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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 REPLY IN SUPPORT OF ITS MOTION FOR
RECONSIDERATION OF THE BOARD'S SEPTEMBER 26, 2013 DECISION

Respondent and Counterclaimant Jay-Y Enterprise Co., Inc. hereby responds to arguments raised in the opposition filed by Petitioner and Counterclaim Respondent Gado S.r.L. to Jay-Y's motion for reconsideration of the Board's September 26, 2013, decision in this proceeding.

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Jay-Y hereby responds to arguments raised by Gado in its opposition to Jay-Y's motion for reconsideration. Jay-Y believes that those arguments are contradicted by the record, and illustrate the reasons why Jay-Y's motion is meritorious and reconsideration is necessary. Jay-Y therefore respectfully requests the Board exercise its discretion and consider this reply. *See* TBMP § 543 Note 3 (3d. ed. 2013) (citing *Kappa Books Inc. v. Herbko Int'l Inc.*, 60 USPQ2d 1765, 1766 n.2 (TTAB 2001)).

I. INTRODUCTION

Gado's opposition to this motion for reconsideration is noteworthy in several respects. First, Gado simply ignores the fact that it would be virtually impossible for a company to operate if its model numbers did not uniquely identify the products it was selling. Second, Gado ignores that fact that there is no evidence to support the Board's conclusion that the same model numbers were used on glasses that included the DG Marks and those that did not. Third, what Gado *does* focus on are issues that do not deflect from the objective evidence of Jay-Y's use of the DG Marks, coupled with a vain attempt to argue around the lack of evidence of fame of each of its marks. Without such fame, particularly at the time when Jay-Y first used its DG Marks, there was no likelihood consumers would be confused into believing that Jay-Y's DG-marked glasses were in some manner associated with the virtually unknown DOLCE & GABBANA mark. In short, the opposition simply bolsters the conclusion that the Board erred in granting Gado's petition.

Gado's arguments reflect the bias one would expect from a large company seeking to cancel trademark rights owned by a small, family-owned business. As the evidence shows, in 1993, Jay-Y did not even know what a trademark was from a legal perspective, let alone how to properly document the use of a mark. All it knew was that it needed some method of distinguishing itself from its competitors, and chose to include "logos" on its glasses in order to

do so. While Jay-Y's early lack of sophistication left it vulnerable for Gado to conjure up imagined deficiencies in its evidence and argument, those deficiencies do not alter the inescapable truth that Jay-Y commenced use of "DG" as a source-identifying mark in 1993.

Jay-Y respectfully suggests that the Board inadvertently adopted Gado's bias when it chose to discount *all* of Jay-Y's evidence of prior use of the DG Marks. Moreover, the Board reached conclusions of fame based not on the evidence before it, but rather on its adoption of Gado's argument that Gado's marks must be famous simply because Gado says they are.

When the evidence is viewed in light of the classic trademark owner for whom the law is intended to protect, it is plain that Jay-Y commenced use of its DG Marks in 1993, well before all but one of Gado's asserted marks were even used in the United States, let alone achieved even a modicum of niche fame. When Gado's only previously-used mark—DOLCE & GABBANA—is viewed in the context of its limited use in the United States at the time Jay-Y adopted its DG Marks, it becomes clear that the Board's conclusion of a likelihood of confusion was in error.

Accordingly, Jay-Y respectfully requests that the Board reconsider, and reverse, its September 26, 2013, opinion granting Gado's petition to cancel.

II. JAY-Y PROVED, BY CLEAR AND CONVINCING EVIDENCE, THAT IT FIRST USED THE DG MARKS IN 1993

In its opposition to this motion, Gado correctly recites the law regarding the burden of proof Jay-Y was required to meet. It then proceeds to attack isolated portions of Jay-Y's evidence, ignoring those portions that render Gado's position, and the Board's ultimate conclusion, erroneous.

While Gado ignores in opposing this motion is that the proper analysis when determining a date of first use is to review the evidence as a whole, and not to focus only on the individual pieces. *West Florida Seafood Inc. v. Jet Restaurants Inc.*, 31 USPQ2d 1660, 1663 (Fed. Cir.

1994). In fact, Gado did exactly what the Federal Circuit cautioned the Board not to do, namely “dissect[] the evidence to the point that ... the clear interrelationships existing between the several pieces of evidence submitted” are overlooked. *Id.* As discussed at length in Jay-Y’s motion for reconsideration, when viewed as a whole the evidence shows that Jay-Y first sold models that included the DG Marks starting in 1993, that the model numbers for those models had to be unique for Jay-Y to operate, and that sales of DG-marked glasses increased steadily through 1999 (the date by which Gado concedes Jay-Y was using DG).

