

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

Defendants.

Civil Action No. 09-6925-HB

District Judge Harold Baer, Jr.

2. Among the damages remedies sought, Gucci has requested statutory damages under 15 U.S.C. § 1117(c). (*Id.* at 36.)

3. In discovery, Gucci calculated its statutory damages under § 1117(c) to total the sum of \$176 million. (Kennedy Decl. Exh. 1, Gucci Ans. to Interrog. No. 1.)

4. In its Opinion & Order of June 23, 2010, the Court dismissed Gucci's claims for direct trademark infringement on the ground that the defendants, unlike the Laurette Company, had not used infringing or counterfeit marks in commerce:

Direct liability for trademark infringement requires a valid mark entitled to protection under the Lanham Act, and that the defendant used the mark in commerce in connection with the sale or advertising of goods or services, without the plaintiff's consent. *1-800 Contacts, Inc. v. WhenU.Com, Inc.*, 414 F.3d 400, 406-07 (2d Cir. 2005) (internal quotations and citations omitted). In addition, Plaintiff must show that the Defendant's use of the mark is likely to cause confusion. *Id.* The problem for Gucci is that there is no indication that any of the defendants actually "used that mark in commerce." Knowledge alone of another party's sale of counterfeit or infringing items is insufficient to support direct liability, *see eBay*, 600 F.3d at 03, and there are otherwise no factual allegations that Durango, Woodforest, or Frontline themselves advertised or sold infringing goods.

(Dkt.42, at 15 (emphasis added).)

5. The Court also dismissed Gucci's claims for vicarious liability against the defendants. (*Id.* at 15-16.)

6. The Court held that Gucci's only plausible theory of liability against any of the defendants was its claim for contributory trademark infringement. As to defendant Durango, the Court dismissed all claims except for the claim that Durango had intentionally induced trademark infringement. (*Id.* at 17-18.) As to the defendant Woodforest, the Court dismissed all

claims except for the claim of contributory infringement that Woodforest "supplied services with knowledge or by willfully shutting its eyes to the infringing conduct, while it had sufficient control over the instrumentality used to infringe." (*Id.* at 18.)

Respectfully submitted,

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