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*Attorneys for Plaintiffs Gucci America, Inc.
and Chloé SAS*

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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GUCCI AMERICA, INC. and CHLOÉ SAS,

Plaintiffs,

-against-

LAURETTE COMPANY, INC. and JENNIFER
MARIE MATTCHEM a/k/a JENNIFER MARIE
KIRK a/k/a JENNIFER BESSON d/b/a
THEBAGADDICTION.COM; ABC COMPANIES;
and JOHN DOES,

Defendants.

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08 Civ. 5065

**DECLARATION OF
MICHAEL F. FALSONE**

I, Michael F. Falsone, of full age and under penalty of perjury, declare and state as follows:

1. I am a private investigator employed as an agent of The Stonegate Agency, Inc. ("Stonegate"). Stonegate is retained by counsel for Plaintiffs Gucci America, Inc. ("Gucci") and Chloé SAS ("Chloé") (collectively, "Plaintiffs"). I make this declaration in support of Plaintiffs' application for a temporary restraining order and preliminary injunction against Defendants Laurette Company, Inc. and Jennifer Marie Matichen a/k/a Jennifer Marie Kirk a/k/a Jennifer Besson, doing business as TheBagAddiction.com; ABC Companies; and John Does

(collectively, “Defendants”). The information set forth herein is based upon my personal knowledge, and I could competently testify thereto if called to do so.

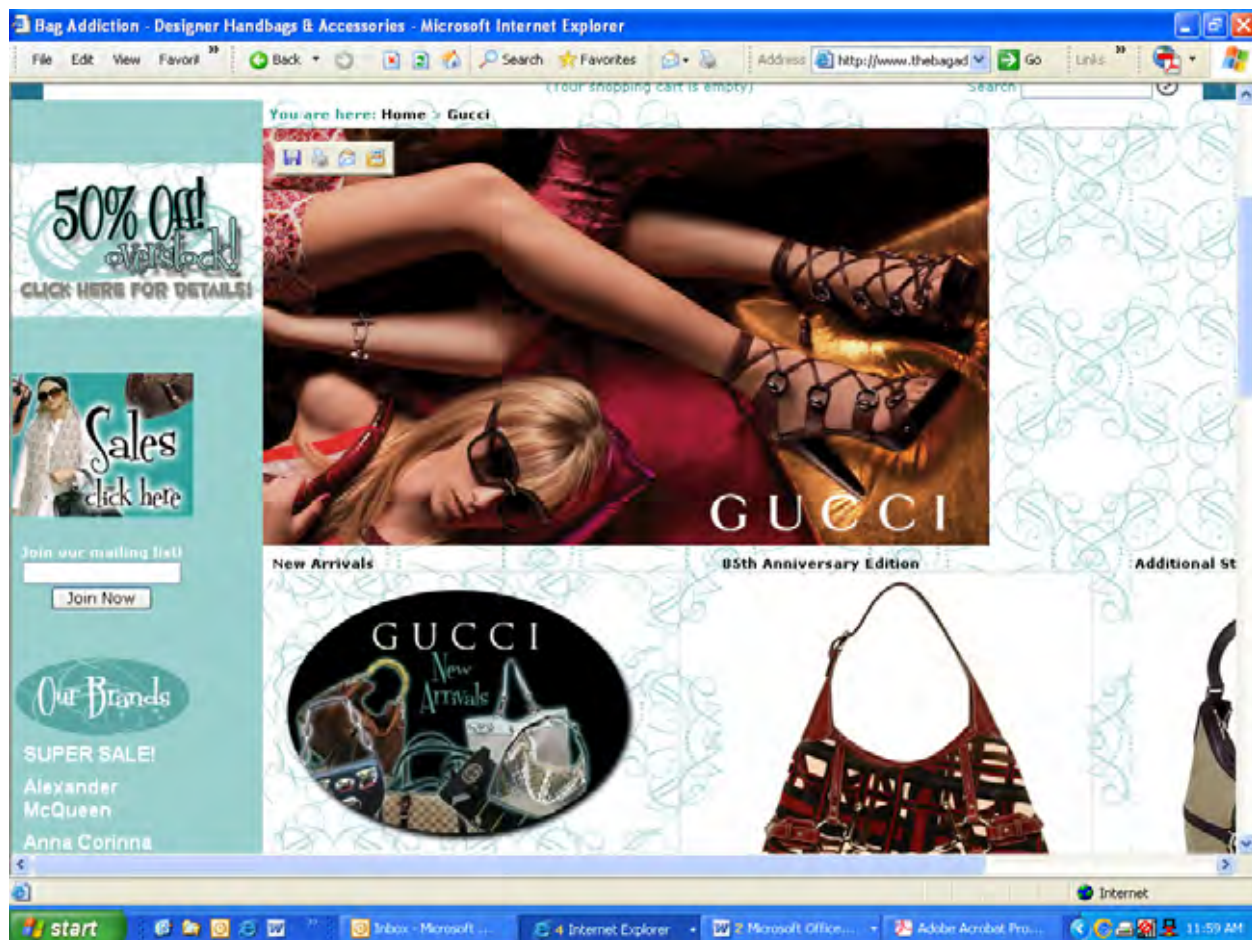
2. In 2007, I was asked to supervise an investigation into sales over the Internet to customers in the United States of various goods that make use of the trademarks of Gucci and Chloé. Stonegate’s investigation looked into websites that seemed to be offering counterfeit versions of Plaintiffs’ products. After these websites were identified, Stonegate purchased items that they offered for sale to make certain that the goods were, in fact, counterfeit. As detailed below and as corroborated by representatives from Gucci and Chloé, this investigation confirmed that the website named as Defendant is, in fact, selling counterfeit products, and that Defendants Laurette Company, Jennifer Marie Mattchen a/k/a Jennifer Marie Kirk a/k/a Jennifer Besson are principally responsible for the activities of these websites and receive the profits of sales of the counterfeit products. Within this declaration, I refer to Defendants’ products as “Counterfeit Products” based on the fact that: (a) Defendants themselves admit that their products are replicas rather than authentic goods, and describe their goods as “exact mirrors and not being sold or represented as original”; and (b) representatives of both Gucci and Chloé have confirmed that the products Stonegate purchased from Defendants are counterfeit.

3. As a part of this investigation, I and other agents of Stonegate under my direction negotiated with agents of the website to see what we could determine about how the website operators conducted their business. In some instances, I sought or otherwise obtained information about these transactions from financial institutions such as credit card companies. I and other agents of Stonegate under my direction also engaged in searches of publicly available data concerning Defendants’ business to try and determine its corporate structure, the principals involved, and the possible sources of its Counterfeit Products. I and other agents of Stonegate

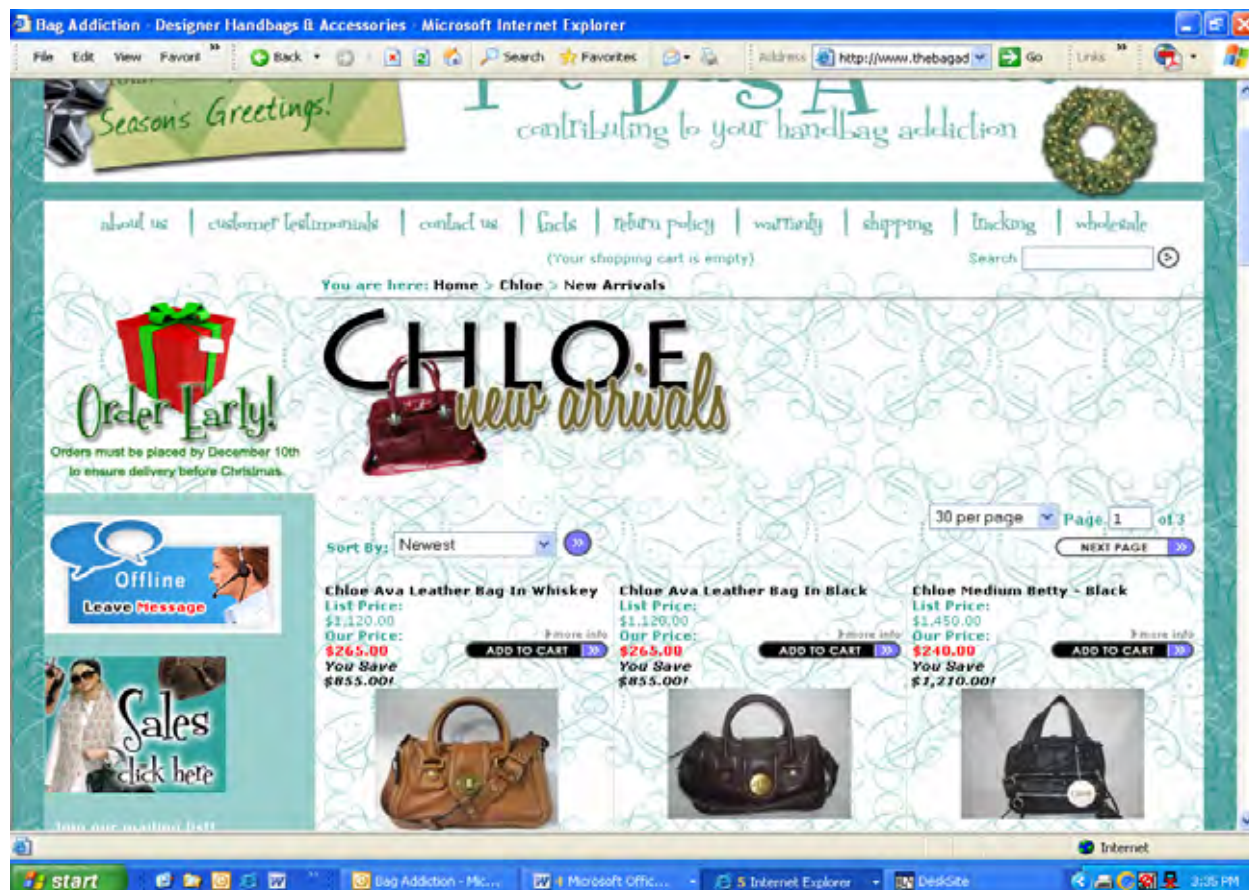
under my direction also observed Defendants' website to be certain that their operations were ongoing, rather than temporary, in nature. I and other agents of Stonegate under my direction sought to determine whether Defendants have any offices, warehouses, inventory, property, or other assets within the United States. Each of these steps was necessary to be certain that the Defendants in this action were engaged in counterfeiting, and to determine the scope of their activities, because counterfeiters often go to great lengths in order to conceal their unlawful conduct.

4. In particular, Stonegate learned that Defendants were marketing and offering for sale Counterfeit Products to the consuming public through the use of the Uniform Resource Locator ("URL") designation <www.TheBagAddiction.com>.

