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**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

GIANNI VERSACE, S.p.A., a Foreign
Corp.

Plaintiff,

v.

MONIR M. AWADA, et al.,

Defendants.

CASE NO. CV03-3254 GPS (RNBx)

**FINDINGS OF FACT AND
CONCLUSIONS OF LAW**

After a Court Trial on the administrative record and closing arguments submitted in writing, the Court rules in favor of Plaintiff GIANNI VERSACE.

The Court bases its decision on the factual and legal conclusions below.

A. FINDINGS OF FACT

1. As stated in the Court’s March 25, 2008 Order [Dkt # 1098], Plaintiff is the owner of valid trademarks at issue in this case.

2. Again, as stated in the Court’s March 25 2008 Order, Defendants, Ana Maria Sandoval and Jose Sandoval, admitted to printing two sets of business cards

1 bearing Plaintiff's trademarks.

2 3. At trial, Plaintiff presented documentary and testimonial evidence in
3 an attempt to demonstrate Defendants printed additional business cards and labels
4 bearing its trademarks.

5 4. Although Plaintiff's presentation of evidence was, at best, unclear, the
6 Court considered the entirety of the record in coming to its present decision.

7 5. After considering all evidence, including the demeanor of all
8 witnesses, the Court finds the Plaintiff failed to demonstrate that Defendants
9 printed and distributed any materials bearing Plaintiff's trademarks, other than the
10 two sets of business cards they admitted to printing. Simply put, Plaintiff failed to
11 prove any of the other alleged materials were "used" in commerce as required to
12 establish a trademark infringement claim.

13 **B. CONCLUSIONS OF LAW**

14 1. As stated in the March 25, 2008 Order, Defendants' printing of two
15 sets of business cards constituted "use" of Plaintiff's marks under 15 U.S.C. §1114
16 and constitutes trademark infringement in violation of the Lanham Act.

17 2. As stated in the March 25, 2008 Order, Defendants' printing of two
18 sets of business cards constituted "unfair competition" in violation of Cal. Bus. &
19 Prof. Code §17200, *et seq.*

20 3. Plaintiff failed to prove that Defendants' conduct was sufficiently
21 connected to any sale of counterfeit goods to constitute "false designation of
22 origin" in violation of 15 U.S.C. §1125(a).

23 4. After reviewing the entirety of the record, the Court finds that
24 Defendants were not "innocent printers" entitled to the defense specified in 15
25 U.S.C. §1114(2).

26 5. Additionally, the Court finds Defendants' affirmative "release"
27 defense to be without merit.

28 6. Under the law of this Circuit, a trademark plaintiff is entitled to

1 statutory damages under 15 U.S.C. §1117(c) where a defendant: (1) intentionally
2 used a counterfeit mark in commerce; (2) knowing the mark was counterfeit; (3) in
3 connection with the sale, offering for sale, or distribution of goods; and (4) its use
4 was likely to confuse or deceive. *Idaho Potato Comm'n v. G&T terminal*
5 *Packaging, Inc.*, 425 F.3d 708, 721 (9th Cir. 2005).

6 7. In this case, Defendant intentionally used unauthorized copies of
7 Plaintiff's trademarks in the printing of two sets of business cards. This use of
8 Plaintiff's trademarks was likely to confuse consumers into believing the
9 purchasers of Defendants' business cards were authorized sellers of Versace
10 products.

11 8. In light of the above, the Court finds Plaintiff is entitled to an award
12 of \$2,000 in statutory damages pursuant to 15 U.S.C. §1117(c).¹

13 9. Although the Court finds Defendants intentionally used counterfeit
14 Versace marks on its business cards, their conduct did not rise to the level of
15 "willful" trademark infringement.

16 ¹ Under 15 U.S.C. § 1117(c), a plaintiff in a trademark action may elect to
17 receive statutory damages instead of actual damages. These damages shall be in
18 the range of \$500 to \$100,000 per counterfeit mark per type of goods or services
19 and up to \$1,000,000 for "willful" violations. 15 U.S.C. § 1117(c). Because
20 Plaintiff was unable to prove Defendants acted "willfully," Plaintiff's actual harm
21 was limited as it was only able to prove Defendants infringed its marks by printing
22 two sets of business cards, and Plaintiff provided no further evidence as to an
23 appropriate amount of statutory damages, the Court finds \$2,000.00 to be an
24 appropriate award.
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1 merchandise which infringes said trademarks and specifically from:

- 2 (A) Imitating, reproducing, copying, imitating or making any
3 unauthorized use of any and all of Plaintiff's trademarks or trade
4 dress;
- 5 (B) Importing, manufacturing, producing, possessing, distributing,
6 circulating, advertising, promoting, displaying, selling, and/or offering
7 for sale, any non-genuine product or print materials bearing any
8 simulation, reproduction, counterfeit, copy, or colorable imitation that
9 are likely to cause consumer confusing with any of Plaintiff's
10 trademarks or any confusingly similar mark, trade name, trade dress,
11 logos, designs or phonetically similar words or symbols;
- 12 (C) Manufacturing, distributing, selling or offering for sale or in
13 connection thereto any unauthorized print and/or promotional
14 materials labels, packaging or contains which picture, reproduce or
15 utilize the likenesses of Plaintiff's trademarks or are likely to cause
16 consumer confusion with any of Plaintiff's trademarks;
- 17 (D) Using any false designation of origin, false description, including
18 words, symbols or any trademark, trade name, trade dress, logo or
19 design tending to falsely describe or represent, or likely to confuse
20 purchasers or members of the public, that any merchandise associated
21 therewith originate from Plaintiff, or that said merchandise has been
22 sponsored, authorized, endorsed, approved, licensed by, associated
23 with, or is in any other way connected or affiliated with Plaintiff;
- 24 (E) Transferring, consigning, selling, shipping or otherwise moving any
25 non-genuine goods of Plaintiff or packaging in Defendants'
26 possession, custody or control bearing a design or mark substantially
27 similar or confusingly similar to any of Plaintiff's trademarks or trade
28 dress;

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- (F) Diluting or infringing Plaintiff's trademarks by damaging Plaintiff's goodwill, reputation or businesses;
- (G) Otherwise unfairly competing with Plaintiff or its subsidiaries or affiliated companies;
- (H) Passing off or selling and products that are not genuine entirely VERSACE products as though they are VERSACE products, including products utilizing VERSACE labels, packaging or containers that have been in any way modified without Plaintiff's written permission;
- (I) Applying to the United States Patent & Trademark Office for registration of any trademark that is a colorable imitation of any or all of Plaintiff's marks or a confusingly similar mark, trade name, trade dress, logo or design;
- (J) Using Plaintiff's trademarks or any such reproduction, counterfeit, copy, or colorable imitation in connection with the manufacture, importation, distribution, advertising, publicity, sale and/or offering for sale, of any other merchandise not referenced in the prior sections of this injunction;
- (K) Instructing, assisting, aiding or abetting any other person or entity in engaging in or performing any of the activities prohibited in the prior section of this injunction.

Dated: 9/8, 2008

By: 
Honorable George P. Schiavelli
United States District Judge