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

Proceeding	91239222
Party	Plaintiff Sterling Jewelers Inc.
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Date	07/15/2019
Attachments	Testimony Declaration of Bill Luth - REDACTED - PUBLIC.pdf(138836 bytes)

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

Sterling Jewelers Inc., Opposer, v. Tat Lee, Applicant.	Opposition No.: 91239222 Mark: TITANIUM KAY Serial No.: 87435559
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DECLARATION OF BILL LUTH

I, Bill Luth, make the following Declaration under penalty of perjury and pursuant to 37 C.F.R. § 2.20:

1. I am the Executive Vice President of Global Store Operations at Sterling Jewelers Inc. (“Sterling”). I have worked at Sterling in various capacities for over twenty (20) years and have responsibility for the goods and services sold and advertised under the KAY Marks as defined in Sterling’s Notice of Opposition. In that capacity, I am familiar with Sterling’s policies and practices regarding its business and its trademarks. I am additionally familiar with the facts of this case and am competent and authorized to make this Declaration on behalf of the Opposer. The facts set forth below are known to me personally or based upon my review of records kept by Sterling in the ordinary course of business.

STERLING JEWELERS INC.: BACKGROUND

2. Sterling is the largest specialty jewelry retailer in the United States. Under the KAY brand, Sterling operates over 1200 store locations in all fifty states, as well as its websites www.kay.com and www.kayoutlet.com.

3. Sterling has used KAY and KAY-formative marks in connection with jewelry and the marketing and sale of jewelry in the United States for over a century. Sterling has continuously used the KAY Mark in interstate commerce in the United States and in commerce between the United States and foreign countries in connection with a wide variety of jewelry- and gift-related goods and services.

4. Sterling has expended significant money and effort in promoting the KAY Marks to the public through its marketing and advertising efforts and its partnerships. In connection with this Opposition, I reviewed several articles that reflect Sterling's investment in promoting the KAY Marks and associated goods and services, and I can confirm that they accurately represent Sterling's efforts. Please see the true and correct PDF printouts of these internet articles submitted with Opposer's Notice of Reliance ("Opp. NoR") as **Exhibits 22-25, 30-33**. Please also see a PowerPoint presentation showing examples of public recognition of the KAY Marks prepared by Sterling's business team submitted with Opp. NoR as **Exhibit 36**.

5. Sterling's advertising campaign using the tagline EVERY KISS BEGINS WITH KAY, which was launched in 1985, has been particularly successful, boasting a 98% brand awareness rate. The tagline has received substantial unsolicited press attention. In connection with this Opposition, I reviewed several internet articles that discuss Sterling's famous EVERY KISS BEGINS WITH KAY tagline. Please see the true and correct PDF printouts of these internet articles submitted with Opp. NoR as **Exhibits 22, 26-29**.

6. Sterling uses the KAY mark on several point-of-sale materials, including but not limited to receipts, jewelry and gift card boxes, business cards, product care and warranty pamphlets, and product packaging. Please see the true and correct examples of these materials submitted with Opp. NoR as **Exhibits 16-18, 37-44**.

7. Sterling and its KAY brand are considered to be a “major player” in the jewelry industry. Sterling’s KAY brand has significant market share in the specialty jewelry marketplace and indeed is often used by third parties as a barometer for the both the health of the jewelry industry and general U.S. consumer economic status. In connection with this Opposition, I reviewed examples of unsolicited media coverage that discuss the KAY brand’s status as a “major player” in the jewelry industry and its place at the “top of mind” for the American consumer, and I confirm that they accurately represent Sterling’s KAY brand’s marketplace status. Please see true and correct PDF printouts of these examples submitted with Opp. NoR as **Exhibits 30-33, 54.**

8. Sterling’s KAY brand has won several awards due to the quality of its products and its strong reputation with consumers. Recently, Sterling’s KAY brand was voted the Most Recommended Jewelry Retailer by the Women’s Choice Awards. Please see the true and correct PDF printout of the Women’s Choice Award webpage submitted with Opp. NoR as **Exhibit 45.**

9. As part of its efforts to market and promote its goods and services Sterling maintains several social media accounts, including but not limited to Facebook (<https://www.facebook.com/KayJewelers/>, currently approximately 1,620,285 followers), Instagram (<https://www.instagram.com/kayjewelers/?hl=en>, currently approximately 128,000 followers), and Twitter (<https://twitter.com/KayJewelers/>, currently 44,800 followers). Please see the true and correct PDF printouts of Sterling’s social media homepages submitted with Opp. NoR as **Exhibits 19-21** (showing followers as of the specified date).