5. For example, shown below is a true and accurate screen shot of Defendants' website at www.TheBagAddiction.com. Defendants' website repeatedly refers to its Counterfeit Products as "Gucci" bags or "New Arrivals."



6. Similarly, shown below is a true and accurate screen shot of Defendants’ website at www.TheBagAddiction.com, making liberal use of the trademark name “Chloe.”



7. Stonegate has also received email advertisements from Defendants for their Counterfeit Products. For example, shown below is a true and accurate image of an email sent from “thebagaddiction@gmail.com” that encourages shoppers to “Check out our Gucci Line!”

From: thebagaddiction@gmail.com
Sent: Wednesday, May 14, 2008 3:32 PM
To: MiaStoraNY@aol.com
Subject: Check out our Gucci Line!

If you do not wish to receive further emails from us, please click here to unsubscribe.



You can't go wrong with Gucci!



If you haven't scooped up a Gucci bag yet
check out our collection

Dear Member,

We have a complete line of Gucci women's handbags from the latest collection. Get the Liza look in handbags for less, with The Bag Addiction



Gucci Messenger

[Order](#)



Gucci 'Abbey' Medium Shoulder Bag

[Order](#)



Gucci 'Bibi' Messenger Bag in Pink/Gold GG Fabric

[Order](#)



Gucci Horsebit

[Order](#)



New Arrivals

[Order](#)



Gucci Hysteria in Mandarine

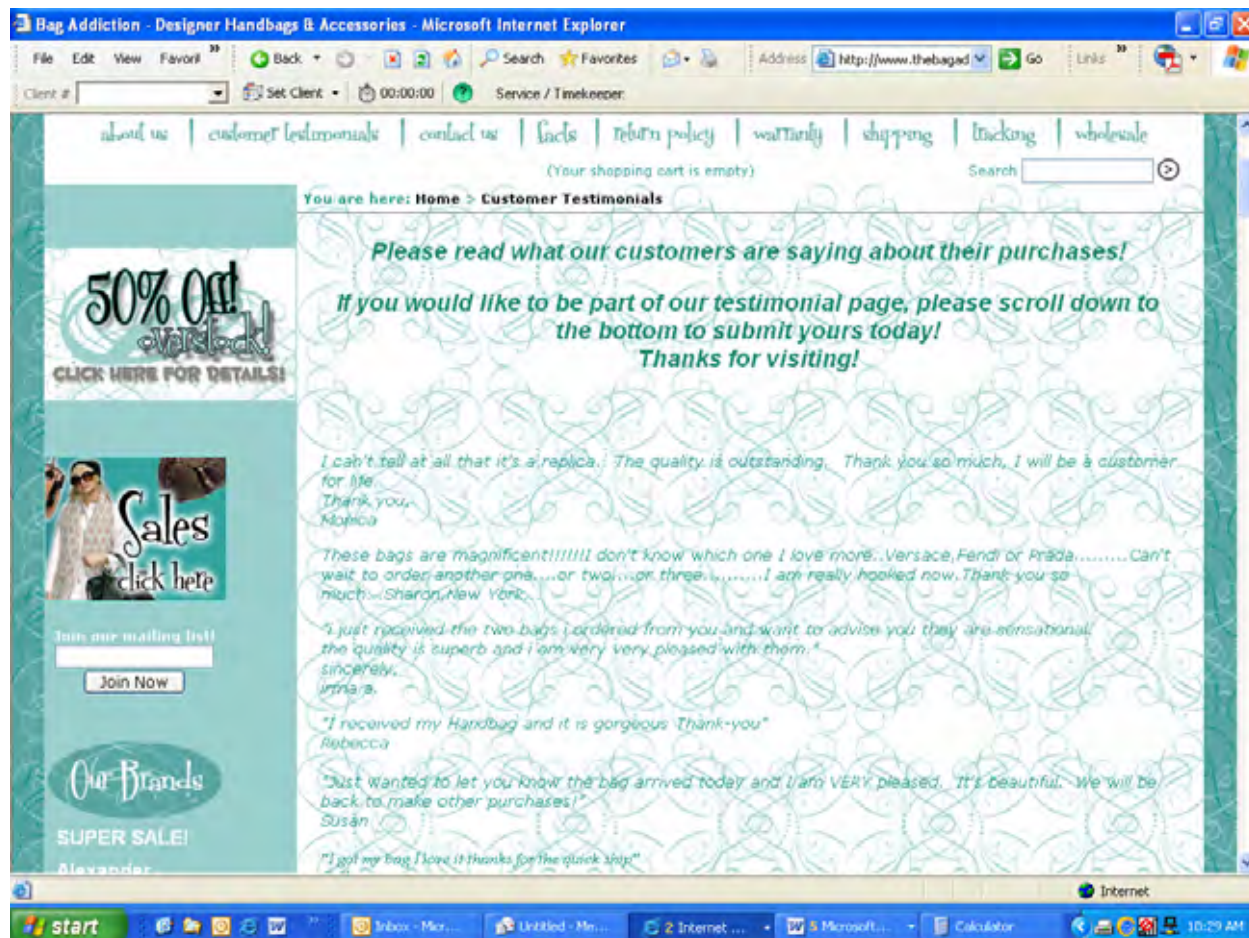
[Order](#)

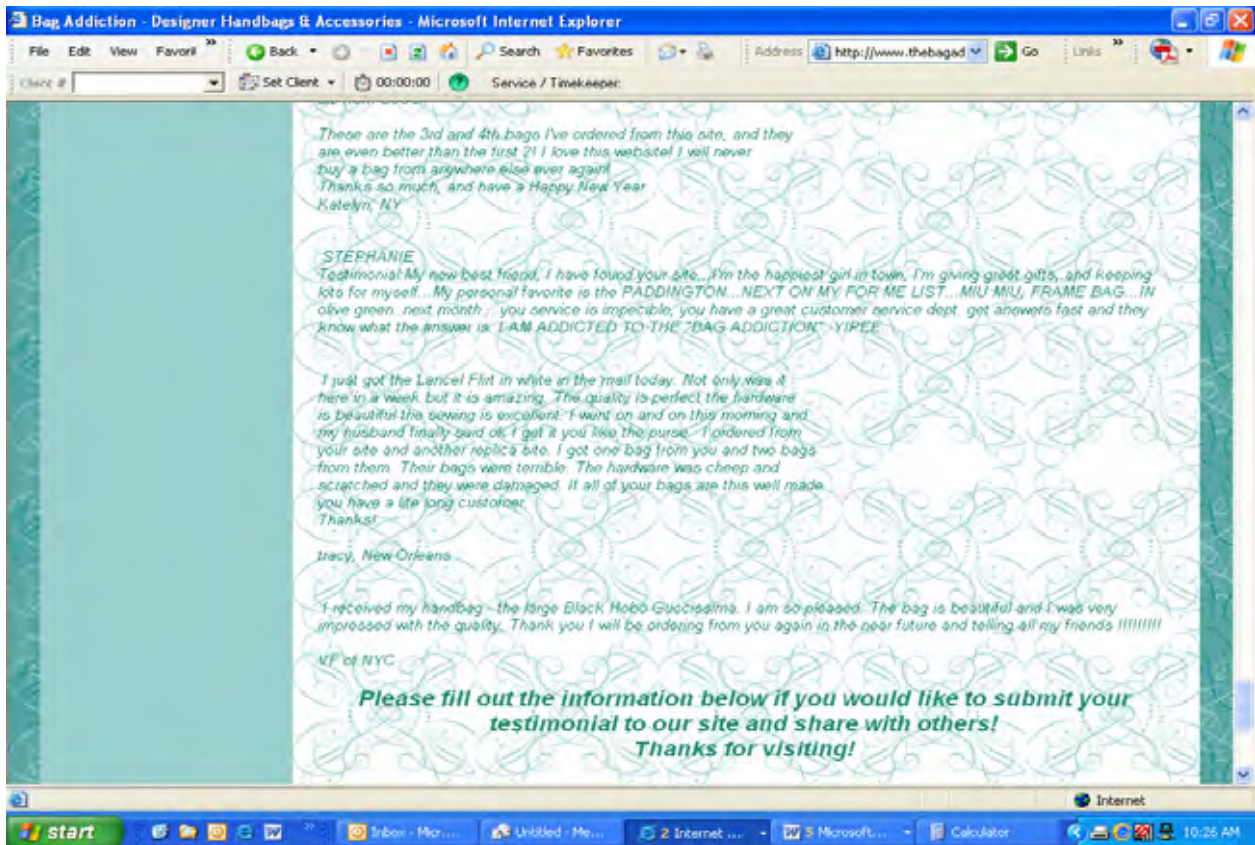
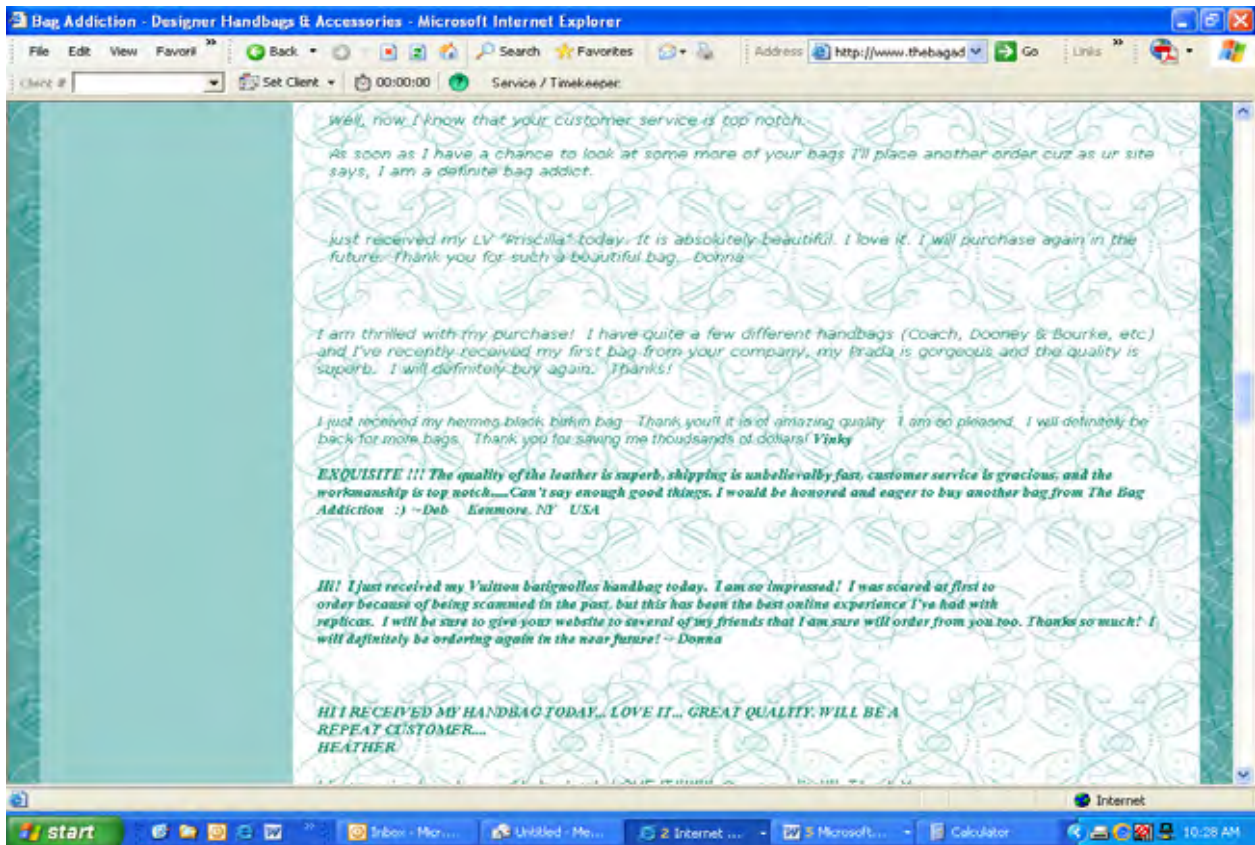
If you do not wish to receive further emails from us, please click here to unsubscribe.

