products Inc.*, 63 USPQ2d at 1309.

The record clearly establishes the widespread fame of petitioner's marks, Dolce & Gabbana, D&G Dolce & Gabbana, and D&G for clothing and fashion accessories, including sunglasses. Such fame is a critical *du Pont* factor in petitioner's favor in this case.

The Dolce & Gabbana brand entered the U.S. market in the late 1980's. Petitioner has submitted representative examples of full-page advertisements it placed in major fashion magazines beginning as early as October 1989.⁴⁷ Thereafter, petitioner's advertisements regularly appeared in some of the most widely-circulated magazines in the fashion industry, including, *Vogue*, *Vanity Fair*, *Esquire*, *Harper's Bazaar*, *Details*, *GQ Gentleman's Quarterly*, *Interview*, and *W* magazine.⁴⁸ These advertisements often featured famous actresses and models such as *Isabella Rossellini* and *Linda Evangelista*.⁴⁹ Between 1989 and 1995, these magazine advertisements are estimated to have reached over 15 million readers,

⁴⁷ October 1989 issue of *Details* magazine. Petitioner's Notice of Reliance, Exh. 23.

⁴⁸ Petitioner's Notice of Reliance, Exhs. 23-48.

⁴⁹ Petitioner's Notice of Reliance, Exhs. 23 & 25.

according the Audit Bureau of Circulation.⁵⁰ Petitioner's advertising expenses for both lines of clothing during this period, while confidential, are substantial by any measure and are comparable to advertising expenses of other well-known fashion brands such as Giorgio Armani and Prada.⁵¹

In addition to petitioner's advertisements which regularly appeared in the above magazines, petitioner's two lines of clothing were frequently featured and promoted in the pages of these magazines as well. Numerous pictorial fashion articles highlighted petitioner's clothing collections alongside the collections of other well-known designers such as Gianni Versace, Yves Saint Laurent, Chanel, and Prada.⁵² These numerous articles and references to Dolce & Gabbana products demonstrate that consumers were widely exposed to petitioner's brands beginning as early as 1989 continuing to prior to respondent's first use of its marks in 1999.⁵³

Petitioner's sales have grown steadily since introduction of the brand in the U.S., and show that Dolce & Gabbana has become a major force in the fashion world in a short period of time. Sales revenues in the United States from the main Dolce & Gabbana ready-to-wear line rose from 9 million Euros in 1996-1997 to more than 75 million Euros in 2008.⁵⁴ Sales revenues in the United States from the secondary or "younger" D&G Dolce & Gabbana ready-to-wear line have enjoyed similar success, rising from 7 million Euros in 1997-1998 to more than 24 million Euros in

⁵⁰ Moran testimony, pp. 4-72.

⁵¹ Vannucchi testimony, p. 105, Exh. E; Gabriella Forte testimony, pp. 122-123.

⁵² Petitioner's Notice of Reliance, Exhs. 23-48.

⁵³ Petitioner's Notice of Reliance, Exhs. 49-76.

⁵⁴ Petitioner's Public Br. at 6; Vannucchi testimony, Exh. C.

2005.⁵⁵ Sales of petitioner's accessories, i.e., eyewear, fragrances, watches, and jewelry, have enjoyed similar sales success.⁵⁶

Petitioner has also enjoyed significant success in placing its clothing in the consumer spotlight by dressing a number of well-known musical performers, such as Madonna and Whitney Houston, on their concert tours. Petitioner has provided dresses for actresses Demi Moore and Susan Sarandon, among others, at the Academy Awards Ceremonies. Many well-known Hollywood stars have been seen wearing Dolce & Gabbana: Angelina Jolie, Cameron Diaz, Colin Farrell, and Jude Law.⁵⁷ This use of petitioner's clothing by celebrities and the resulting media coverage show that petitioner has been able to benefit from the powerful association between its clothing brand and the trend-setting ability of these celebrities.

Based on the totality of the evidence, we find that, for purposes of likelihood of confusion, Dolce and Gabbana, D&G Dolce & Gabbana, and D&G are famous marks for clothing and fashion accessories and they became famous prior to respondent's first use of its marks in 1999.

2. The similarity or dissimilarity of the marks in their entireties as to appearance, sound, connotation and commercial impression

We turn next to the *du Pont* factor which focuses on the similarity or dissimilarity of the marks in their entireties as to appearance, sound, connotation and commercial impression. *Du Pont*, 177 USPQ at 567.