Moreover, much of Gado’s response to Jay-Y’s evidence is not based on actual evidence, but rather on existential speculation regarding what other evidence *might* exist. Through such speculation and deflection, Gado is hoping that the Board ignores the underlying question that the Board was required to determine:

Did Jay-Y use its DG Marks as early as 1993?

In other words, while it is easy to find (or speculate about the existence of) “indefiniteness” and “contradiction” in any collection of evidence, it is quite another to rely on isolated instances of such to reject the obvious truth laid out by that evidence. Jay-Y respectfully suggests the Board erred when it ignored that obvious truth.

A. Gado Tacitly Admits That Model Numbers Uniquely Identify Each Style Of Sunglasses

In its motion, Jay-Y pointed the Board to the testimonial evidence from Ms. Chen that clearly establishes that every pair of sunglasses has a style number imprinted on the temple and that all the model numbers are unique to each style of sunglass. (Motion, pp. 8-9.) Gado does not address or refute this evidence. Instead, it argues that the model numbers for the DG-branded glasses did not include the letters “DG” and that “there is no explanation for why such

codes did not appear....” (Opp. p. 11.) It is noteworthy that Gado never asked for such an explanation.

The reason for Gado never raised the issue, or asked the question, is obvious: The objective evidence, in the form of physical specimens of glasses (photographs of which were submitted without objection), makes it clear that the glasses that are in evidence include the DG Marks and there the model numbers for those glasses do not include “DG.” *Why* they do not include the letters “DG” in the model number does not change the physical evidence. This argument is illustrative of the fundamental flaw in the Board’s analysis of the evidence: While an explanation regarding why Jay-Y included the letters DG in model numbers in 2009, and not in 1993, might be nice to have, the lack of an explanation does not impact the credibility of the clear evidence submitted.

B. Gado Tacitly Admits That It Is Neither Logical Nor Practical For Jay-Y To Use The Same Model Number For Different Styles Of Glasses

In its motion, Jay-Y pointed out that the Board’s conclusion that Jay-Y might have used the same model number on both branded and unbranded glasses was illogical, in that it would have created tremendous issues with the manner in which Jay-Y conducts business. (Motion, pp. 9-11.) Model numbers were used to order merchandise from Jay-Y’s suppliers, by Jay-Y’s customers to order from Jay-Y, by Jay-Y’s sales and warehouse personnel to fill orders, and by accounting personnel to account for sales and inventory. (*Id.*) Absent unique model numbers, the system would become untenable.

In response, Gado mentions Jay-Y’s argument but then proceeds to discuss the fact that the early model numbers did not reflect “DG”. (Opp. p. 11.) Whether model numbers included the letters “DG”, of course, was not the point. Gado thus simply ignores the fundamental defect in the Board’s conclusion. The fact that Gado itself is unable to find evidence to support the

Board's conclusion that the same model numbers could identify different styles is, in and of itself, a clear indication that that conclusion is erroneous. Because the Board's entire rejection of Jay-Y's prior use evidence is predicated on that conclusion, the Board should reconsider that rejection.

C. The Fact That Certain Of The DG-Branded Models Were Sold Only Between 1993-1997 Supports Jay-Y's Date Of First Use

In its motion, Jay-Y pointed to four models that were *only* sold between 1993 and 1997. (Motion, pp. 13-14.) The impact of this evidence is clear: If the models were sold only within that four year period, then even if some were branded and some were not, at least a portion of DG-branded models were sold during that period. In response, Gado again reaches for imagined deficiencies to deflect the obvious impact of the objective evidence.

First, Gado attacks the "chain of custody" of the four models. (Opp. p. 10.) The argument misses the point. The question is not whether the specific samples of each model that were presented in evidence were actually *made* during the years 1993-1999, but rather whether the specific samples were the *same* as the models sold in that period. For example, Gado asserts that it is not known whether the specific models presented as evidence came from a factory or from Jay-Y's own showroom. (Opp. p. 10.) What Gado does *not* assert is why that matters. So what if the sample of Model No. 96015 was found in Jay-Y's showroom or at its factory? What matters is that the model had a clearly imprinted model number that corresponded with Jay-Y's purchase and sale records and that the physical model included the DG Mark.

