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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE  
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	92047433
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**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE**  
**BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

GADO S.R.L.,

Petitioner,

v.

JAY-Y ENTERPRISE CO., INC.,

Respondent.

AND RELATED COUNTERCLAIM.

Cancellation No. 92047433

**JAY-Y ENTERPRISE CO., INC.'S MOTION FOR RECONSIDERATION OF THE**  
**BOARD'S SEPTEMBER 26, 2013 DECISION**

Pursuant to Rule 2.129(c) of the Trademark Rules of Practice, Respondent and Counterclaimant Jay-Y Enterprise Co., Inc. hereby moves for reconsideration of the Board's September 26, 2013, decision in this proceeding.

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## I. INTRODUCTION

Respondent and Counterclaimant Jay-Y Enterprise Co., Inc. (“Jay-Y”) believes that the Board erred in several material respects when it granted Gado, S.r.L’s (“Gado”) petition to cancel Jay-Y’s registrations of its DG Marks and denied Jay-Y’s petition to cancel Gado’s registration of its D&G mark, and respectfully requests the Board reconsider that decision.

First, the premise of the Board’s rejection of Jay-Y’s evidence of use—namely that it was *possible* that Jay-Y sold sunglasses under the same model number both with and without the DG Mark—was not proffered by Gado, was not addressed by the parties, is fundamentally illogical, and was not supported and in fact is contradicted by the evidence. In a business that offers a large number of different styled sunglasses to the wholesale market, a model number, like a trademark, must uniquely identify a specific style of sunglass. If Jay-Y’s customers could not rely on a model number to reorder products—because one day Model No. 252A might arrive with a DG mark on it, while the next day it would not—then those customers soon would stop ordering at all. In addition, the evidence regarding the manner in which Jay-Y’s sunglasses are manufactured weighs heavily against the conclusion that manufacturers would operate parallel manufacturing lines, one with and one without a logo. Finally, the evidence reflects that sales of some DG-branded models started and ended prior to the date of first use asserted in Jay-Y’s applications, indicating that they must have been sold prior to that date.

Second, the Board misapplied the law regarding Jay-Y’s burden of proof. While inconsistencies in evidence of first use can cause that evidence to be rejected, those inconsistencies must relate to the rejected evidence. The Board’s focus, however, was on the inconsistency between the date of first use asserted in Jay-Y’s applications (and the testimony regarding those applications) and the evidence of use of the DG Marks prior to the asserted date. The Board’s jurisprudence expressly allows a party to prove use prior to the date asserted in an

application, proof that is inconsistent with the application itself. By relying on evidence of that inherent inconsistency to negate Jay-Y's evidence of prior use, the Board has effectively ignored that jurisprudence.

Third, the Board followed Gado's lead and evaluated the marks asserted by Gado—DOLCE & GABBANA, D&G DOLCE & GABBANA, D&G and DG—as a single mark. The evidence makes clear, however, that Gado itself considered the marks to be qualitatively different. By blending Gado's marks the Board reached conclusions of fame and priority that are unsupported by the record. When analyzed correctly, the only mark Gado used prior to Jay-Y's DG Marks was DOLCE & GABBANA. Consistent with the Board's recent jurisprudence that initials do not convey the same commercial impression as the words they abbreviate, there is no basis for the Board's conclusion that DG is confusingly similar to DOLCE & GABBANA.

As a result, Jay-Y respectfully requests that the Board reconsider its September 26, 2013, Opinion, deny Gado's petition for cancellation and grant Jay-Y's petition to cancel Gado's United States Registration No. 3,108,433.

## **II. STANDARD FOR MOTION FOR RECONSIDERATION**

“The premise underlying a request for rehearing, reconsideration, or modification under 37 CFR § 2.129(c) is that, based on the evidence of record and the prevailing authorities, the Board erred in reaching the decision it issued. The request may not be used to introduce additional evidence, nor should it be devoted simply to a reargument of the points presented in the requesting party's brief on the case. Rather, the request normally should be limited to a demonstration that, based on the evidence properly of record and the applicable law, the Board's ruling is in error and requires appropriate change.” (TBMP § 543.) As discussed herein, Jay-Y believes the Board overlooked certain evidence of record and misapplied the prevailing

authorities, thus reaching an erroneous conclusion. When viewed properly and in context, the evidence supports denying Gado's petition and granting Jay-Y's.

### **III. ARGUMENT**

#### **A. The Board Improperly Rejected Jay-Y's Substantial Evidence Of Use Of DG At Least As Early As 1993**

The law is clear that Jay-Y is not bound by the dates of first use alleged in its applications for registration. In fact, if proved, reliance on an earlier first use date is specifically contemplated by the Board. *See Elder Mfg. Co. v. International Shoe Co.*, 92 USPQ 330, 332 (CCPA 1952) (Applicant is not bound by the date of first use alleged in his application for registration and is subsequently permitted to show an earlier date by clear and convincing evidence); *Hydro-Dynamics, Inc. v. George Putnam & Company, Inc.*, 1 USPQ2d 1772, 1773-74 (Fed. Cir. 1987) (An applicant 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).