⁵⁵ Petitioner's Public Br. at 7; Vannucchi testimony, Exh. C.

⁵⁶ Vannucchi testimony, Exh. C.

⁵⁷ Gabriella Forte testimony, pp. 108 & 169.

Similarity in any one of the elements of sound, appearance, commercial impression, or meaning is sufficient to support a determination of likelihood of confusion. *See Krim-Ko Corp. v. The Coca-Cola Co.*, 390 F.2d 728, 156 USPQ 523, 526 (CCPA 1968) (“It is sufficient if the similarity in either form, spelling or sound alone is likely to cause confusion.”). In comparing the marks, we are mindful that where, as here, the goods are, in part, identical, the degree of similarity necessary to find likelihood of confusion need not be as great as where there is a recognizable disparity between the goods. *Century 21 Real Estate Corp. v. Century Life of America*, 970 F.2d 874, 23 USPQ2d 1698, 1700 (Fed. Cir. 1992).

Further, the test is not whether the marks can be distinguished when subjected to a side-by-side comparison, but rather whether the marks are sufficiently similar in terms of their overall commercial impression so that “confusion as to the source of the goods offered under the respective marks is likely to result.” *Midwestern Pet Foods Inc. v. Societe des Produits Nestle S.A.*, 685 F.3d 1046, 103 USPQ2d 1435, 1440 (Fed. Cir. 2012). We will discuss each of petitioner’s marks in turn.

a. DOLCE & GABBANA, Registration No. 1742622

We begin with petitioner’s oldest pleaded mark, Dolce & Gabbana, in typed form. Respondent’s marks are  and  in stylized form. Obviously, upon first impression, the marks have significant differences. Petitioner’s mark is comprised of the surnames of its principal designers, Dolce and Gabbana, while respondent’s marks are comprised of only the letters DG in stylized form.

Nevertheless, the marks also have some similarities in connotation and commercial impression. The marks have similar alliteration in that they begin with the letter “D” followed by the letter “G” or a word beginning with the letter “G.” Additionally, petitioner’s mark appears in typed form and therefore may be used in any style or typeface such as those used by respondent. For example, much of petitioner’s advertising uses the same sans-serif typeface as used by respondent in Registration No. 2582314 for the mark .⁵⁸ Most importantly, the record shows that designers commonly use their initials as shorthand for their names.

Both respondent and petitioner have testified that well-known fashion designers use their initials in place of their names. Teresa Chen testified that when she was creating the DG marks she knew that Christian Dior used the “logo CD” and that Calvin Klein used “CK.”⁵⁹ Respondent also admitted that it “recognized that companies like Calvin Klein, Giorgio Armani, and Armani Exchange had had success in putting two letters together to create their respective logos.”⁶⁰ Likewise, petitioner’s witness, Gabriella Forte, stated that “when [designers] want to graphically make a quick impact, they use their initials of whatever the brand name is.”⁶¹ Forte also testified that both the name Calvin Klein and the initials “CK” were used on eyewear.⁶² Petitioner has made of record several marks owned by Armani and used on articles of clothing which include the initials of the designer:

⁵⁸ Petitioner’s Notice of Reliance, Exhs. 23-27, 29-30, 32-33.

⁵⁹ Teresa Chen testimony, pp.27-28.

⁶⁰ Respondent’s Response to Interrogatory No. 23, Petitioner’s Exhibit 77 to Notice of Reliance, p. 15.

⁶¹ Gabriella Forte testimony, p. 25.

⁶² Gabriella Forte testimony, p. 58.

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Registration No. 1221737 for the mark, GA and design, and Registration No. 1578682 for the mark, EMPORIO ARMANI GA and design. Both marks include the initials GA, short for Giorgio Armani.⁶³

This testimony and evidence, showing that designers commonly shorten their names to initials, suggests that consumers are accustomed to associating designers or fashion brands by the corresponding initials for those designers or brands. We find it likely that respondent's DG marks would be perceived as related to or as a shortened or version of petitioner's Dolce & Gabbana mark. *See In re Mighty Leaf Tea*, 601 F.3d 1342, 94 USPQ2d 1257, 1260 (Fed. Cir. 2010). This seems especially likely when the marks are applied to an object which may have limited space to display trademarks, such as a pair of sunglasses.