8. Defendants' website admits that their products are not authentic, but rather are "exact mirrors" of Plaintiffs' products. Show below is a true and accurate screen shot of Defendants' website at www.TheBagAddiction.com, providing answers to frequently asked questions of the website.



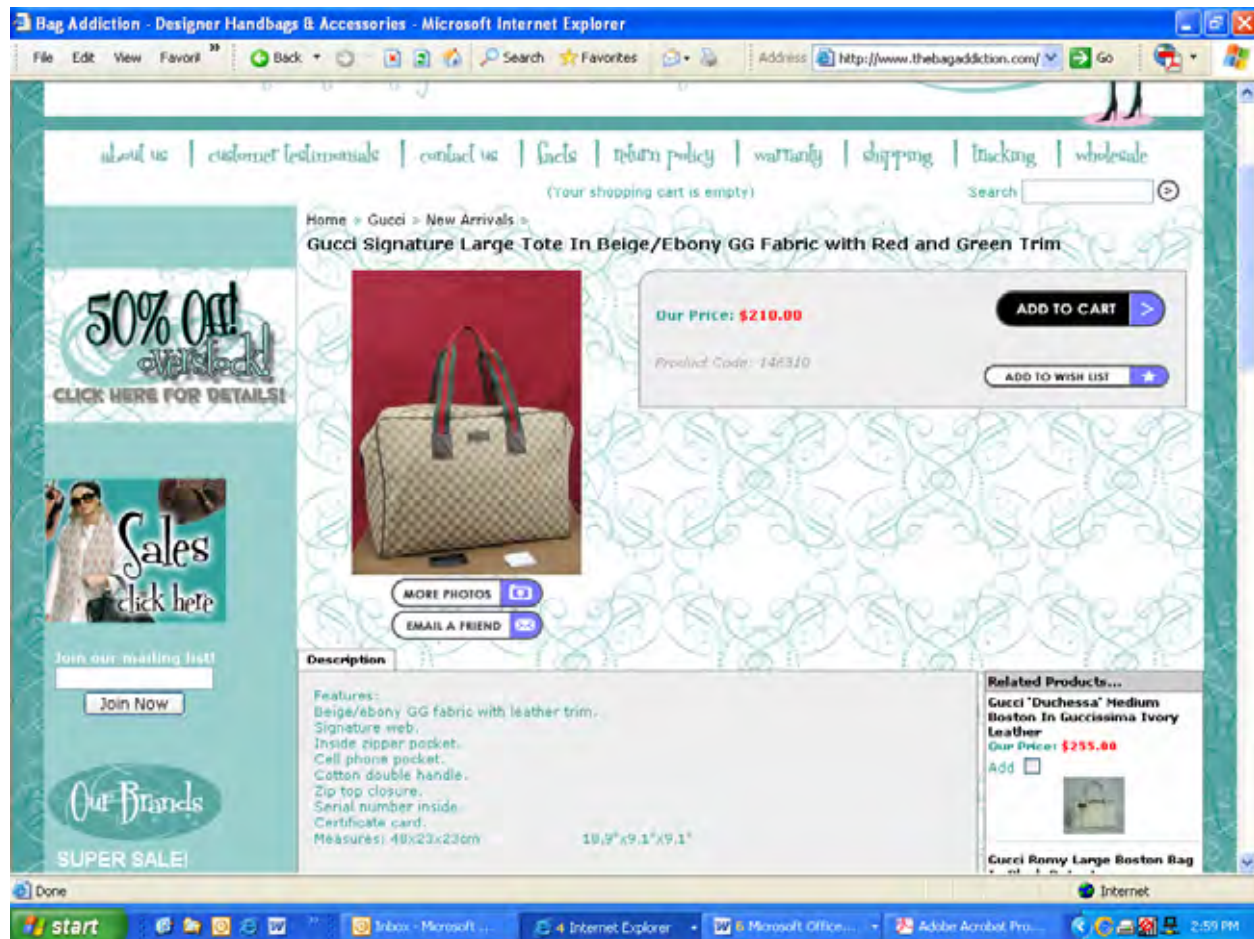
9. Defendants' website sells to customers in New York, as evidenced by the customer comments posted on the website's "customer testimonial" page. Shown below are true and accurate screen shots of Defendants' customer testimonials from Defendants' website at www.TheBagAddiction.com.



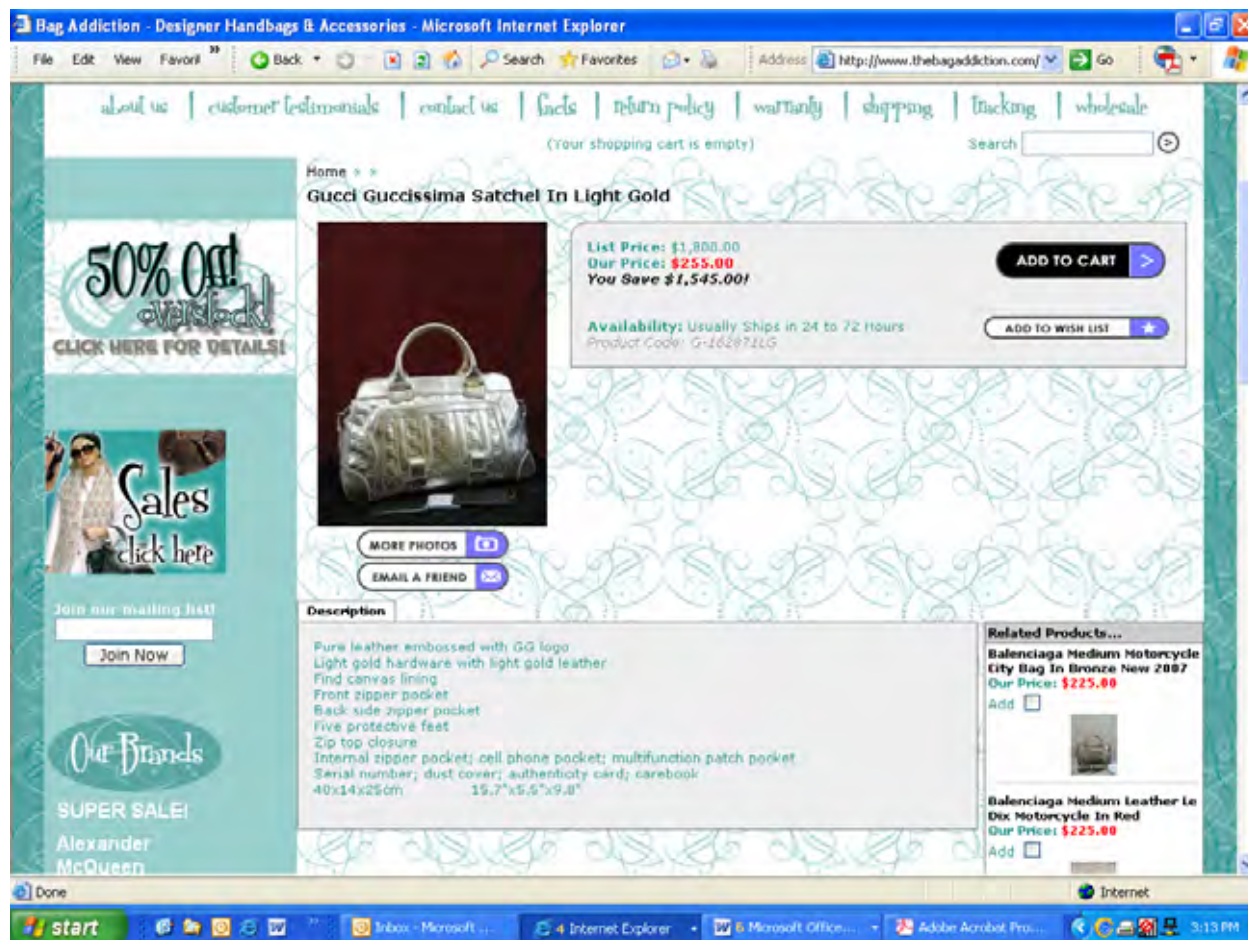


10. Defendants’ website at www.TheBagAddiction.com offers at least 20 different types of Counterfeit Products as “Gucci” handbags: (1) totes; (2) satchels; (3) top handle bags; (4) shoulder bags; (5) hobos; (6) clutches; (7) evening bags; (8) exotic bags; (9) wristlets; (10) belt bags; (11) watches; (12) passport covers; (13) business card holders; (14) belts; (15) women’s wallets; (16) men’s wallets; (17) diaper bags; (18) sunglasses, (19) cosmetic pouches and (20) messenger bags. The categorization for these products is based on Defendants’ own “Product List” on their website www.TheBagAddiction.com. A true and correct copy of Defendants’ “Gucci” products from Defendants’ Product List is attached as Exhibit 1.