Jay-Y, through the oral testimony of Teresa Chen and the supporting documentation, established by clear and convincing evidence that its date of first use of a DG mark was in December, 1993. Accordingly, Jay-Y respectfully requests the Board reconsider its finding Jay-Y's date of first use as 1999, and instead find that Jay-Y first used DG at least as early as 1993.

#### **1. Teresa Chen's Testimony And Supporting Documentation Constitute Clear And Convincing Evidence That Jay-Y First Used DG At Least As Early As 1993.**

The oral testimony of a single witness is sufficient to prove priority. While such testimony may be strengthened by documentary evidence, the lack of such evidence does not provide the legal basis for ignoring it. *Productos Lacteos Tocumbo S.A. de C.V. v. Paeteria La Michoacana Inc.*, 98 USPQ2d 1921, 1931 (TTAB 2011).

Ms. Chen testified clearly and unequivocally that she remembered Jay-Y first using logos “somewhere in ’92 or ’93.” (T. Chen Depo. 30:8-11.). Rather than rely solely on her memory, Ms. Chen testified that she made a list, based on her memory, of the model numbers that might have the DG logos on them.” (Id. at 51:18-52:3, 12-14.) Again, realizing that her memory would be questioned, Ms. Chen then took steps to find samples of the styles she had listed to see whether, in fact, they had included the DG Marks. (Id. at 52:15-21.) It was only after samples were located, and use of the DG Marks was confirmed on specific models, that Jay-Y set about looking for records of when those glasses were first sold. (Id. at 56:11-23.) Jay-Y located that documentation—purchase records from suppliers and invoices to customers—that corroborated Ms. Chen’s memory and that reflected sales of glasses that included logos.

Ms. Chen further testified that Jay-Y markets through in-person contact, not through widespread advertising like Gado. This is reflected in Jay-Y’s invoices, most of which reflect that orders were taken verbally. (See, e.g., Exhs. 141, 146, 151.) With regard to the logos themselves, her testimony was clear and unambiguous:

Q. And what did you do to sell the sunglasses with logos on them?

A. I took them to trade shows to show them to customers. Or when customers came to our office, I also showed it to them there. And also we also sent samples to customers.

Q. Did you point out to Jay-Y’s customers that Jay-Y sunglasses now had logos?

A. Yes.

(T. Chen Depo. 31:4-12.)

The Board, however, points to two alleged issues with the testimony of Teresa Chen, and relies on those issues to reject it: (1) the alleged absence of testimony to establish that invoices that identified model numbers associated with DG-branded sunglasses were not used to identify

pre-existing unbranded sunglasses, and (2) the alleged lack of what the Board views as necessary corroborating evidence, namely the absence of advertisements or invoices displaying the DG Marks and catalogs showing the DG Marks as applied to sunglasses. The Board’s position, however, assumed a burden on Jay-Y to submit evidence far beyond the clear and convincing standard and reflected a misunderstanding of the nature of Jay-Y’s business.

In its decision, the Board identifies what it characterizes as “a critical shortcoming in respondent’s proof of priority.” Specifically, the Board held:

“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.”

(Opinion, p. 17.)

The Board’s assertion that the same model number might have been used on different sunglass styles—one with a DG Mark and one without—was not raised at any point during this proceeding. The reason it was not raised by Gado is because the evidence clearly establishes that each model number is associated with a unique style number. Moreover, the assertion is illogical and ignores the business reality that model numbers must uniquely identify a product in order for a company, like Jay-Y, to be able to order product, sell product, maintain inventory, and account for purchases and sales in a rational and reconcilable manner.

**a. Teresa Chen’s Testimony Establishes that Each Model Number is Associated with a Unique Style.**

Ms. Chen testified regarding how Jay-Y used the models numbers and suffixes to describe its glasses. In reviewing one of the models at issue, Model No. 2311HP/R (Exh. 104)

Ms. Chen testified as follows:

Q. Let’s look at one of them. This one, for example, which the front of the lens says 2311HP/R. Do you see that?

- A. Yes.
- Q. And if you open up the pair of sunglasses, you will see a number on the temple. Do you see that?
- A. Yes.
- Q. And what is that number?
- A. 2311HP.
- Q. And what does that number signify?
- A. It represents this model. HP refers to this plastic frame.
- Q. And what does the number 2311 refer to?
- A. The style or model.
- Q. Do all of the sunglasses sold by Jay-Y have a model number?
- A. Yes.
- Q. And are all the model numbers unique to each style of sunglass?**
- A. Yes.**

(T. Chen Depo., 73:20-74:14.) There is no evidence in the record that contradicts Ms. Chen's testimony that each model number is unique to each style of sunglass. As such, it necessarily follows that each model number associated with sunglasses bearing the DG Marks was always branded, and contrary to the Board's finding, it is not possible that "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."