Respondent argues that there is no evidence to support the finding that initials were used by designers and fashion brands in connection with clothing lines at the time it adopted its marks.⁶⁴ We disagree. As discussed above, Teresa Chen admitted that at the time she was creating respondent's marks, she knew of at least two designers who used initials as shorthand for their names, Christian Dior and Calvin Klein. Respondent also argues that there is no evidence that two designers use initials to identify their clothes. This is a distinction without a difference. It is the brand that is being shortened, not just the designer's names. Respondent admitted as much in its response to petitioner's request for admission when it recognized that Armani Exchange, among others, had succeeded in "putting two

⁶³ Petitioner's Notice of Reliance, Exhs. 15 and 16

⁶⁴ Respondent Br. at 20.

letters together” [AX] to create its logo.⁶⁵ See *In re Abcor Development Corp.*, 588 F.2d 511, 200 USPQ 215, 219 (CCPA 1978) (J. Rich, concurring) (“[U]sers of language have a universal habit of shortening full names – from haste or laziness or just economy of words.”); See also *Louis Vuitton Malletier v. Dooney & Bourke Inc.*, 79 USPQ2d 1481 (2d Cir. 2006) (reversing district court finding that DB monogram used by Dooney & Bourke was not confusingly similar to LV monogram used by Louis Vuitton).

Accordingly, we find that the marks are similar in terms of their overall commercial impression so that confusion as to the source of the goods offered under the respective marks is likely to result. *Midwestern Pet Foods Inc.*, 103 USPQ2d at 1440.

b. D&G DOLCE & GABBANA (stylized), Registration No. 2096500 and D&G (stylized), Registration No. 3108433

We first note that respondent’s marks consist entirely of the letters DG, in two stylized forms. In one of respondent’s marks, , the letters appear in nearly the same typeface as in petitioner’s mark, , albeit with the letters slightly overlapped.⁶⁶ Both of petitioner’s marks are dominated by the same letters, D and G, separated by a non-distinctive ampersand. The name DOLCE & GABBANA in Registration No. 2096500 appears in much smaller typeface and is less significant when comparing the marks in their entireties. Similarly, the presence of an ampersand in petitioner’s marks and the different stylization of the letters in

⁶⁵ Respondent’s Response to Interrogatory No. 23, Petitioner’s Exhibit 77 to Notice of Reliance, p. 15.

⁶⁶ Registration No. 2582314

respondent's mark in Registration No. 2663337 are less significant compared to the presence of the identical letters, DG versus D&G, and does little to obviate the similarities between the marks in appearance and sound. Thus, we find that the dominant portion of all the marks is a combination of the letters D and G.

Moreover, all of the marks convey the same commercial impression of initials or abbreviations, which in fact they are. Teresa Chen testified that DG was chosen to stand for "designer glasses"⁶⁷ and D&G is the abbreviation for the last names of petitioner's designers, Domenico Dolce and Stefano Gabbana. "Initials, by their very nature, are abbreviations, a shortened version designed to be comprehended at a glance. If the number of letters is the same, and there is a significant overlap in the letters used, that is generally sufficient to sustain a claim of similarity." *Continental Connector Corp. v. Continental Specialties*, 492 F.Supp. 1088, 207 USPQ 60, 66 (D. Conn. 1979). Given that designers commonly shorten their names to initials for simplicity, we find that it is likely that respondent's DG marks would be perceived as related to or a shortened version of the respondent's D&G Dolce & Gabbana mark.⁶⁸ *See Mighty Leaf Tea*, 94 USPQ2d at 1260. The different derivation of the marks is insufficient to distinguish the marks, especially in the absence of any advertising by respondent to inform consumers as to its intended significance of the letters DG. *See In re General Electric Co.*, 180 USPQ 542, 544 (TTAB 1973).

⁶⁷ Teresa Chen testimony, p. 29.

⁶⁸ Teresa Chen testimony, pp.27-28; *see also* Respondent's Response to Interrogatory No. 23, Petitioner's Exhibit 77 to Notice of Reliance, p. 15; Gabriella Forte testimony, p. 25.