Next, Gado asserts that "if factories still had a mold they could run off sunglasses without having to create a new mold." (Opp. p. 10.) Again, why does that matter? If a factory had a mold for the Model No. 96015 and could make another copy of the original, that does not detract from the fact that the evidence shows the model was sold prior to 1999. Similarly, Gado's

assertion that some models may have been sold to others “after Jay-Y stopped buying them” (*id.*) might relate to an attack on Jay-Y’s exclusive rights to its DG Marks, but is unrelated to the fact that the specific listed models *were* sold by Jay-Y.

Finally, Gado argues there is no evidence that the models sold between 1993 and 1997 were not sold at some time after 2007. (Opp. p. 10.)¹ Again, even if they had been sold after 2007, that does not negate the fact that they were sold during 1993 through 1997. In fact, for this evidentiary attack to make sense, one would have to assume that Jay-Y recommenced selling four ten-year-old sunglass models in 2008, that the 2008 models included a DG Mark, and that all of the models sold earlier were unbranded. In addition, and most importantly, one would have to ignore the clear testimony of Ms. Chen to the contrary. Ms. Chen was asked, with regard to the sunglasses that are in evidence (including the four sold only between 1993-1997),

- Q. And do you know are these glasses currently being sold by Jay-Y?
- A. No. This is a style that’s from a long time ago. **None of this is sold currently.** This is a very long time ago.
- Q. Do you know when these models were sold?
- A. Well, I just know that it’s from ‘94 until about 2000. It’s in that period of time, but I don’t know which ones were sold during which year. That I don’t know.

(T. Chen Depo. 55:4-21 (emphasis added).)²

¹ Of course, this temporal line of attack is never-ending. It is simply another example of Gado’s attempt to deflect from the objective strength of Jay-Y’s evidence not with other evidence, but with mere speculation that other evidence *might* exist.

² As discussed in Jay-Y’s prior filings, it is important to keep in mind the sequence by which Jay-Y discovered the glasses it presented in evidence. First, Ms. Chen listed models she *thought* included the DG Marks. Second, Jay-Y used the model numbers from her list to locate physical samples to determine whether or not they included the DG Marks. Third, Jay-Y used the model numbers from the physical samples to search for sales records to determine when the models were sold. Ms. Chen knew some had been sold in the early 1990’s, but it was only after locating samples of models and searching for purchase and sales records that Jay-Y was able to determine precisely when each model had been sold.

In short, the evidence plainly demonstrates that Jay-Y was selling DG-branded glasses as early as 1993. Gado's tangential attacks on the uncontroverted physical evidence (the actual sunglasses) and computer evidence (the untamperable sales records stored in Jay-Y's computers) does not change that fact.

D. The Board's Reliance On The Manner By Which Glasses Were Selected For Sale By Jay-Y Does Not Support The Conclusion That Model Numbers Could Reflect Both Branded And Unbranded Sales

The Board's rejection of Jay-Y's evidence can be boiled down to a single question that was never asked or answered during the examination and cross-examination of Jay-Y's witnesses:

“Did Jay-Y ever use the same model number for glasses sold both with, and without, the DG Marks?”

In other words, had Ms. Chen been asked this question and responded in the negative, the entire basis for the Board's rejection of Jay-Y's evidence would have been severely undermined. The fact that the question was *not* asked, however, should not form the predicate for stripping a company of rights in a mark that it adopted, used, and registered. To put it differently, there is no evidence of record to suggest that the answer to the question is “yes,” and therefore no basis for the Board to simply assume a “yes” answer. The “clear and convincing evidence” standard does not require evidence beyond a reasonable doubt; concluding that the answer to this unasked question would be “yes” is not reasonable in any event.

In fact, the evidence presented demonstrates that the answer to the question should be “no.” First, there is no logical reason for a factory to waste time showing Ms. Chen or Mr. Chen designs that Jay-Y was already selling. As Ms. Chen testified:

Q. And how did you order product for Jay-Y?

- A. I would go to the factory to look, and they would show me, and then the styles that I think I *could* sell, then I would place an order. And when I didn't go to the factories, then they would send me samples.

(T. Chen Depo. 236:3-8 (emphasis added).) In other words, the factory would show Ms. Chen models (either in person or by sending samples), she would decide which ones she thought Jay-Y *could* sell, and then she would order them. This is entirely consistent with the testimony of both Ms. Chen and Mr. Chen that they would go to the factories in China, be shown glasses by the factory, determine that they could sell them, ask the factory to put the DG Marks on them, and then order and sell them. (Opp. p. 11.)