**b. It Is Neither Logical Nor Practical For A Manufacturer To Use The Same Model Number For Different Styles Of Its Products**

The Board's conclusion, that there may have been sales of unbranded models with the same style number as the DG-branded models, simply does not make sense from a business

perspective. As can be seen by Jay-Y's catalogs (Exhs. 174-177) and voluminous sales information, Jay-Y sells hundreds of different models of sunglasses. In addition, because Jay-Y sells to the wholesale market, its customers order product over the telephone and through other remote methods; they do not come to Jay-Y's offices to reorder merchandise. (T. Chen. Depo. 222:5-6; Exhs. 141, 146, 151 (indicating "Verbal" under Purchase Order Number.) In addition, Jay-Y uses the model numbers to order merchandise from its suppliers in China, communicating with them by facsimile. (T. Chen Depo. 14:4-11, 18:16-19:2, 236:11-20.)

Because many of Jay-Y's purchases and sales are not done in person but rather through phone and facsimile, the only means of identifying a model being ordered is through its model number. If model numbers do not uniquely identify the specific style of sunglasses both Jay-Y and its customers are ordering, then Jay-Y would be subject to both a constant stream of sunglasses that would need to be returned to factories as well as returns from unhappy customers. This was particularly true when Jay-Y first started using logos (its DG, CG and CHALLENGER marks) on its glasses. As Ms. Chen testified, some of Jay-Y's customers resisted the idea of having a logo on the sunglasses they purchased. (T. Chen Depo. 227:1-6.) Some liked the idea of a logo on the sunglasses, some did not. If those customers could not be assured that the model they were ordering was exactly as the prior model, either with or without a logo, the uncertainty would have had a substantial negative effect on Jay-Y's business.

In fact, Jay-Y's use of model numbers was specifically intended to provide reassurance to its customers that the model the customer thought it was ordering was, in fact, the model it would receive. Ms. Chen described in depth what steps Jay-Y took to ensure that a model reflected the specific sunglasses being sold. (See, e.g., Exh. 164 (JAY-Y03094-95), identifying model nos. NK-6345/CM, NK-6345/FM, and NK-6345/R.) Ms. Chen testified that "R" means a

regular lens, “CM” means a colored mirror lens, and “FM” means a flash mirror lens. (T. Chen Depo. 74:15-25.) Thus, a buyer would be able to know from the style number alone the specific style of sunglasses being ordered, the color of the lens and, in some cases, whether the frame was plastic. Similarly, Jay-Y would be able to know that what it was ordering from its factories was the same model that it intended to order.

The uncontradicted testimony also demonstrated that model numbers were used by sales and warehouse personnel to fill orders. Mr. Ou testified at length that the model number—he called them “item numbers” in his testimony—were used by sales people to create a customer order (Ou Depo. 18:14-19:8), the warehouse to determine what items to ship (Ou Depo. 24:14-25:5), and accounting to track inventory (Ou Depo. 54:1-55:14). If item numbers did not uniquely identify specific styles of glasses, the entire system would break down.

Implicit in the Board’s conclusion that a style could have been sold with, or without, a logo, is its assumption that it is relatively easy to “affix” a logo to the sunglasses at issue. The evidence contradicts this assumption. The testimony cited by the Board simply shows that both Teresa Chen (originally) and Ward Chen (more recently) would travel to the factories in China that produce sunglasses, would be shown designs that the factories wanted to sell, would ask the factories to use the DG Marks on those designs, and then would order them. (Opinion, pp. 15-16.) There is nothing in the record to indicate that Jay-Y previously purchased the styles it was being offered to purchase, and in fact that very premise ignores the expense associated with manufacturing sunglasses.

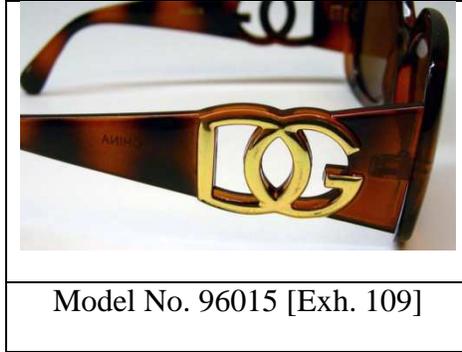
Ms. Chen testified regarding how sunglass frames are manufactured, and stated that both metal and plastic frames are made using molds. (T. Chen Depo. 241:221-245:10.) She testified

further that it is expensive to make a mold, so order amounts needed to be at least “300 dozen.”  
 (T. Chen Depo. 245:4-6.)