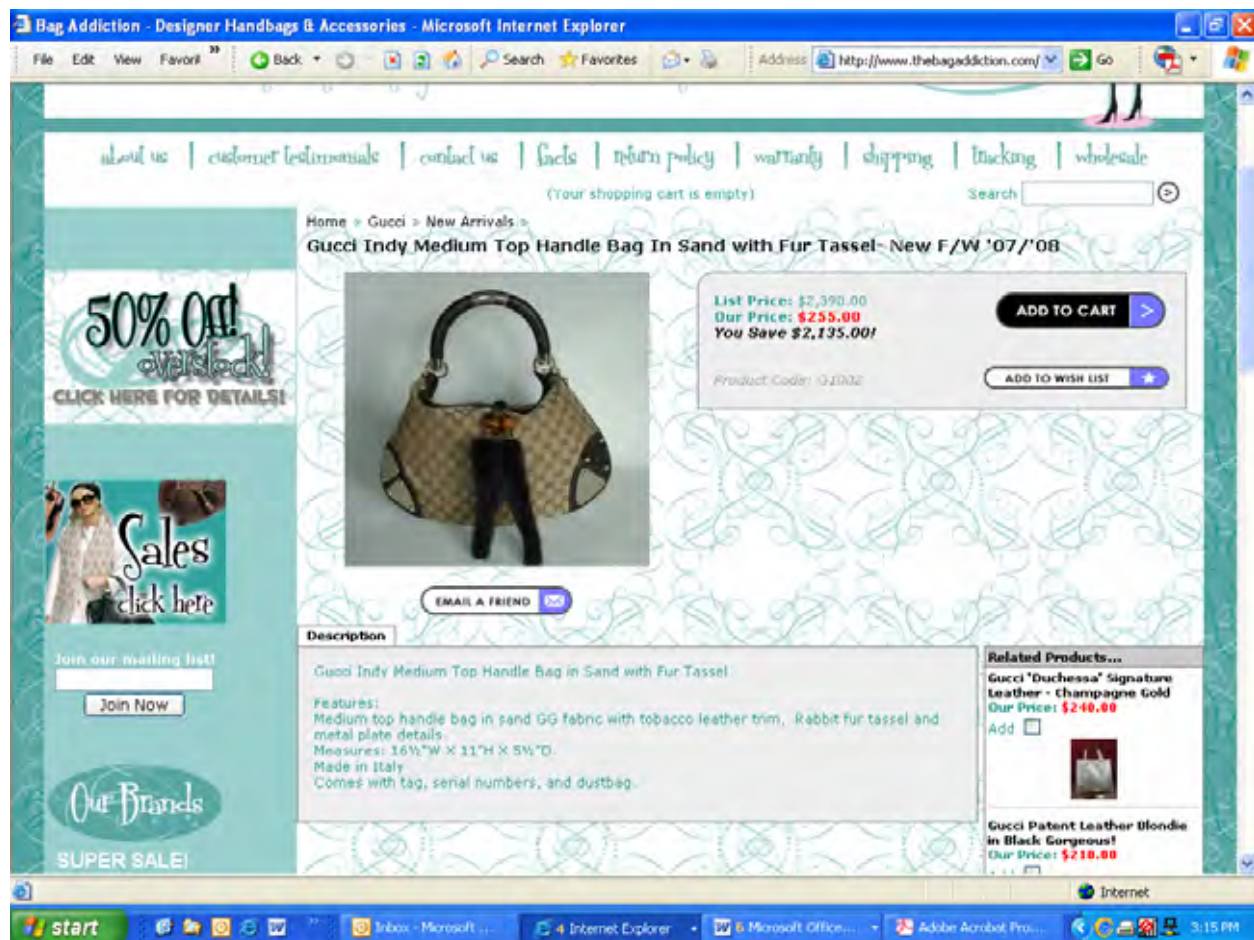
11. Shown below is a true and accurate screen shot of Defendants’ website at www.TheBagAddiction.com, offering for sale a “Gucci” tote.



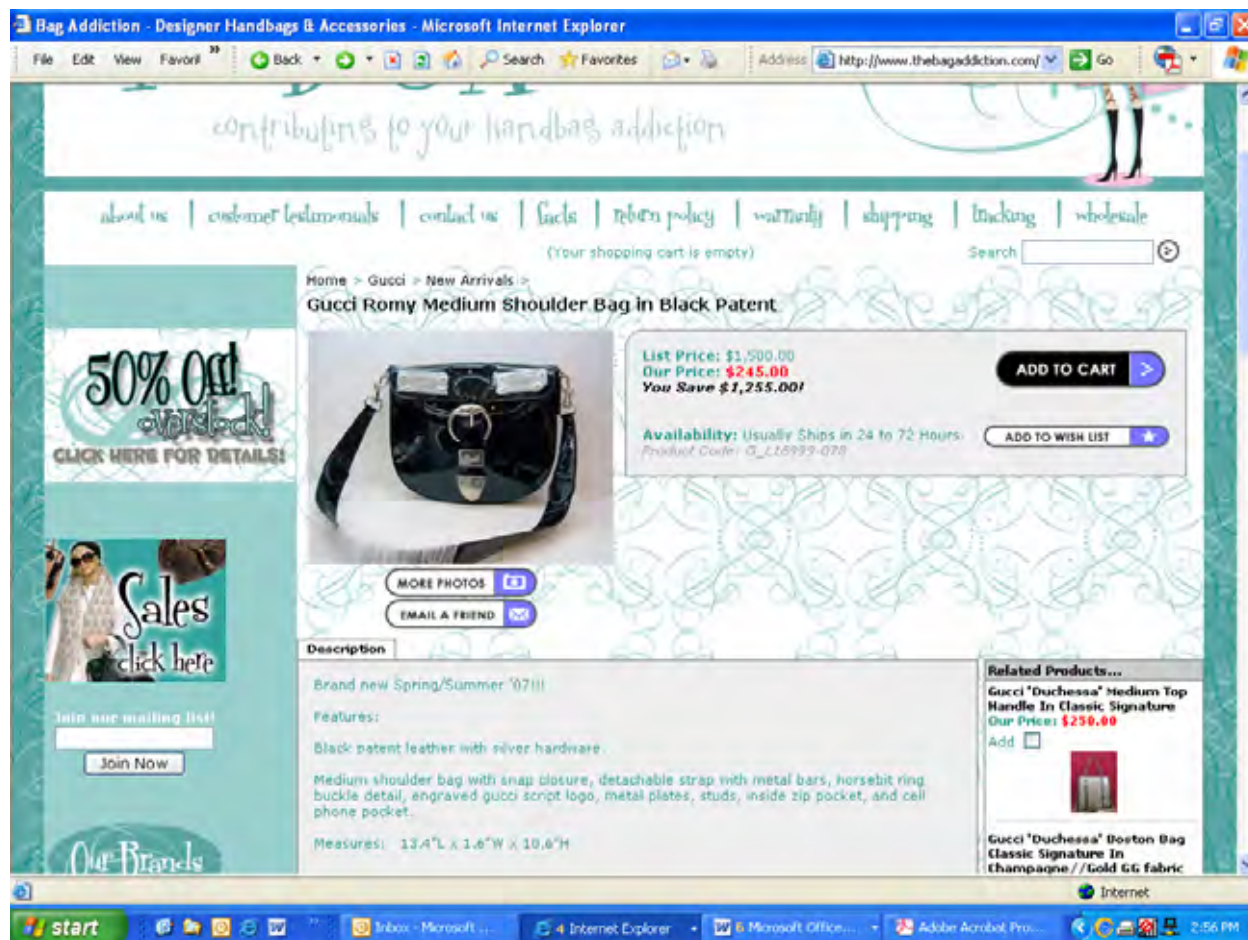
12. Shown below is a true and accurate screen shot of Defendants' website at www.TheBagAddiction.com, offering for sale a "Gucci" satchel.



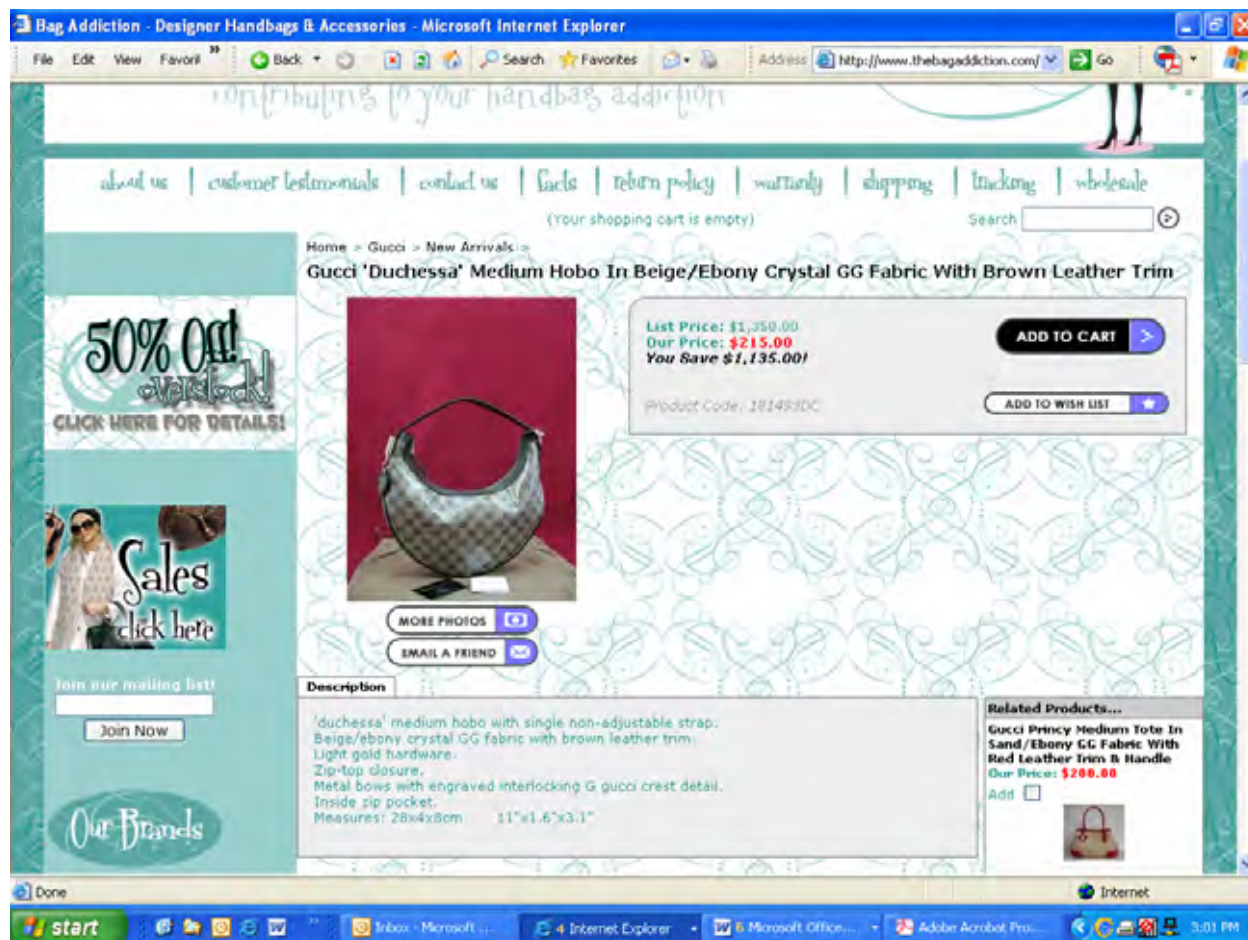
13. Shown below is a true and accurate screen shot of Defendants' website at www.TheBagAddiction.com, offering for sale a "Gucci" top handle bag.