What is not consistent is for factories to show Jay-Y or send samples to Jay-Y of previously-sold models. With regard to those previously-sold models, Ms. Chen clearly explained:

- Q. If sometime during the year Jay-Y needed to order more product to ship to customers, how would Jay-Y communicate to the factory that it needed to order product?
- A. I just write a fax, and I fax it to them.
- Q. And what would be on that fax?
- A. I would tell them which model number I wanted to order and tell them the quantity that I would like to order, and then also in this dozen, what kind of colors I would want.

(T. Chen Depo. 236:11-20.) There thus was a clear distinction between products that were new to Jay-Y (models "I think I could sell") and models that previously had been sold.

In short, there is no evidence that Jay-Y put the DG Marks on models it previously had sold, and in fact the evidence is to the contrary. As a result, the Board's conclusion that it could not tell whether the DG Marks appeared on the specific models of glasses in evidence was erroneous, and should be reconsidered.

E. Gado's Remaining "Inconsistencies" Do Not Impact The Clear Conclusion To Be Drawn From Jay-Y's Evidence

Gado spends much of its opposition stringing together "inconsistencies" in an effort to justify ignoring the completely consistent, and objective, evidence of first use. For example, in its discussion of Jay-Y's use of catalogs, it launches into a tangent regarding language used in Jay-Y's motion that described why Jay-Y does not have widespread advertising (Motion, p. 7) and why Jay-Y needed unique model numbers (Motion, p. 10). (See Opp. p. 12.) Of course, both sections of Jay-Y's brief relate to the fact that Jay-Y sells either directly at trade shows, through samples sent to customers, or by telephone, and are entirely consistent.

Similarly, while Gado asserts that Jay-Y's argument that its catalogs are mainly used by repeat customers who did not need to see the logos on glasses should be rejected because "there is no evidence that Jay-Y only provided catalogs to existing customers" (Opp. p. 12), the plain testimony of Ms. Chen was that

"every year at the beginning of the year, any of the customers who had purchased from us, we would mail a catalog to them. Meaning, if these customers were in our computer system, then we'd mail them each a catalog, and then the rest would be picked up when they attended shows."

(T. Chen Depo. 220:4-9.) Thus, consistent with Jay-Y's position, catalogs were *not* used as advertising vehicles but rather as reference documents for customers who either had already purchased glasses from Jay-Y or saw glasses at a trade show.

Likewise, Gado takes issue with the fact that Mr. Chen, who graduated from high school in 1997, and did not start working full-time at Jay-Y until 1998, "had no recollection of the sale of [DG-branded] sunglasses prior to 1998 or 1999." (Opp. p. 9 (citing 3/23/2011 W. Chen Depo. 9:14-18).) Gado ignores Mr. Chen's testimony that, after high school, he attended community college in "either '98 or '99. I can't be sure." (Id. at 63:19-25.) Thus, putting the testimony in

proper context, Mr. Chen remembered Jay-Y using the DG Marks when he started working at Jay-Y. This testimony is entirely consistent with the responses he provided to interrogatories—Ward Chen provided the verification of the interrogatories, not Teresa Chen (Notice Of Reliance, Exh. 77, p. 20)—and merely illustrates the error that is inherent in every case involving proof of use prior to an asserted date of first use.

Finally, Gado states that it was “not credible as to why Jay-Y did not claim use earlier than 1999 in its application.” (Opp. p. 7.) While Jay-Y is not aware of a case that required that the applicant’s explanation for including the incorrect date of first use be “credible,” Ms. Chen’s testimony on the subject reveals that she plainly did not understand the legal niceties related to a claimed date of first use, or even what the “first use” of a mark means:

Q. Who prepared the actual applications that were filed with the Federal government to register the DG marks?

A. The attorney.

Q. Do you recall whether you were ever asked to include information in those applications regarding the date Jay-Y first used the DG marks?

A. Yes.

Q. ...Do you remember what date of first use of the DG marks that you included in the applications to register the DG marks?

* * *

A. Okay, 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. 38:3-23.) This is an entirely credible explanation, and illustrates the fact that Jay-Y was using “DG” on its glasses *before* it started using “DG” on the hang tags that include

UPC codes. While a sophisticated trademark owner might realize the significance of a pleaded date of first use, Jay-Y did not. That lack of sophistication does not warrant a rejection of its objective, uncontroverted, evidence.