While the costs associated with creating a mold may not have as great an impact when the logo is a separate piece affixed to the sunglasses, it plainly changes the analysis when the logo is *part of the sunglasses*. Of the 31 models of sunglasses that Jay-Y was able to locate, 23 of them included the DG mark as *part of the sunglasses*. A few examples are shown below:

	
NK609 [Exh. 110]	NK6302 [Exh. 111]
	
NK6341 [Exh. 112]	T2012 [Exh. 124]

The model that most clearly reflects the error in the Board’s conclusion is Model No. 96015. Introduced as Exhibit 109, this model simply could not have been sold without the DG Mark. Moreover, given the nature of the use of the DG Mark, it strains credulity that the same model might include two completely different marks.



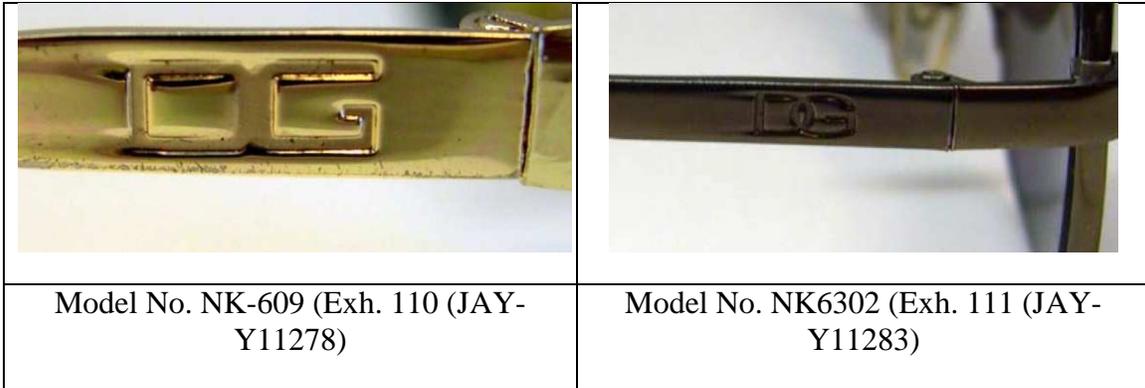
Because the conclusion reached by the Board—that model numbers did not uniquely identify the styles that included a DG mark—is illogical in the context of a business that relies on unique style numbers to operate, Jay-Y’s evidence of prior use should be accepted.

**c. The Board’s Conclusion That All Of Jay-Y’s Prior Use Evidence Should Be Rejected Is Contrary To The Evidence**

Having concluded that Jay-Y *may* have sold its glasses both branded and unbranded, the Board rejected all of Jay-Y’s evidence of prior use. (Opinion, p. 17.) That evidence directly contradicts the Board’s conclusion.

There is no dispute that Jay-Y used its DG Marks on the four styles of sunglasses shown below and that at least some, if not all, of the models were sold with a DG Mark:





The evidence is also undisputed that each of these models was *only* sold during the following periods of time:

<u>MODEL NO.</u>	<u>FIRST SALE DATE</u>	<u>CITATION TO RECORD</u>	<u>LAST SALE DATE</u>	<u>CITATION TO RECORD</u>
252A-08	1/20/97	Exh. 151 (JAY-Y01672)	8/20/97	Exh. 151 (JAY-Y01472)
252A	12/16/93	Exh. 135 (JAY-Y00272)	9/8/97	Exh. 151 (JAY-Y01477)
NK609	4/27/95	Exh. 141 (JAY-Y00394, 397, 475)	12/26/95	Exh. 141 (JAY-Y00474)
NK6302	3/7/96	Exh. 146 (JAY-Y01040)	6/7/96	Exh. 146 (JAY-Y00940)

Thus, even if one accepts the Board’s conclusion that some models could have been sold unbranded as well as branded, with regard to at least these four models they *had* to have been sold under the DG Marks during the window of time when they were sold by Jay-Y. These examples not only demonstrate that Jay-Y in fact used the DG Marks prior to the claimed date of first use in its applications, but also point out why the Board’s decision to discount all of Jay-Y’s evidence of first use was unfounded. The Board therefore should reconsider its rejection of Jay-Y’s evidence, and its conclusion regarding Jay-Y’s date of first use of the DG Mark.

2. **The Absence Of Advertisements Or Invoices Bearing The DG Marks And Catalog Photographs Showing Sunglasses Bearing The DG Marks Is Not Determinative.**

Although the Board acknowledges that oral testimony may be sufficient to establish priority by clear and convincing evidence, it rejects Ms. Chen's testimony not because the testimony itself is inconsistent or indefinite, but because there is no corroborating documentation to support that testimony. (Opinion, p. 13, 17, and 20). Such a focus is improper, as the Board repeatedly has held that a lack of documentary evidence is not fatal. *See Productos Lacteos Tocumbo*, 98 USPQ2d at 1931 (finding that respondent had established an earlier date of first use than that claimed in its registration by oral testimony alone); *see also Powermatics, Inc. v. Globe Roofing Products Co.*, 341 F.2d 127, 144 USPQ 430, 432 (CCPA 1965); *National Bank Book Co. v. Leather Crafted Products, Inc.*, 218 USPQ 826, 828 (TTAB 1993) (oral testimony may be sufficient to prove the first use of a party's mark when it is based on personal knowledge, it is clear and convincing, and it has not been contradicted); *Liqwacon Corp. v. Browning-Ferris Industries, Inc.*, 203 USPQ 305, 316 (TTAB 1979) (oral testimony may be sufficient to establish both prior use and continuous use when the testimony is proffered by a witness with knowledge of the facts and the testimony is clear, convincing, consistent, and sufficiently circumstantial to convince the Board of its probative value); *GAF Corp. v. Anatox Analytical Services, Inc.*, 192 USPQ 576, 577 (TTAB 1976) (oral testimony may establish prior use when the testimony is clear, consistent, convincing, and uncontradicted).