10. [REDACTED]

[REDACTED] The KAY website has a U.S. Alexa Rank of 7,878. Please see the true and correct screenshot taken on July 9, 2019 from

the Alexa.com website submitted with Opp. NoR as **Exhibit 47**. Please also see the table below showing <www.kay.com> website visits per day and per month during the past year.

[Chart Redacted]

11. I am familiar with Sterling's annual 10-K filings with the Securities and Exchange Commission and know them to be accurate. Please see the true and correct PDF printout of Sterling's 2018 10-K report submitted with Opp. NoR as **Exhibit 35**.

12. Below I have included a chart that accurately represents the quantity of items sold and total revenues for the KAY brand from 2007-2019, which was produced in this proceeding as Bates No. STERLING000104. [REDACTED]

[REDACTED]

[Chart Redacted]

13. Below I have included a chart that accurately represents the marketing and advertising expenditures under the KAY brand from 2001 - 2019, which was produced in this proceeding as Bates No. STERLING000374.

[Chart Redacted]

14. As a result of years of extensive advertising and investment, and resulting consumer recognition, the KAY Marks and the goodwill associated with them are among Sterling's most important business assets.

STERLING'S GOODS AND SERVICES

15. Sterling's KAY products and services are sold and advertised nationally and internationally through KAY-branded brick and mortar stores and through the Internet, and are marketed to and used by consumers of specialty jewelry.

16. Sterling's KAY brand is well-known for its selection of quality engagement and wedding rings. Sterling frequently promotes its wedding-related rings and other products under the KAY brand in connection with holidays throughout the year. For example, most recently, the kay.com website featured a July 4th sale for all engagement and wedding rings. Please see the true and correct PDF printout of the KAY homepage and other examples of wedding-related marketing and sales under the KAY brand submitted with Opp. NoR as **Exhibits 8-10, 12, 23, 46.**

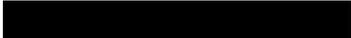
17. Sterling's KAY products are made of different kinds of metals, including gold, silver, titanium, platinum, tungsten, cobalt, and stainless steel. Please see true and correct PDF printouts of Sterling's website submitted with Opp. NoR as **Exhibits 7-10, 12.**

18. Sterling has sold jewelry products made from titanium under its KAY brand since at least as early as 1999. For an example of a 2002 advertisement for titanium products under the KAY brand and a WayBack Machine screenshot showing availability of KAY titanium products in 2005, please see true and correct copies of documents submitted with Opp. NoR as **Exhibits 17 & 34.** These examples are consistent with my personal recollection of Sterling's offerings of KAY titanium products dating back to the early-to-mid-2000s.

19. Sterling offers a wide variety of titanium jewelry products under its KAY brand, including rings, necklaces, cufflinks, bracelets, and watches. Please see true and correct PDF printouts of the KAY website submitted with Opp. NoR as **Exhibit 5**.

20. These titanium products have been highlighted to consumers in several articles on the kay.com website and in advertising under the KAY brand. Please see true and correct PDF printouts of the KAY website submitted with Opp. NoR as **Exhibits 6-18**.

21. In particular, many titanium products under the KAY brand are wedding rings or may otherwise be used as wedding gifts, such as cufflinks or watches. These products generally are sold to the public at a cost between approximately \$50 to \$180. Please see true and correct PDF printouts of the KAY website submitted with Opp. NoR as **Exhibit 5**.

22. Sterling's marketing and advertising efforts for its titanium jewelry products under its KAY brand have resulted in significant sales. Please see the chart below showing true and accurate unit sales and revenues for KAY-branded titanium products from 2007-2019, which was produced in this proceeding as Bates No. STERLING000104. 