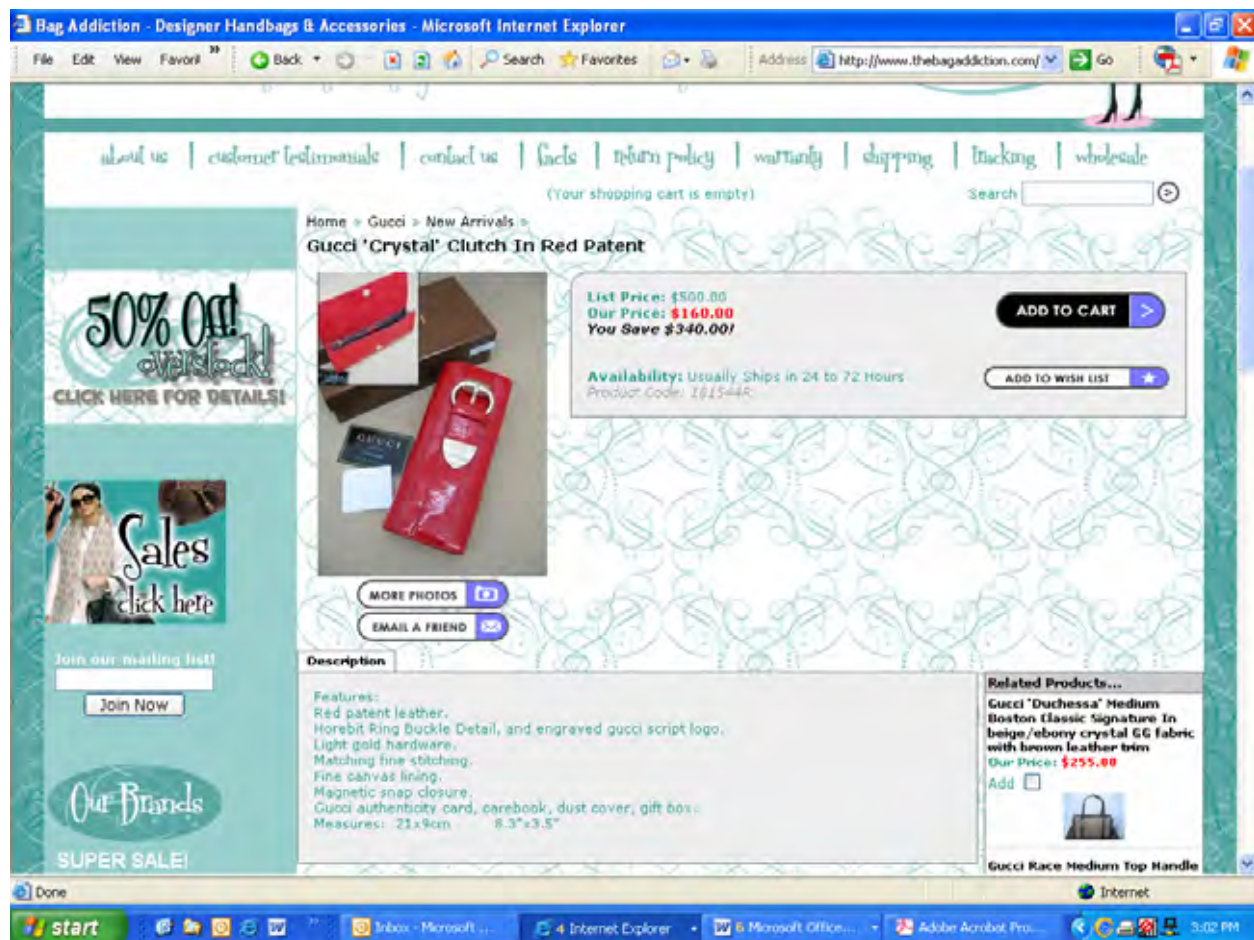
14. Shown below is a true and accurate screen shot of Defendants' website at www.TheBagAddiction.com, offering for sale a "Gucci" shoulder bag.



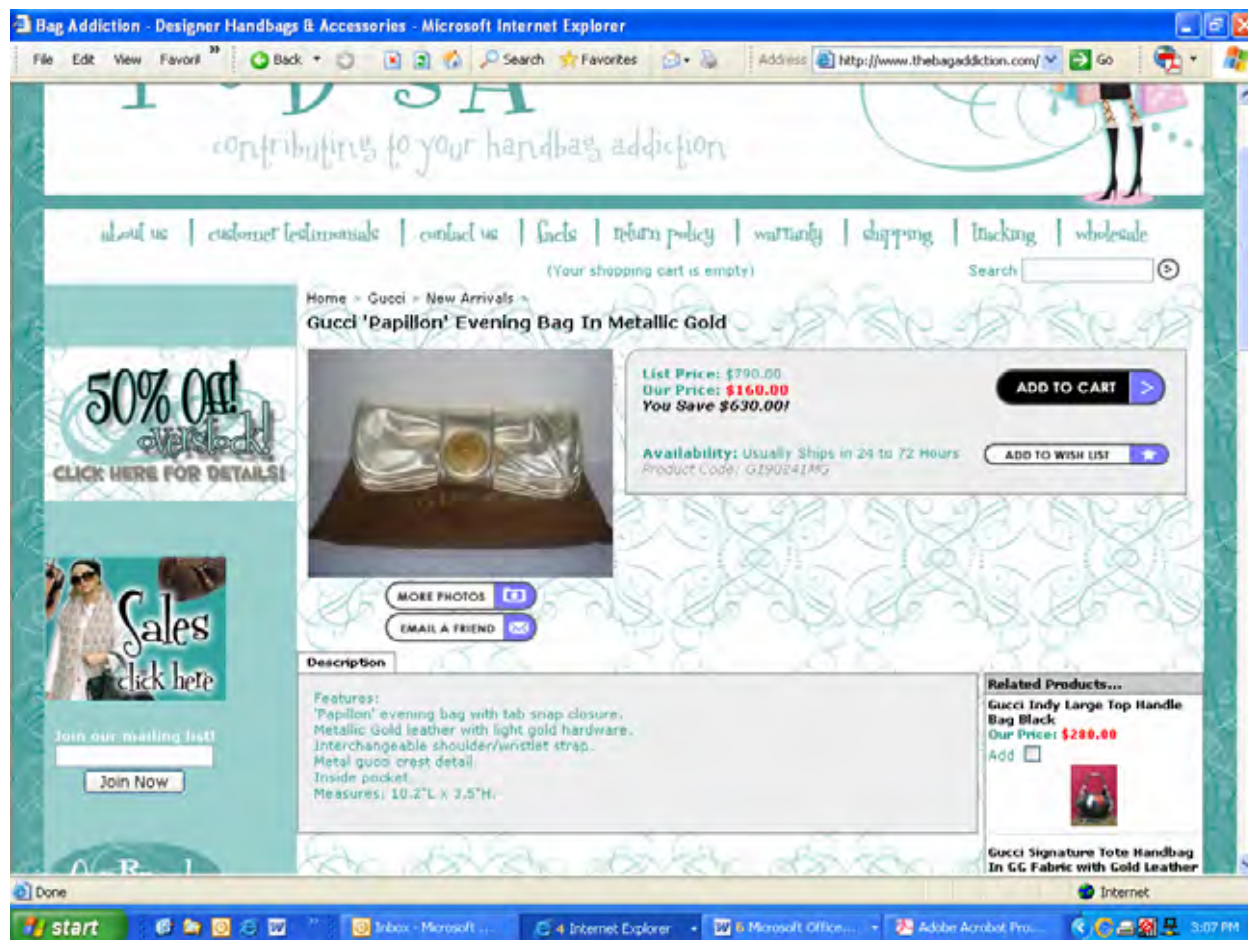
15. Shown below is a true and accurate screen shot of Defendants' website at www.TheBagAddiction.com, offering for sale a "Gucci" hobo.



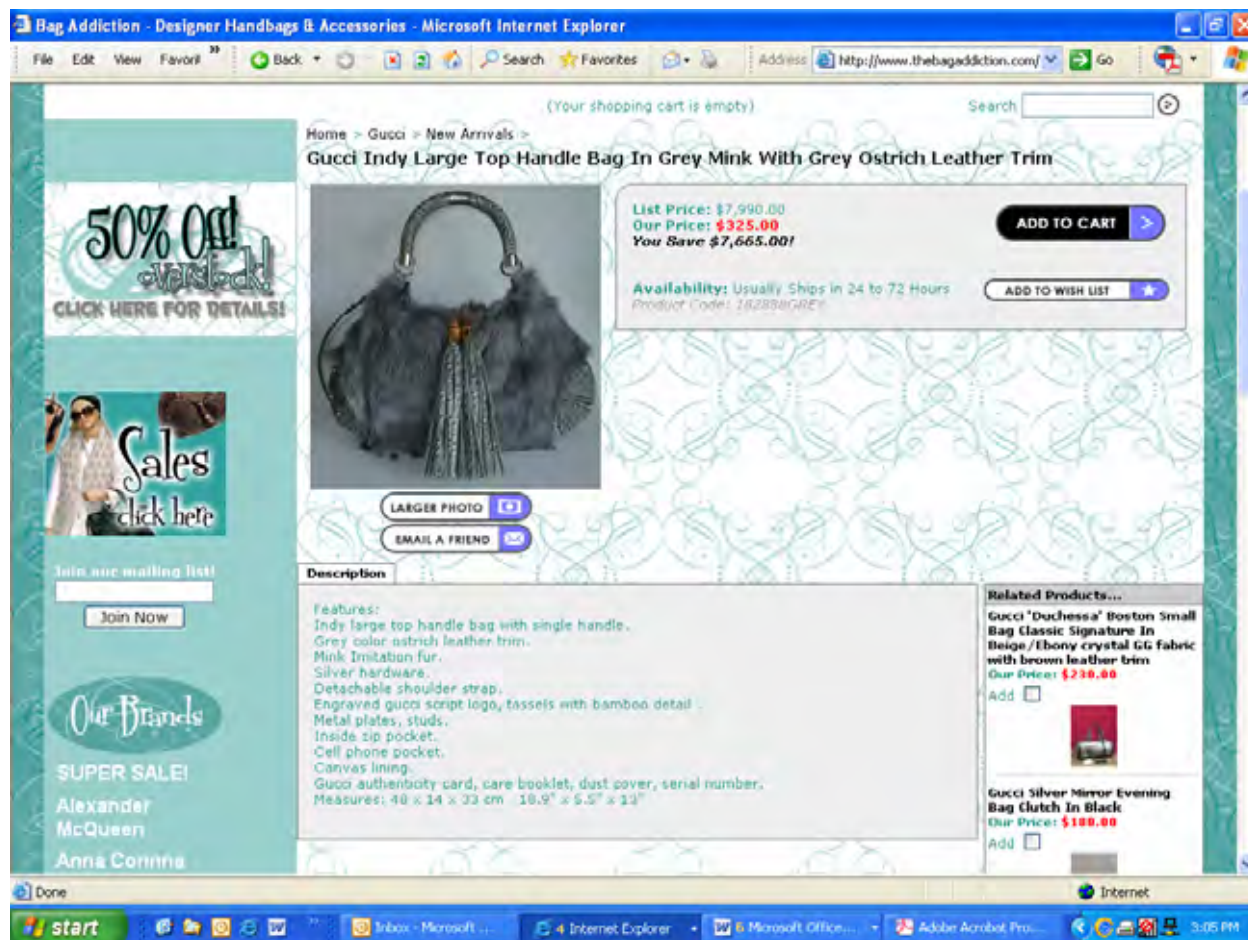
16. Shown below is a true and accurate screen shot of Defendants' website at www.TheBagAddiction.com, offering for sale a "Gucci" clutch.