Arbitrary letter combinations, such as we have here, generally have been found to be similar because it is difficult for consumers to distinguish between similar letter combinations. *Crystal Corp. v. Manhattan Chemical Mfg. Co.*, 75 F.2d 506, 25 USPQ 5, 6 (CCPA 1935) (“We think that it is well known that it is more difficult to remember a series of arbitrarily arranged letters than it is to remember figures, syllables, words, or phrases. The difficulty of remembering such lettered marks makes confusion between such marks, when similar, more likely.”). *See also*, *Weiss Associates Inc. v. HRL Associates Inc.*, 902 F.2d 1546, 14 USPQ2d 1840, 1841 (Fed. Cir. 1990) (“Because it is hard to distinguish between these letters, the mark TMM is confusing with TMS”); *Edison Brothers Stores v. Brutting E.B. Sports-International*, 230 USPQ 530, 533 (TTAB 1986) (EB and EBS for shoes are likely to cause confusion because “confusion is more likely between arbitrarily arranged letters than between other types of marks”).

We find that these marks are similar in terms of their overall appearance, sound, connotation, and commercial impression so that confusion as to the source of the goods offered under the respective marks is likely to result. *Du Pont*, 177 USPQ at 567.

c. Petitioner’s Common-Law Use of DG

Petitioner has demonstrated that it has used the letters DG on sunglasses since at least as early as 1998.⁶⁹ Inasmuch as respondent’s marks also consist of the identical letters DG, we find petitioner’s common-law DG mark and

⁶⁹ *See supra* pp. 24-26.

respondent's DG marks to be similar as to "appearance, sound, connotation and commercial impression." *DuPont*, 177 USPQ at 567.

In view of the foregoing, we find that the similarities of the parties' marks outweigh the differences, and therefore the similarity of the marks is a factor that favors finding that there is a likelihood of confusion.

3. The similarity or dissimilarity and nature of the goods in the registrations, likely-to-continue channels of trade, and classes of consumers

We turn next to the similarity of the goods. It is well settled that we must consider the goods as they are identified in the registrations. *Octocom Systems Inc. v. Houston Computers Services, Inc.*, 918 F.2d 937, 16 USPQ2d 1783, 1787 (Fed. Cir. 1990) ("The authority is legion that the question of registrability of [a] mark must be decided on the basis of the identification of goods set forth in the application [or registration] regardless of what the record may reveal as to the particular nature of [the] goods, the particular channels of trade or the class of purchasers to which sales of the goods are directed.").

Respondent's goods are identified as "sunglasses, optical frames, and reading glasses" in International Class 9. Petitioner's goods are identified as, *inter alia*: "eyeglasses,"⁷⁰ "spectacles, sunglasses, spectacle frames, spectacle lenses, spectacle cases,"⁷¹ and a variety of "clothing for men, women and children."⁷²

Respondent's and petitioner's goods are in part identical in that both parties' registrations identify "sunglasses"; respondent's "optical frames" and petitioner's

⁷⁰ Registration No. 1742622.

⁷¹ Registration No. 3108433.

⁷² Registration No. 2096500.

“spectacle frames” are legally identical; and petitioner’s broadly-identified “eyeglasses” can be seen to encompass all of respondent’s goods, as well as respondent’s “reading glasses.”

Regarding petitioner’s Registration No. 2096500 which identifies variety of “clothing for men, women and children,” but not eyeglasses, we find these goods are closely related to respondent’s goods as well. It is common knowledge that sunglasses and clothing may be complementary products in that consumers may purchase sunglasses as a fashion accessory. A number of clothing manufacturers make both clothing and sunglasses. Isabella Forte testified that she worked for two clothing manufacturers besides Dolce & Gabbana that also made and sold sunglasses, i.e., Giorgio Armani and Calvin Klein.⁷³ *See Catalina, Inc. v. Miller, dba Fashion Accessories*, 123 USPQ 460, 461 (TTAB 1959) (“[P]urchasers familiar with ‘CATALINA’ sportswear, swimwear, and accessories would be quite likely to assume that ‘CATALINA’ sunglasses originated with or are in some way connected with the same producer.”).