Here, the Board mistakenly finds that the absence of advertisements or invoices bearing the DG Marks is fatal to Jay-Y's claimed date of first use of DG of 1993. (Opinion, p. 20). This position, however, is unsupported by the law, has not previously been required by the Board in similar cases and represents a misunderstanding of Jay-Y's business.

Ms. Chen testified that, while customers mainly would be introduced to Jay-Y's products and order at trade shows, they would use Jay-Y's catalogs for further orders. (T. Chen. Depo. 129:11-17.) As a result, unlike a retail company, Jay-Y does not advertise to the general public through magazines or fliers. Likewise, because model numbers uniquely identify styles, there is no need for them to include additional logo-related information. The Board's finding that the lack of such documentation Ms. Chen's credibility, and that of the samples and the sales records, was based on a misunderstanding of Jay-Y's business, and should be reconsidered.

Additionally, the Board focuses on the absence of photographs of side-views of sunglass styles bearing the DG marks in Jay-Y's 1995-1998 catalogs, pointing out 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 sunglasses." (Opinion, p. 13). The Board's statement, however, ignores the method by which Jay-Y sells its sunglasses. As explained above, Jay-Y's customers mainly ordered through trade shows and would use Jay-Y's catalogs for further orders. As a result, unlike a retail company, Jay-Y's catalogs are created more for reference for customers who already have ordered product. (T. Chen Depo. 129:11-17.) The fact that the catalogs do not reflect the use of the DG Marks is more of an indication of the evolution of Jay-Y's business – in 1995 none of the catalog photographs showed the temple of the glasses while by 1998 a few of them did – and certainly do not indicate that Ms. Chen, the sample glasses introduced and the sales records are all wrong.

**3. Teresa Chen Explained The Discrepancy Between The Claimed Date Of First Use In The Applications And Jay-Y's Actual Date Of First Use Of 1993.**

Ms. Chen explained at length why the actual dates of first use were not included in the applications at issue. (See Opinion, p. 20.) She stated that:

“the attorney told me that any date I put on would be okay as long as I remember when I used it. But prior to that we didn’t have a UPC. But I think we started having the UPC on our hang tags probably around 1999, around the end of 1999. So that was the date that I used as our date of first use. But we’ve been using it prior to that.”

(T. Chen Depo. 38:17-23.) In other words, Ms. Chen relied on the vague advice from Jay-Y’s attorney and decided that the use of the mark on hang tags was the date of first use. While she clearly did not understand the significance of a pleaded date of first use, Jay-Y is also not the first applicant to misunderstand the significance of an asserted date of first use. Such a misunderstanding is not uncommon, as reflected in the Board’s substantial jurisprudence related to proving first use dates prior to an asserted date. Ms. Chen’s error, an error inherent in all cases involving proof of prior use, should not be grounds for rejecting Jay-Y’s evidence of use.

**4. Any Inconsistencies In The Testimony Of Ward Chen And James Chen Are Irrelevant.**

In finding that Jay-Y has failed to meet its burden, the Board also focused on alleged inconsistencies and/or contradictions in the testimony of Ward Chen and James Chen, neither of whom were witnesses relied upon by Jay-Y to establish its date of first use of 1993.

For example, James Chen’s testimony related solely to the filing of the applications to register the marks at issue, applications that Jay-Y has demonstrated were incorrect when filed. It was because Mr. Chen had no specific evidence to offer with regard to the issues in this proceeding that Jay-Y neither called him as a witness nor introduced his testimony. Indeed, as the Board noted correctly, Mr. Chen’s testimony lacked probative value. (Opinion, pp. 13-14). Most importantly, Mr. Chen’s testimony merely reflected the very inconsistency inherent in all cases where an applicant misstates its actual date of first use.

Likewise, the testimony of Ward Chen regarding the filing of the applications is similarly unrelated to determining whether there are contradictions, inconsistencies or indefiniteness in

Jay-Y's proof of prior use. Mr. Chen testified that only after the matter could not be resolved in 2009 did he involve his mother in this proceeding. (3/23/2011 W. Chen Depo. 8:11-9:7.) The only portion of his testimony that the Board found to be inconsistent was related to the early part of the proceeding, when he helped prepare interrogatory responses regarding the filing of the applications at issue that turned out to be incorrect. (Opinion, pp. 18-20.) That inconsistency—regarding whether Mr. Chen was involved in filing the applications at issue—is unrelated to Jay-Y's evidence of prior use of the DG Marks and should not form the basis for reject that evidence.