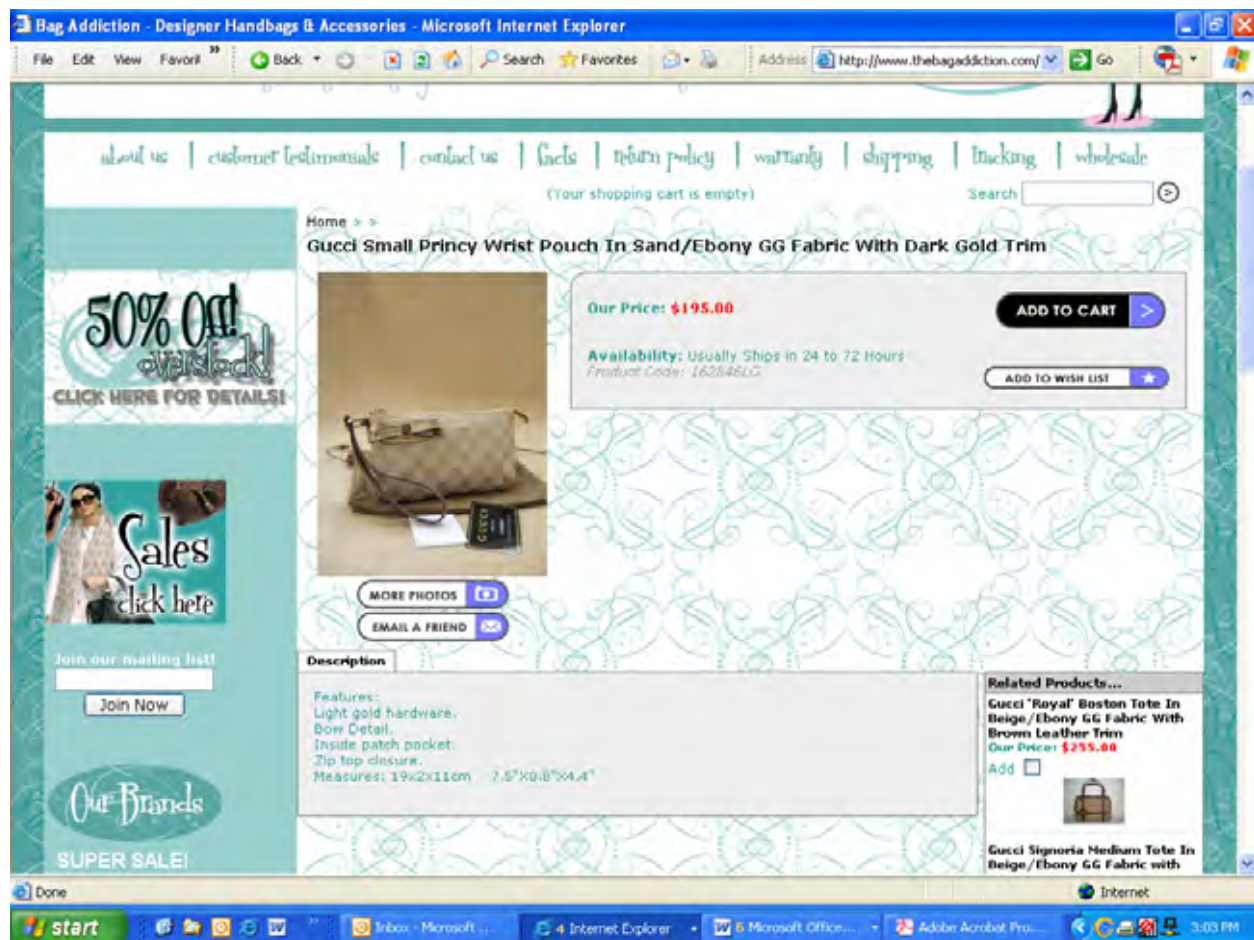
17. Shown below is a true and accurate screen shot of Defendants' website at www.TheBagAddiction.com, offering for sale a "Gucci" evening bag.



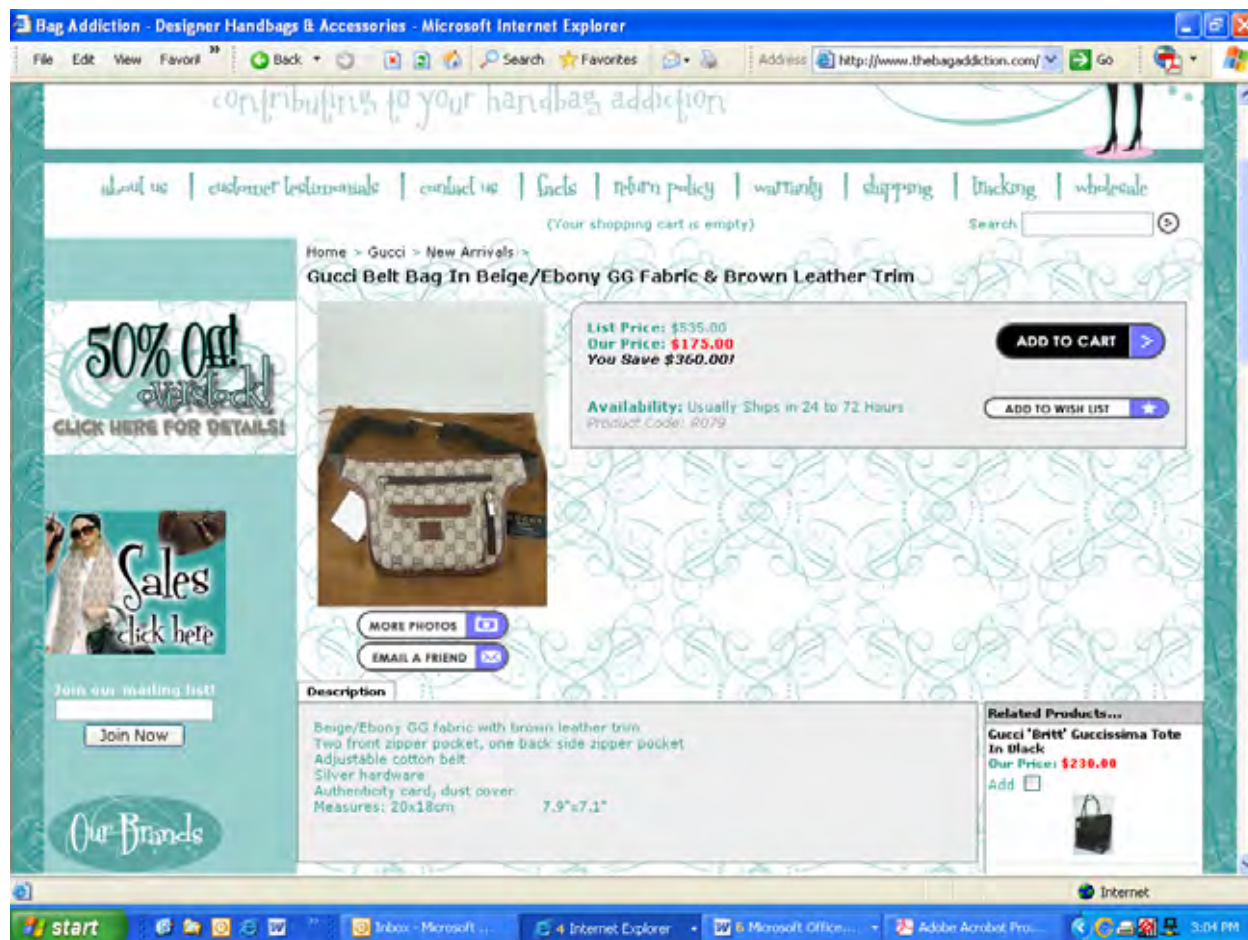
18. Shown below is a true and accurate screen shot of Defendants' website at www.TheBagAddiction.com, offering for sale a "Gucci" exotic bag.