To the extent that the parties’ goods are identical, we must presume that they move through the same channels of trade and are offered to the same classes of customers. *See In re Viterra Inc.*, 671 F.3d 1358, 101 USPQ2d 1905, 1908 (Fed. Cir. 2012); *American Lebanese Syrian Associated Charities Inc. v. Child Health Research Institute*, 101 USPQ2d 1022, 1028 (TTAB 2011); *In re Smith and Mehaffey*, 31 USPQ2d 1531, 1532 (TTAB 1994). Accordingly, the three *du Pont* factors relating

⁷³ Gabriella Forte testimony, pp. 57-58.

to the similarity or dissimilarity of the goods, the trade channels, and classes of consumers favor a finding of likelihood of confusion.

4. The variety of goods on which a mark is used

The record shows that petitioner uses the D&G marks on a wide variety of clothing, as well as clothing accessories, such as perfumes, purses and handbags, jewelry, watches and, of course, sunglasses and eyeglasses. The fact that petitioner applies its D&G marks to a variety of clothing articles and accessories makes it more likely that purchasers, aware of petitioner's use of the mark on these products, when seeing a similar mark used in connection with sunglasses, are likely to believe that these sunglasses are also being produced or sponsored by petitioner. *See Nike Inc. v. WNBA Enterprises LLC*, 85 USPQ2d 1187, 1195 (TTAB 2007). In contrast, respondent uses its mark only on sunglasses and reading glasses.

Based on this evidence, we find that this *du Pont* factor weighs in petitioner's favor.

5. The nature and extent of any actual confusion

Respondent has admitted that there has been some actual confusion as to the source of its goods. Respondent stated in its Responses to Petitioner's First Set of Interrogatories:⁷⁴

INTERROGATORY NO. 26:

- (a) Is Respondent aware of any instance of confusion or mistake regarding it and Petitioner, their respective goods, services, or businesses, and/or Respondent's Mark(s) and Petitioner's Mark(s)?

⁷⁴ Respondent's Responses to Petitioner's First Set of Interrogatories, Response to Interrogatory Nos. 26 & 27, pp. 16-17.

(b) Has Respondent received any communication addressed or directed to, or which mentions, refers or relates in any way to, Petitioner, Petitioner's Mark(s), and/or Petitioner's products/services?

(c) Is Respondent aware of any instance where any person thought, assumed or otherwise indicated a belief that there is or may be an association between Respondent and Petitioner, Respondent's Mark(s) and Petitioner's Mark(s), and/or the respective products or services or businesses of Respondent and Petitioner?

RESPONSE TO INTERROGATORY NO. 26:

(a)-(c) Yes.

INTERROGATORY NO. 27:

(d) If the answer to Interrogatory No 26(a), above, is other than an unqualified negative, identify each instance of confusion or mistake.

(e) If the answer to Interrogatory No 26(b), above, is other than an unqualified negative, identify each such communication to which the interrogatory refers.

(f) If the answer to Interrogatory No 26(c), above, is other than an unqualified negative, identify each such instance where any person thought, assumed or otherwise indicated a belief that there is or may be an association between Respondent and Petitioner and/or their respective products, services or business.

RESPONSE TO INTERROGATORY NO. 27:

(a)-(c) . . . Sometime between 2005 and 2006, when Petitioner began using as its logo the letters "DG" in an interlocking manner similar to Respondent's Marks, Respondent's customers began asking Respondent whether Respondent's products sold under Respondent's marks were Petitioner's. Because Respondent did not keep logs or records of these incidents, Respondent does not have more specific information to provide in response to this interrogatory.

Ward Chen further admitted that he was aware of instances where

Respondent's glasses were referred to as "knockoffs":

Q. "Are you aware of any instances of anybody referring to glasses sold by Jay-Y that feature the DG letters as knockoffs?"

A. "Yes."

* * *

Q. “[H]ow many times? Do you know?”

A. “A couple of times to my recollection.”⁷⁵

A showing of actual confusion is highly probative, if not conclusive, of a likelihood of confusion. *In re Majestic Distilling Co., Inc.*, 315 F.3d 1311, 65 USPQ2d 1201, 1205 (Fed. Cir. 2003). These instances of confusion as revealed by respondent suggest there is at least some confusion in the marketplace as to the source of the goods. Nevertheless, inasmuch as petitioner has not put forth any evidence of confusion of its own, and given that the exact nature of the confusion admitted by respondent is unclear, we find this factor only slightly favors petitioner.