In short, Gado is quibbling with Mr. Chen's memory and Ms. Chen's lack of understanding when the actual objective evidence demonstrates that Jay-Y used the DG Marks as early as 1993. The Board should reconsider this portion of its Opinion, and find that Jay-Y is entitled to a date of first use of December, 1993, for the DG Marks.

III. GADO'S OPPOSITION ILLUSTRATES WHY THE BOARD'S CONCLUSION REGARDING FAME WAS ERRONEOUS

Gado boldly asserts that *all* of its marks were famous prior to 1999. (Opp. p. 4.) The evidence relied upon by Gado, and the Board in its Opinion, simply does not support that conclusion.

First, Gado ignores the evidence that *it* considers each of its marks to be separate and apart from each other. (Motion, pp. 18-19.) The reason for this is obvious: The evidence of record clearly demonstrates that the DOLCE & GABBANA mark, D&G DOLCE & GABBANA and D&G were used separately from each other and had a "life of its own." (Forte Depo. 20:6-16 ("Dolce & Gabbana is used on the Premier collection" while "D&G ... has a life of its own".) When viewed in the context of the Board's jurisprudence relating to fame, it is clear that none of Gado's marks was famous in 1999. And certainly not in 1993, the proper date of Jay-Y's first use of its DG Marks.

With regard to DOLCE & GABBANA, Gado asserts that 7-11% of Gado's 1994 worldwide sales of €36 million came from the United States. (Opp. pp. 14-15.) That assertion is based solely on the testimony of Mr. Vannucchi. (Vannucchi Depo. 51:23-52:5 (describing the range as a "ballpark estimate").) That range, however, is directly contradicted by Exhibits B and

C to his deposition. Even if one ignores the contradiction, Gado's evidence shows that it had sales of only €2.5-4 million in the United States in 1994, which increased to about €9 million in 1999. In 1999, the exchange rate between the Euro and the dollar was approximately even.³ As a result, Gado's claim of fame in 1999 is based on sales of only US\$9 million. No matter how one slices that figure or tries to put it in context, Gado cannot cite to a single decision where the Board found a mark famous based on revenue of US\$9 million (in 1999 dollars).

Gado attempts to deflect the deficiencies in its evidence of fame by mischaracterizing the holding in *Bose Corp. v. QSC Audio Products Inc.*, 63 USPQ2d 1303 (Fed. Cir. 2002). Specifically, Gado cites *Bose* for the proposition that contextual evidence is permissible to “‘buttress’ or ‘bolster’ a claim of fame.” (Opp., p. 14.) The court in *Bose*, however, espouses the *need* for contextual evidence in establishing the fame of a mark. *Bose*, 63 USPQ2d at 1309 (“Raw numbers of product sales and advertising expenses may have sufficed in the past to prove fame of a mark, but raw numbers alone in today’s world may be misleading”). Indeed, the Federal Circuit focused its analysis in *Bose* on the method by which a claimant may establish context, namely by (1) evidence of a large market share of the marked product, or (2) evidence of general reputation and/or critical assessment of the marked product. Gado did not present evidence of either.

Here, Gado claims that it “provided precisely” the “context for its advertising expenses by the testimony of Paolo Vannucchi and Gabriella Forte. (Opp. p. 13.) When that testimony is actually examined, however, it reveals that Mr. Vannucchi simply authenticated advertising figures for 2001/2001 (Vannucchi Depo. 105:18-106:24) while Ms. Forte simply said that Gado

³ While Gado failed to present any evidence of these figures in U.S. dollars, a review of the historical exchange rate for the Euro reveals that, as of December 31, 1999, it was worth 1.0070 dollars. (See www.oanda.com/currency/historical-rates/ (last visited December 3, 2013).

had about the same number of ad pages in “key books,” namely “Vanity Fair, Vogue and W,” as Giorgio Armani, Prada and Gucci (Forte Depo. 122:6-123:24). Nowhere is there a comparison of actual advertising spend, just the number of pages of ads in three magazines. In addition, comparing advertising assumes that the brands Giorgio Armani, Prada and Gucci are famous, or were famous in 1999 or 1993, but Gado has not presented any evidence to establish the market share and/or fame of the other brands. In other words, the fact that Gado had roughly the same number of pages of ads in three magazines as some of its competitors does not lead to the conclusion that its mark, or theirs, is famous.⁴

Gado provided no context at all for its meager sales figures.