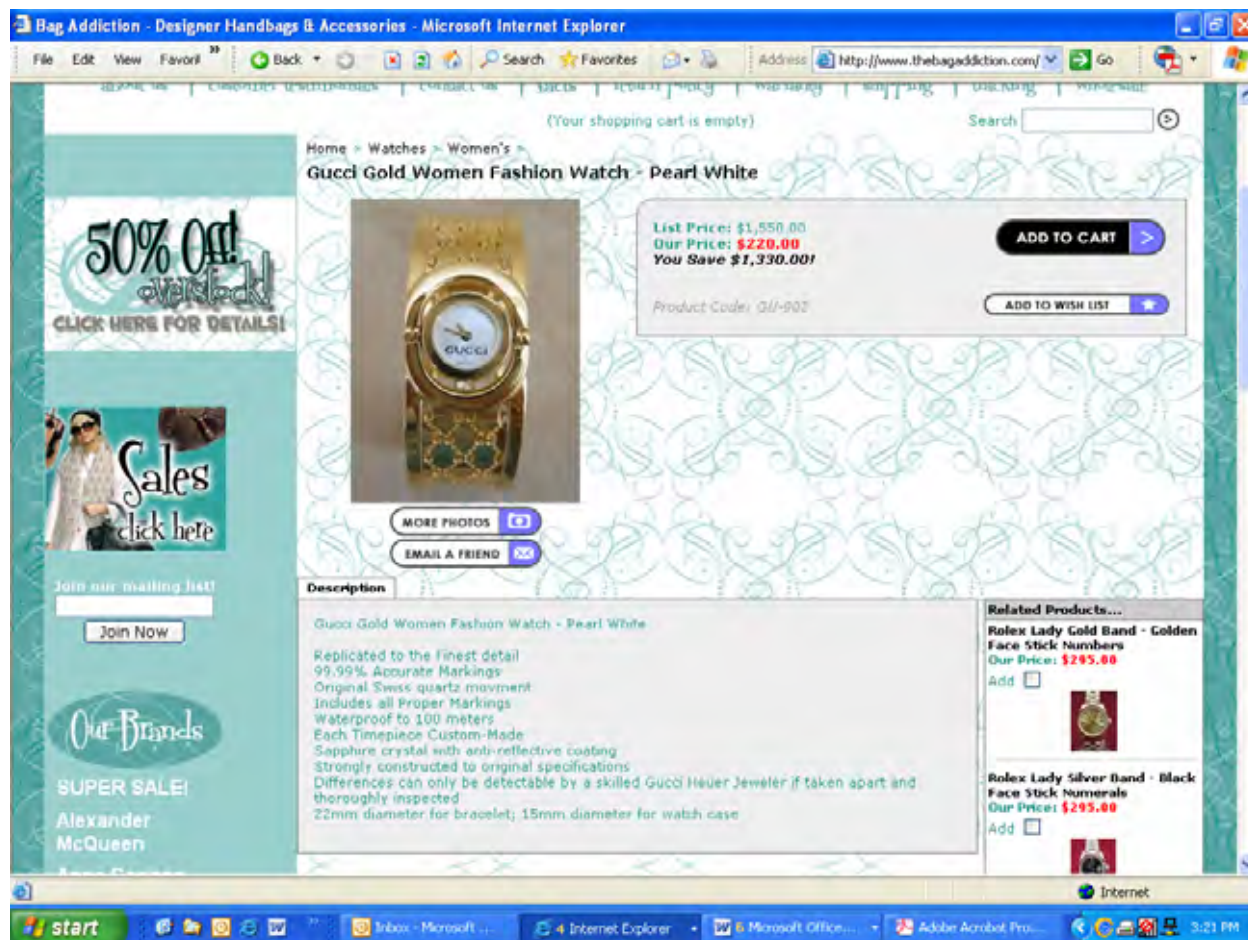
19. Shown below is a true and accurate screen shot of Defendants' website at www.TheBagAddiction.com, offering for sale a "Gucci" wristlet.



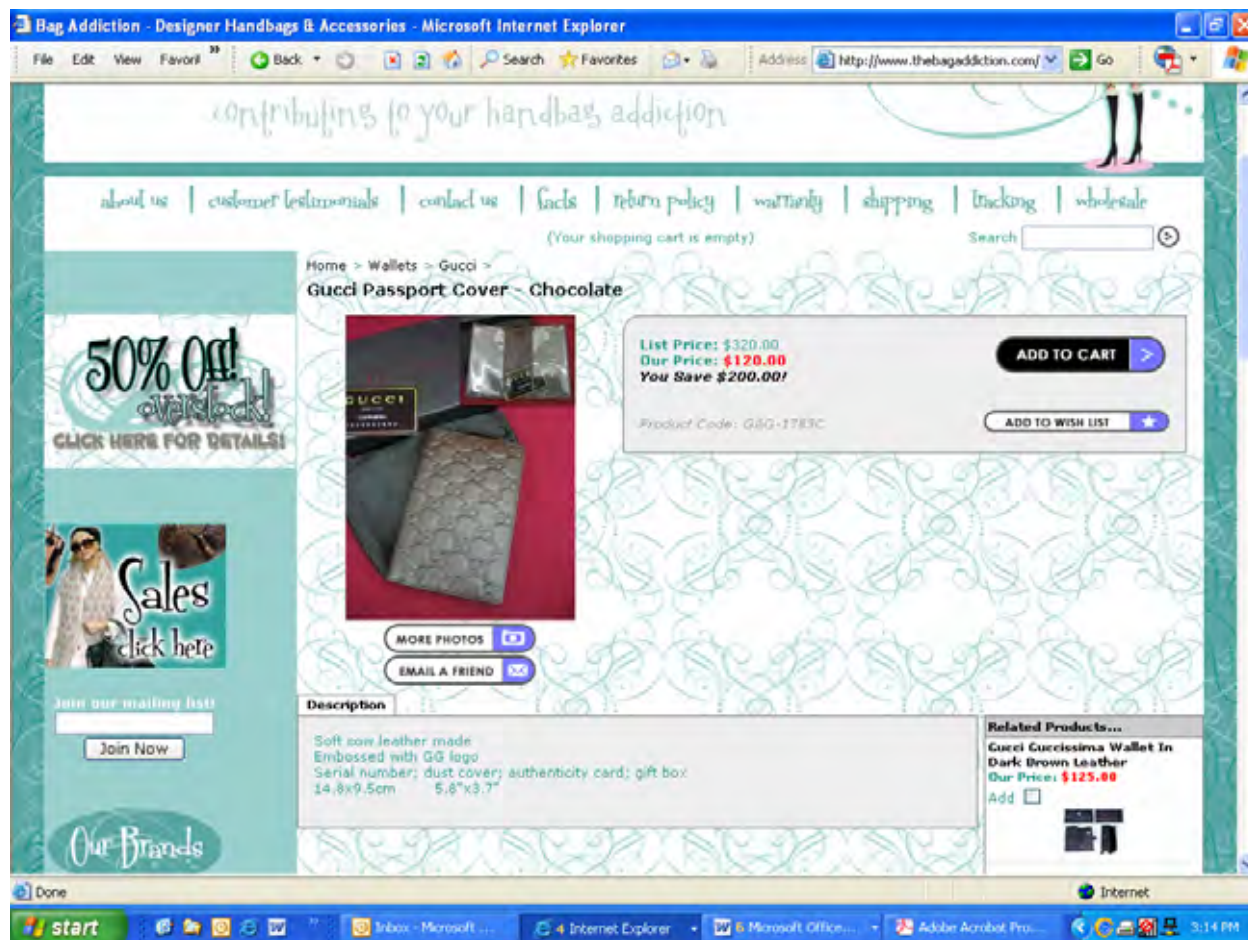
20. Shown below is a true and accurate screen shot of Defendants' website at www.TheBagAddiction.com, offering for sale a "Gucci" belt bag.



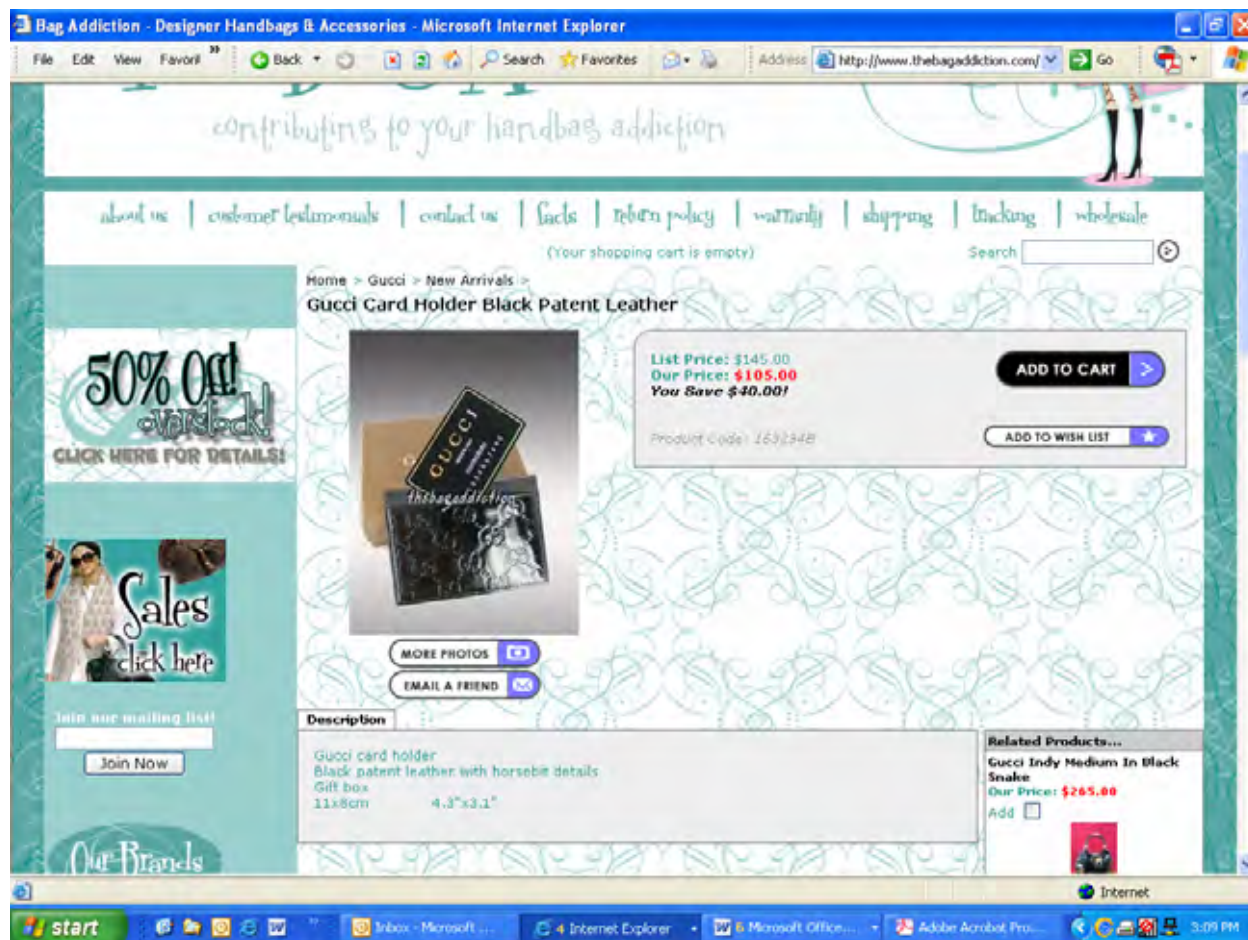
21. Shown below is a true and accurate screen shot of Defendants' website at www.TheBagAddiction.com, offering for sale a "Gucci" watch.