Given that Jay-Y's proof of priority rests on the shoulders of Teresa Chen's testimony and the exhibits and documents that support it, neither James Chen's nor Ward Chen's inconsistency is legally related to Jay-Y's proof.

In light of the foregoing, Jay-Y respectfully suggests that its evidence clearly and convincingly establishes that it first used the DG Mark in 1993, increased that use consistently for the next seven years until it applied for federal registration. Any inconsistencies relate not to the evidence of use, but rather the error made in its applications. Accordingly, the Board should reconsider its Opinion in this regard.

**B. The Board Erred In Finding Gado's Marks To Be Famous And Confusingly Similar To Jay-Y's DG Marks**

The evidence presented by Gado demonstrates that its considers each of its asserted marks – DOLCE & GABBANA, D&G DOLCE & GABBANA, D&G and DG – to be separate and distinct from each other. As Ms. Forte testified, “Dolce & Gabbana is used on the Premier collection” while “D&G ... has a life of its own.” (Forte Depo. 20:6-16.) Mr. Vannucci confirmed that the entire structure of the company is based on the separate nature of the brands:

“So basically the structure of the business is organized by brand because inside each single legal company, all the function are split by brands, Dolce & Gabbana and D&G. I would say we have two different division inside each single company.”

(Vannucchi Depo. 14:7-12.) This stark division is reflected in the sales information relied upon by Gado. Exhibit B reflected “net sales ... split[] by quarter, year *and by brand* that related to sunglasses, Dolce & Gabbana and D&G in USA.” (*Id.* at 62:7-13 (emphasis added); *Id.* at 83:21-24 (Exhibit C reflected “[s]ales generated in USA split ... by brand, Dolce & Gabbana, D&G, from the fiscal year ‘94, ending fiscal year 2008”); *Id.* Exh. E (separating United States advertising expenditures between DOLCE & GABBANA and D&G).)

When each of Gado’s asserted marks and the evidence of use and fame for each are viewed separately, it is clear that the Board’s conclusion that “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*” (Opinion, p. 30) finds no support in the record. That conclusion by the Board, which forms the predicate to its likelihood of confusion analysis—“[s]uch fame is a critical *du Pont* factor in petitioner’s favor in this case” (*id.* at 28)—should be reconsidered. Moreover, absent that finding of fame, the Board’s ultimate conclusion of likelihood of conclusion should fall as well.

1. **The Board’s Conclusions Regarding DOLCE & GABBANA Were Erroneous**
  - a. **The Board Erred In Concluding That The DOLCE & GABBANA Mark Is Famous, And That It Was Famous In 1999**

Jay-Y does not dispute that Gado is entitled, for its DOLCE & GABBANA mark, to a constructive date of first use of June 27, 1990, based on its Italian registration of the mark. Jay-Y does, however, dispute the Board’s conclusion that the evidence “establishes the widespread fame of” DOLCE & GABBANA. (Opinion, p. 28.)

Because of the importance of fame in the likelihood of confusion analysis, and particularly given the Board’s determination that it is a “critical” factor in this proceeding, it has

long been held that it “is the duty of a party asserting that its mark is famous to clearly prove it.” *Coach Svcs. Inc v. Triumph Learning LLC*, 101 USPQ2d 1713, 1720 (Fed. Cir. 2012) (quoting *Leading Jewelers Guild, Inc. v. LJOW Holdings, LLC*, 82 USPQ2d 1901, 1904 (TTAB 2007)). In short, Gado’s evidence of fame deserves the same level of scrutiny as the Board afforded Jay-Y’s evidence of use. When viewed in that proper context, Gado fell woefully short of proving the fame of its DOLCE & GABBANA mark, let alone prior to Jay-Y’s first use of DG.

For example, the Board cites to DOLCE & GABBANA advertisements that appeared in fashion magazines for the six year period from 1989 to 1995 that were “estimated to have reached over 15 million readers,” and concludes that “consumers were widely exposed to petitioner’s *brands....*” (Opinion, pp. 28-29). It ignores the fact, however, that no context was provided for those figures, or whether having several pages of advertising in magazines with an average total annual readership of 2.5 million could be considered “wide exposure” in a population of 250,000,000 people.<sup>1</sup>

In a similar vein, while the Board concludes that “[m]any well-known Hollywood stars” wore Dolce & Gabbana clothing, that conclusion is meaningless absent evidence that the consuming public had knowledge of those facts. Ms. Forte testified that the DOLCE & GABBANA mark would not necessarily appear on the clothing worn by the identified stars, but rather would be listed in the back of the magazine or book. (Forte Depo. 171:4-10.) This type of exposure of a mark, while important to and noticed by the owners of the mark, may have little impact on the consuming public. *See, e.g., Bose Corp. v. QSC Audio Products, Inc.*, 63 USPQ2d 1303, 1309 (Fed. Cir. 2002) (“For example, a 30-second spot commercial shown during a Super

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<sup>1</sup> Jay-Y requests the Board take judicial notice that, according to the government website at [www.census.gov/main/www/cen1990.html](http://www.census.gov/main/www/cen1990.html) (last visited Oct. 24, 2013), the population of the United States on April 1, 1990 was 248,709,873. *See Boston Red Sox Baseball Club LP v. Sherman*, 88 USPQ2d 1581, 1590 n.8 (TTAB 2008).