Likewise, Gado did not present sufficient evidence of general reputation and/or critical assessment of any of its marks to provide a context for its advertising and sales figures. In *Bose*, the Federal Circuit found that Bose had sufficiently demonstrated the general reputation and critical assessment of its marked products through the submission of extensive product reviews in the popular daily press in major cities and a wide variety of magazines distributed nationwide, editorial references to prestigious awards, and countless direct mail advertisements which referenced such recognition. *Bose*, 63 USPQ2d at 1307. In contrast, Gado bases its claim of general reputation on a handful of advertisements that “prominently” feature the DOLCE & GABBANA mark and a few celebrities who were photographed wearing DOLCE & GABBANA merchandise, wherein at least some cases, Gado’s mark may not have been visible to the viewer.

⁴ In fact, this argument illustrates Gado’s underlying approach to this proceeding: Its marks must be well-known because Gado thinks they are well-known. While Gado makes much of the fact that its customers constitute the “fashion elite” and thus “one percent of the fashion customer,” (Opp. p. 14 n.6), that may mean that its marks are only *known* by one percent of the “fashion customer.”

With regard to D&G DOLCE & GABBANA, simply points to sales in 1999 of €7 million (US\$7 million). (Opp. p. 15.)

Finally, Gado's argument that the high prices for its goods—\$1,400 for a pair of pants and \$1,000 for a pair of sunglasses—excuses its meager sales figures ignores the teaching of *Bose*. The *Bose* example of ROLLS-ROYCE being a famous mark, notwithstanding its assumed relatively small sales, was based, presumably but *sub silencio*, on the ROLLS-ROYCE mark's "long use and significant unsolicited publicity." See *Saab-Scania Aktiebolag v. Sparkomatic Corp.*, 26 USPQ2d 1709, 1713 (TTAB 1993) (Hanak, dissenting) ("it is possible, of course, for trademarks used on low volume products to become famous through, for example, long use and significant unsolicited publicity")(citing *Rolls-Royce Motors Ltd. v. Custom Cloud Motors, Inc.*, 190 USPQ 80 (S.D.N.Y. 1976) and *Rolls-Royce Motors Ltd. v. A & A Fiberglass, Inc.*, 428 F.Supp. 689, 193 USPQ 35, 45 (N.D. Ga. 1976)).

Here, there is neither evidence of long use nor significant unsolicited publicity, and certainly not in the realm one would expect for a ROLLS-ROYCE type mark. Quite simply, the "totality of the evidence" does not support the Board's finding that any of Gado's marks were famous in 1999, let alone in 1993 when Jay-Y first used its DG Marks.

IV. THE BOARD ERRED WHEN IT CONCLUDED THAT JAY-Y'S DG MARKS ARE CONFUSINGLY SIMILAR TO "DOLCE & GABBANA"

As discussed above and in the moving papers, the evidence clearly establishes that Jay-Y commenced use of its DG Marks in 1993. According to the evidence presented by Gado, in 1993, Gado had not had any sales whatsoever in the United States, under any of its marks. (Vannucchi Depo. Exhs. B and C.) It had not yet adopted any of its other asserted marks, namely D&G DOLCE & GABBANA, D&G and DG. And it had only advertised in "high fashion" magazines in the United States for four years.

While Gado attempts to distinguish the holding in *In re Franklin County Historical Society*, 104 USPQ2d 1085 (TTAB 2012), in light of the fact that DOLCE & GABBANA was virtually unknown when Jay-Y adopted its DG Marks it the teaching of *Franklin* applies equally here. “DG” simply is “too different in commercial impression” from “DOLCE & GABBANA” for consumers who, by Gado’s own admission, were never exposed to the latter mark⁵ to cause confusion.

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.

⁵ Gado takes pride in the fact that its target consumers are “wealthy, upper middle income class...fashion elite customer[s]” which is why it advertises in only the “key books.” (Opp. p. 14 n.6.) Gado cannot have it both ways. It cannot claim to be famous among the narrow niche of “fashion elites” while at the same time claim that individuals buying low priced sunglasses would be confused into associating “DG” with “DOLCE & GABBANA” prior to Gado having any sales of product in the United States and even though the mark had only been advertised in a few, high-end, magazines.

V. **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: December 4, 2013

s/ Kenneth L. Wilton

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CERTIFICATE OF SERVICE

I hereby certify that on December 4, 2013, I served the foregoing JAY-Y ENTERPRISE CO., INC.'S REPLY IN SUPPORT OF ITS 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/ Eva Salazar

Eva Salazar