[Chart Redacted]

KAY MARKS

23. The KAY mark has been used by Sterling since the opening of its first store in Reading, Pennsylvania in 1916. KAY is an arbitrary term for jewelry and accordingly any association by the public between the KAY Marks and jewelry-related goods and services, or

any of Sterling's other goods and services, has been created by Sterling's significant investment in its KAY Marks and its business over the last 100 years.

24. Submitted with Opp. NoR as **Exhibits 1-4** are true and correct copies of each of the Registrations and TSDR Printouts for Sterling's KAY Marks, the first of which was registered in 1963 (the "Sterling Registrations").

25. The Sterling Registrations submitted with Opp. NoR as **Exhibits 1-4** are valid and subsisting, and now incontestable pursuant to 15 U.S.C. §§ 1065 and 1115(b).

26. The Sterling Registrations create a legal presumption of Sterling's ownership of the KAY Marks nationwide, and the exclusive right to use the KAY Marks on or in connection with the goods and/or services listed in the registrations.

27. The Sterling Registrations for the KAY Marks are not limited with respect to channels of trade, classes of consumers, or other matters.

28. The Sterling Registrations demonstrate Sterling's priority in the KAY Marks, because the Sterling Registrations show that Sterling has been using the KAY Marks in U.S. commerce in connection with jewelry and jewelry-related services for at least a century, far prior to Applicant's use and federal application filing of the TITANIUM KAY mark.

29. Due to significant goodwill generated by Sterling's sales and advertising, the KAY Marks have become famous. The fame of Sterling's KAY brand is confirmed by its success over its century of existence, its significant advertising expenditures and sales, extremely high public brand recognition including 98% awareness of the EVERY KISS BEGINS WITH KAY tagline launched in 1985, and volumes of unsolicited third party press coverage referencing popular culture memes, the KAY brand's marketplace position, awards won by the KAY brand,

and KAY brand partnerships. Please see the charts in ¶¶ 10, 12, 13, 22 above, and the true and correct PDF printouts submitted with Opp. NoR as **Exhibits 19-33, 36, 45, 47, 54.**

30. Sterling’s fame and success have prompted attempts by multiple copycats to trade on Sterling’s goodwill in the marketplace. As a result, Sterling maintains a robust policing and enforcement program to identify and challenge infringing marks and domain names across the world.

31. [Redacted]

32. [Redacted]

33. [Redacted]

[Charts Redacted]

34. [REDACTED]

TITANIUM KAY

35. Despite Sterling's general monitoring of the jewelry marketplace, Sterling was not aware of Applicant, the <www.titaniumkay.com> website or business, or Applicant's social media accounts until it received a trademark watch notice dated June 14, 2017 regarding the filing of Applicant's United States Patent and Trademark Application No. 87/435,559 for TITANIUM KAY for "Bracelets; Earrings; Necklaces; Rings; Hoop earrings; Wedding rings" in Class 14. The application for the TITANIUM KAY mark is not limited with respect to channels of trade, classes of consumers, or other matters.

36. We reviewed and evaluated the watch notice at least as early as June 15, 2017. After monitoring the Application for several months, our outside legal counsel sent a letter to Applicant on September 27, 2017 demanding that Applicant withdraw his Application, cancel or transfer his registration for the TITANIUMKAY.COM domain name, and otherwise cease use of the TITANIUM KAY mark. Applicant was unwilling to comply with our demands, and we filed the notice of opposition for the instant proceeding on January 31, 2018.

37. According to the first use date of July 1, 2006 noted in Application No. 87/435,559, as well as Applicant's discovery responses, Applicant selected and filed its TITANIUM KAY mark well after the KAY Marks became famous.

38. In connection with this Opposition, I reviewed the <www.titaniumkay.com> website. It is my understanding that the website is an online retail store for jewelry products. The website is focused on jewelry made from titanium, tungsten, and cobalt. Please see true and

correct PDF printouts of pages from the <www.titaniumkay.com> website submitted with Opp. NoR as **Exhibit 51**.

39. It is my understanding that Applicant also sells its jewelry products on the <www.sears.com>, <www.amazon.com>, and <www.walmart.com> websites. I have reviewed the TITANIUM KAY products on these websites in connection with this Opposition. Please see true and correct PDF printouts of pages from these websites submitted with Opp. NoR as **Exhibit 53**.