Bowl football game may cost a vast sum, but the expenditure may have little if any impact on how the public reacts to the commercial message”). Gado presented no evidence regarding the impact on the public of it providing clothing for famous people.

Turning to the sales element of proving fame, Gado failed to prove that it actually *sold* anything under *any* of its marks prior to 1994. (Vannucchi Depo. Exhs. B and C.) Even at that, from 1994 to 1996 the only goods Gado apparently sold under the DOLCE & GABBANA mark were licensed fragrances; only in its 1997 fiscal year – *four years after Jay-Y commenced used of its DG Marks* – did Gado finally sell its first clothing and glasses in the United States under the DOLCE & GABBANA mark. (*Id.*)

Moreover, in concluding that increased sales by Gado to 75 million Euros in 2008 supported its finding of fame, the Board strayed from the clear guidance provided in *Bose*. As the Federal Circuit noted, understanding the context surrounding raw statistics, *e.g.*, by comparing them to those providing similar goods or services, is necessary to determine fame. *Bose*, 63 USPQ2d at 1309. Gado presented no evidence of its market share, thereby rendering meaningless its scant evidence regarding sales under the DOLCE & GABBANA mark.

In sum, Jay-Y respectfully suggests that the Board misapplied the clear proof standard required to prove fame when it concluded that the DOLCE & GABBANA mark was famous, let alone that it was famous prior to 1999. That conclusion should be reconsidered.

**b. The Board Erred When It Concluded That Jay-Y's DG Marks Are Confusingly Similar To DOLCE & GABBANA**

Following briefing of this proceeding, the Board faced the reverse question to the one presented here: Does an acronym convey the same commercial impression as the words it abbreviates? In *In re Franklin County Historical Society*, 104 USPQ2d 1085 (TTAB 2012), an appeal from a Section 2(e)(1) refusal, the applicant presented evidence of use of the acronym for

its applied-for mark to prove acquired distinctiveness. *Id.* at 1093. Similar to this case, the acronym shared the same alliteration as the applied-for mark. The Board concluded the acronym “COSI” was “too different in commercial impression to be useful to applicant in establishing acquired distinctiveness of ‘CENTER OF SCIENCE AND INDUSTRY.’” *Id.* at 1093 n.4.

The same analysis should apply here. When the evidence is viewed in context—with Jay-Y proving use of its DG mark *before* Gado sold any goods under the DOLCE & GABBANA mark—it becomes clear that consumers would be very unlikely to make an association between two initials on low-priced sunglasses with a line of clothing that only appeared in “major fashion magazines” and was not sold in any stores.

The fact that Ms. Chen recognized that CK emanated from Calvin Klein and CD from Christian Dior (albeit not necessarily in connection with sunglasses) does not support the conclusion that *consumers* were “accustomed to associating designers or fashion brands by the corresponding initials for those designers or brands.” (Opinion, p. 33.) In fact, Ms. Forte testified that Calvin Klein used *both* CALVIN KLEIN and CK on sunglasses, notwithstanding the “limited space to display trademarks” on sunglasses. (*Compare* Forte Depo. 58:16-18 with Opinion, p. 33.) And there is nothing in the record to support the conclusion that consumers would associate the letter DG with Dolce & Gabbana as opposed to the myriad other names that begin a D and a G, such as the Delta Gamma sorority, Data General, the Deutsche Grammophon record label, or Designer Glasses. Particularly not in 1993, when Jay-Y adopted its DG Marks, and Gado had yet to make a sale in the United States.

Because DG and DOLCE & GABBANA convey different commercial impressions, and there is no evidence that consumers, in 1993, would be likely to confuse the source of low-end

sunglasses sold under the DG mark with high-end clothing advertised under DOLCE & GABBANA, the Board should reconsider its Opinion in this regard and find in favor of Jay-Y.

2. **The Board's Conclusions Regarding D&G DOLCE & GABBANA Were Erroneous**

a. **The Board Erred In Concluding That The D&G DOLCE & GABBANA Mark Is Famous, And That It Was Famous In 1999**

As with its DOLCE & GABBANA mark, Jay-Y does not dispute that Gado is entitled to November 7, 1995, as its constructive date of first use of its D&G DOLCE & GABBANA mark. Jay-Y does, however, dispute the Board's conclusion that the evidence "establishes the widespread fame of" D&G DOLCE & GABBANA. (Opinion, p. 28.)