6. Respondent’s “bad faith”

Petitioner also alleges that respondent’s “business practices demonstrate bad faith and are probative of the substantial possibility of actual confusion.”⁷⁶ Petitioner points to respondent’s practice of filing trademark applications for marks which allegedly resemble the marks of other fashion brands, such as Giorgio Armani and Gucci.⁷⁷ Respondent, on the other hand, argues that these applications are inadmissible and irrelevant to the issue of bad faith.⁷⁸

Establishing bad faith requires a showing, by a preponderance of the evidence, that a party intentionally sought to trade on the goodwill or reputation associated with another’s marks. *See Big Blue Products Inc. v. International Business Machines Corp.*, 19 USPQ2d 1072 (TTAB 1991). However, “an inference

⁷⁵ Ward Chen testimony, p. 35.

⁷⁶ Petitioner’s Br. at 31.

⁷⁷ Petitioner’s Br. at 32-33.

⁷⁸ Respondent’s Br. at 32.

of ‘bad faith’ requires something more than mere knowledge of a prior similar mark.” *Sweats Fashions, Inc. v. Pannill Knitting Co.*, 833 F.2d 1560, 4 USPQ2d 1793, 1798 (Fed. Cir. 1987). A finding of bad faith must be supported by evidence of an intent to confuse, rather than mere knowledge of another’s mark or even an intent to copy. *See Starbucks Corp. v. Wolfe’s Borough Coffee, Inc.*, 588 F.3d 97, 92 USPQ2d 1769, 1782 (2d Cir. 2009) (“[T]he only relevant intent is intent to confuse. There is a considerable difference between an intent to copy and an intent to deceive.”).

The filing of an application for a mark that may resemble the mark of another is not, on its face, evidence of bad faith. Nevertheless, “a party which knowingly adopts a mark similar to one used by another for related goods should not be surprised to find scrutiny of the filer’s motive.” *L’Oreal S.A. v. Marcon*, 102 USPQ2d 1434, 1442 (TTAB 2012). More likely, respondent’s filing of applications for marks resembling those of another reflect a fundamental misunderstanding of trademark law—that a newcomer has a duty to avoid adopting a mark which is likely to cause confusion with the mark of another. As the Federal Circuit’s has explained:

The law has clearly been well settled for a longer time than this court has been dealing with the problem to the effect that the field from which trademarks can be selected is unlimited, that there is therefore no excuse for even approaching the well-known trademark of a competitor, that to do so raises “but one inference—that of gaining advantage from the wide reputation established by appellant in the goods bearing its mark,” and that all doubt as to whether confusion, mistake, or deception is likely is to be resolved against the newcomer, especially

where the established mark is one which is famous and applied to an inexpensive product bought by all kinds of people without much care.

Specialty Brands, Inc. v. Coffee Bean Distributors, Inc., 748 F.2d 669, 223 USPQ 1281, 1285, (Fed. Cir. 1984) quoting *Planters Nut & Chocolate Co. v. Crown Nut Co., Inc.*, 305 F.2d 916, 134 USPQ 504, 511 (CCPA 1962).

While we have concerns about the propriety of respondent's business practices, based on this record, we cannot conclude that respondent acted in bad faith. This factor is neutral.

Conclusion

After considering all of the evidence of record and argument pertaining to the *du Pont* likelihood of confusion factors, including ones not specifically discussed herein, we find that because petitioner's marks are famous, the marks are similar, the goods are in part identical and otherwise related, and the channels of trade and consumers are presumed to overlap, there is a likelihood of confusion between respondent's marks and the petitioner's marks when used in connection with the identified goods. Lastly, to the extent that any of the points argued by respondent may raise a doubt about our finding of a likelihood of confusion, we would resolve that doubt, as we must, in favor of petitioner as the prior user. See *Giant Food, Inc. v. Nation's Foodservice, Inc.*, 710 F.2d 1565, 1569, 218 USPQ 390, 395 (Fed. Cir. 1983); and *Century 21 Real Estate Corp.*, 23 USPQ2d at 1701.

In light of our finding on the issue of likelihood of confusion, we find it unnecessary to reach the issue of dilution. *See Miss Universe L.P. v. Community Marketing, Inc.*, 82 USPQ2d 1562, 1572 (TTAB 2007).

Decision: Petitioner's petition for cancellation is granted. Respondent's counterclaim to cancel petitioner's registration is denied. Registration Nos. 2582314 and 2663337 will be cancelled in due course.