40. Listed items under the TITANIUM KAY mark show various price points from approximately \$40 to \$200, which is the same general range under which Sterling sells its titanium products under the KAY mark. Many of Applicant's items cost \$99. See id.

41. The listed items appear to be aimed at consumers of specialty jewelry, and in particular jewelry made from titanium and other metals such as tungsten and cobalt.

42. In connection with this Opposition, I reviewed Applicant's Facebook account at <https://www.facebook.com/TitaniumKay/>. The account has approximately 37675 followers and advertises goods that are for sale on the <www.titaniumkay.com> website. Please see a true and correct PDF printout of the TITANIUM KAY Facebook page submitted with Opp. NoR as **Exhibit 51**.

43. From its webpage and Facebook page, Applicant appears to target in particular consumers of jewelry who are getting engaged or married. Additionally Applicant sells engagement and wedding rings for women on the <www.sears.com> website. Please see true and correct PDF printouts of the TITANIUM KAY website, the Sears website, and Applicant's Facebook page submitted with Opp. NoR as **Exhibits 51 & 53**.

STERLING AND TITANIUM KAY

44. The TITANIUM KAY mark wholly incorporates Sterling's KAY Mark. The TITANIUM portion of the mark directly describes the metal used in the product itself and was disclaimed by the Applicant. Jewelry items generally state the type of metal used in the item (e.g., gold, silver, titanium, etc.), so the inclusion of the metal type would be perceived by consumers as descriptive, not distinctive, and not indicative of any particular seller or source.

45. Moreover, the TITANIUM KAY logo that appears on Applicant's website and Facebook page shows TITANIUM and KAY in different fonts and sizes, which emphasize the KAY portion of the mark. It appears that Applicant intended to use KAY to designate a jewelry store aimed at consumers of specialty jewelry.

46. Sterling and Applicant offer identical goods and services, namely, jewelry-related goods and services, in particular those that are made from titanium, an also cobalt and tungsten. The goods offered under the KAY brand and the TITANIUM KAY brands are offered at identical or overlapping price points.

47. Sterling and Applicant offer these goods and services through identical trade channels, namely, through their websites and social media platforms.

48. Sterling and Applicant have identical consumers, namely users of online retail jewelry stores and consumers of jewelry-related goods, and in particular those made of titanium. Further, both Sterling and Applicant target consumers of jewelry who are getting engaged or married.

49. My understanding is that the TITANIUM KAY business is relatively small and limited to online sales. I have not come across advertising under the TITANIUM KAY brand aside from Applicant's Facebook page, of which I was unaware prior to receiving the watch notice for the TITANIUM KAY application. Google searches of "titanium rings" and "titanium

jewelry” do not bring up the TITANIUM KAY business near the top of the results list. Please see a true and correct PDF printout of Google search results submitted with Opp. NoR as **Exhibit 51**. The <www.titaniumkay.com> website had an Alexa rank in the U.S. of 203,450 as of July 9, 2019. Please see a true and correct screenshot of the <www.alexa.com> website submitted with Opp. NoR as **Exhibit 48**.

50. Given the small size of Applicant’s business, it is not surprising to me that Sterling was unaware of Applicant and his TITANIUM KAY-branded business until Sterling received the watch notice dated June 14, 2017.

51. The distinctive and famous KAY Marks have priority over Applicant’s TITANIUM KAY mark. Accordingly, Sterling is entitled to exclusive use of its KAY Marks in the United States and to enforce those rights against infringement, such as Applicant’s unauthorized use and attempted registration of his TITANIUM KAY mark.

The signatory being warned that willful false statements and the like are punishable by fine or imprisonment, or both, under 18 U.S.C. 1001, and that such willful false statements and the like may jeopardize the validity of the application or submission or any registration resulting therefrom, declares that all statements made of his/her own knowledge are true and all statements made on information and belief are believed to be true. 37 C.F.R. § 2.20.

Date: 7-12-19



Bill Luth
EVP, Global Store Operations
Sterling Jewelers Inc.

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