Gado's evidence related to its D&G DOLCE & GABBANA mark is even thinner than what it presented to support its assertion of fame for DOLCE & GABBANA. From an advertisement perspective, Gado presented exactly *one* editorial spread, from one issue of Interview magazine in 1995, that showed the D&G DOLCE & GABBANA mark. (NOR, Exh. 39.) That issue was sold to 144,756 people. (Moran Test. Exh. 24.) There is no evidence that any Hollywood star ever wore D&G DOLCE & GABBANA-marked clothing. Finally, from a sales perspective, there is no evidence that anything was sold under the mark in the United States until 1997. (Vannucchi Depo. Exh. B.)

As the Board notes, sales under the D&G DOLCE & GABBANA mark rose from 7 million Euro in 1997-98 to 24 million Euro in 2005. (Opinion, 29-30.) These numbers do not compare favorably to the DOLCE & GABBANA revenues, let alone to the unknown fashion industry against which they must be compared to show fame. As discussed above, Gado failed to present any context for its revenue figures. As a consequence, there is no basis in the evidence

for the conclusion that the D&G DOLCE & GABBANA mark is famous, that it was famous in 1999, or certainly that it was famous when Jay-Y began use of its DG Marks.

**b. Jay-Y's Use Of The DG Marks Predates Gado's Use Of D&G DOLCE & GABBANA**

As noted by the Board, Gado may be entitled, at best, to a constructive date of first use of its D&G DOLCE & GABBANA mark of November 7, 1995. Because this date is later than Jay-Y's first use of its DG Marks, Gado's Section 2(d) claim as it relates to this mark fails.

**3. Jay-Y's Use Of The DG Marks Predates Gado's Use of D&G**

In light of the Board's conclusion that Gado did not use the D&G mark until 1998 (Opinion, p. 24), well after Jay-Y began use of its DG Marks, Gado's Section 2(d) claim as it relates to D&G fails.

**4. The Board's Conclusions Regarding The Use Of DG By Gado Find No Support In The Record**

In stark contrast to the evidence presented by Jay-Y, Gado's evidence of use of DG consisted of (1) a single photograph from 1995 in which the mark was obscured such that the only person who would think it said "DG" was someone from Gado, (2) several photographs showing the use of DG on purses and belts, only one of which Ms. Forte was certain was used in an advertising campaign that she recalled was "from the '90s, but I can't remember" (Forte Depo. 162:23-163:6; 164:17-22), and (3) pages from eyeglass catalogs.

The pages from eyeglass catalogs, specifically relied upon the Board to conclude that Gado used the DG mark on glasses at least as early as 1998, do not support the Board's conclusion. The first, Exhibit 20, is dated 1999-2000. With regard to the second (Exhibit 21), Ms. Forte testified that she had not seen the pages before the day of her deposition, that she had no specific recollection of them, and that they did not come from her files. (Forte Depo. 236:5-

20.) In short, she could not authenticate the exhibit in any fashion. When asked whether she knew what year they were from, she testified “Yeah. It says ’98.” (*Id.* at 138:25-139:12.) In other words, her testimony regarding the date when Gado first used DG on eyeglasses was based *solely* on the fact that someone wrote “’98” on a document Ms. Forte had never before seen.

Other than that evidence, Gado presented no evidence of sales or any other use of DG. Jay-Y respectfully suggests that the Board’s conclusion that Gado had used the DG mark at least as early as 1998 finds no support in the record and should be reconsidered.

In light of the fact that Gado failed to prove use of the DG mark prior to Jay-Y’s first use of its DG Marks, Gado’s Section 2(d) claim as it relates to DG fails.

#### **IV. CONCLUSION**

For the foregoing reasons, Jay-Y respectfully requests that the Board reconsider its September 26, 2013 Opinion, and deny Gado’s petition to cancel Registration Nos. 2,582,314 and 2,663,337.

Jay-Y further respectfully requests that the Board reconsider its Opinion and grant Jay-Y’s petition to cancel Registration No. 3,108,433.

SEYFARTH SHAW LLP

Dated: October 25, 2013

*s/ Kenneth L. Wilton*

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**CERTIFICATE OF SERVICE**

I hereby certify that on October 25, 2013, I served the foregoing JAY-Y ENTERPRISE CO., INC.'S MOTION FOR RECONSIDERATION OF THE BOARD'S SEPTEMBER 26, 2013 DECISION on Petitioner and Counterclaim Respondent Gado S.R.L. ("Gado") by depositing a true copy thereof in a sealed envelope, postage prepaid, in First Class U.S. mail addressed to Gado's counsel as follows:

Mark Lerner, Esq.  
Satterlee, Stephens, Burke & Burke LLP  
230 Park Avenue, 11th Floor  
New York, NY 10169

*/s/ Kenneth L. Wilton*

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Kenneth L. Wilton