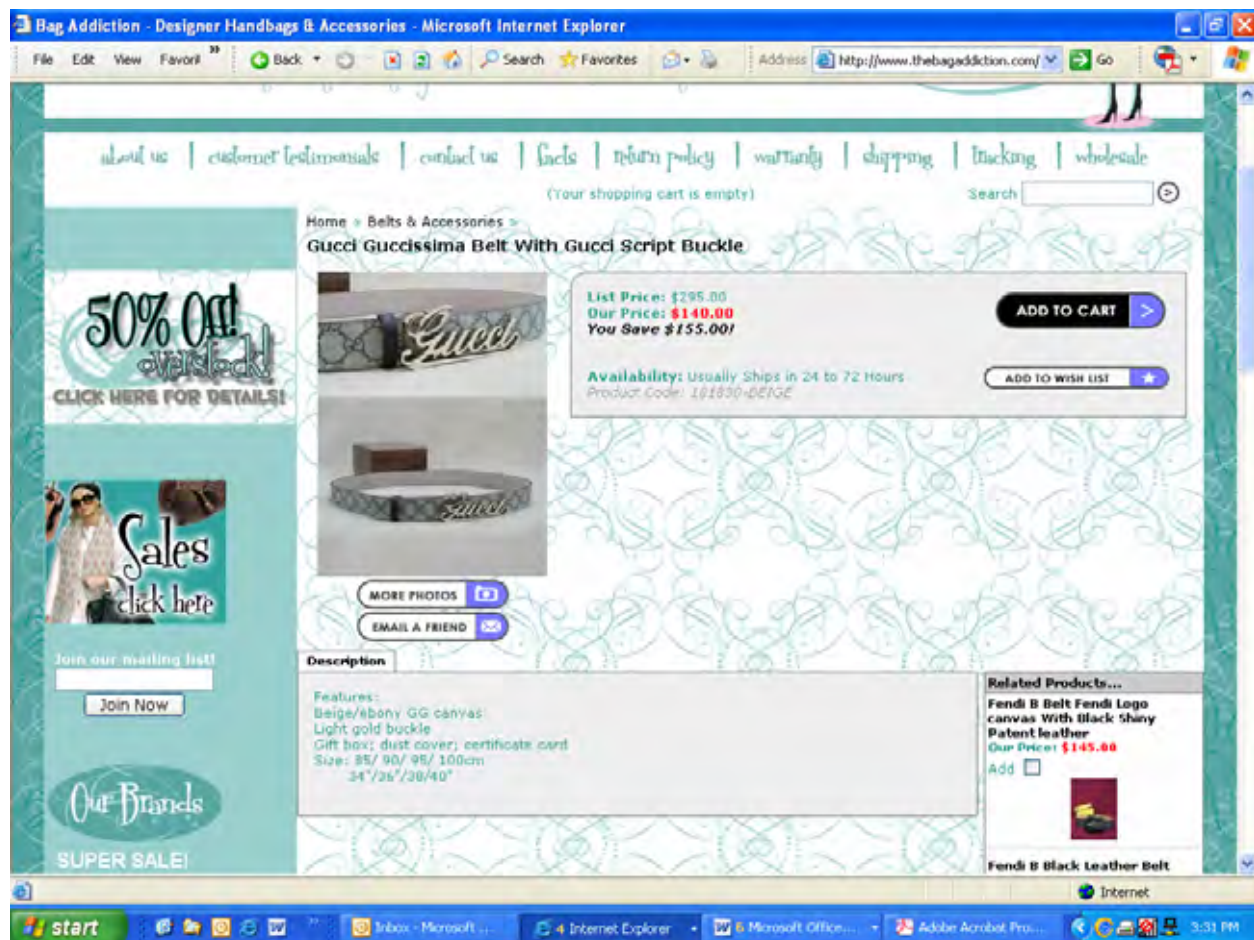
22. Shown below is a true and accurate screen shot of Defendants' website at www.TheBagAddiction.com, offering for sale a "Gucci" passport cover.



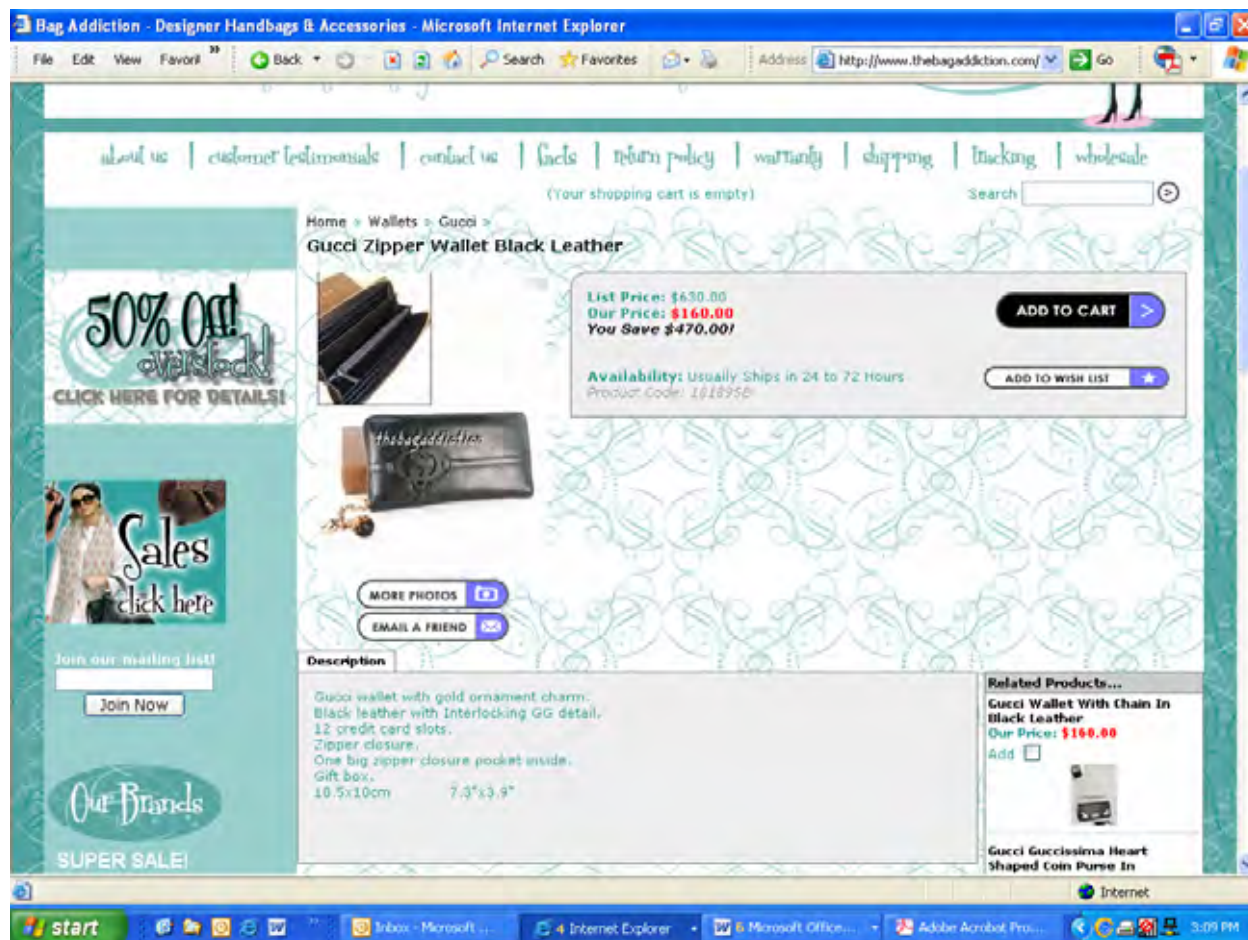
23. Shown below is a true and accurate screen shot of Defendants' website at www.TheBagAddiction.com, offering for sale a "Gucci" business card holder.



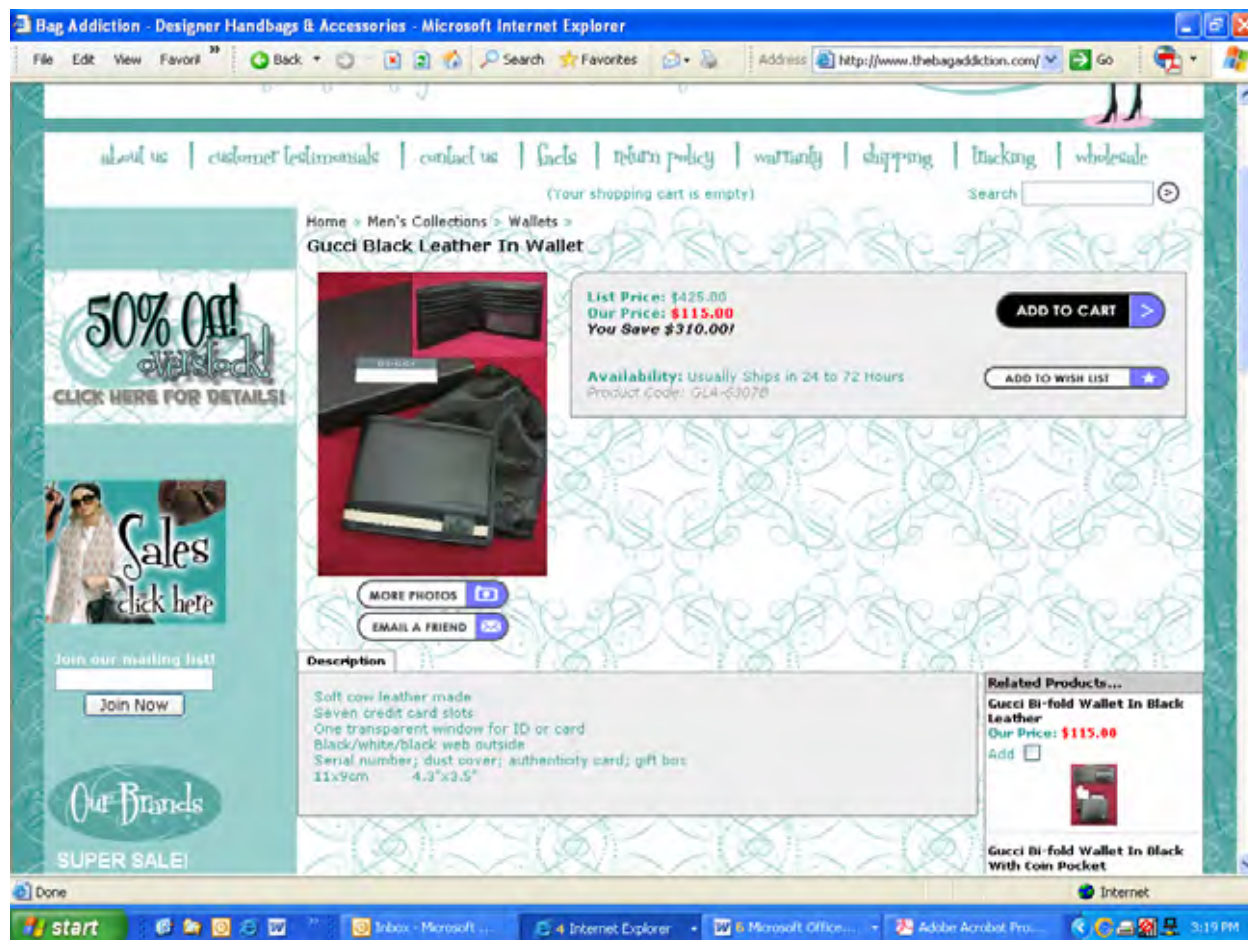
24. Shown below is a true and accurate screen shot of Defendants' website at www.TheBagAddiction.com, offering for sale a "Gucci" belt.



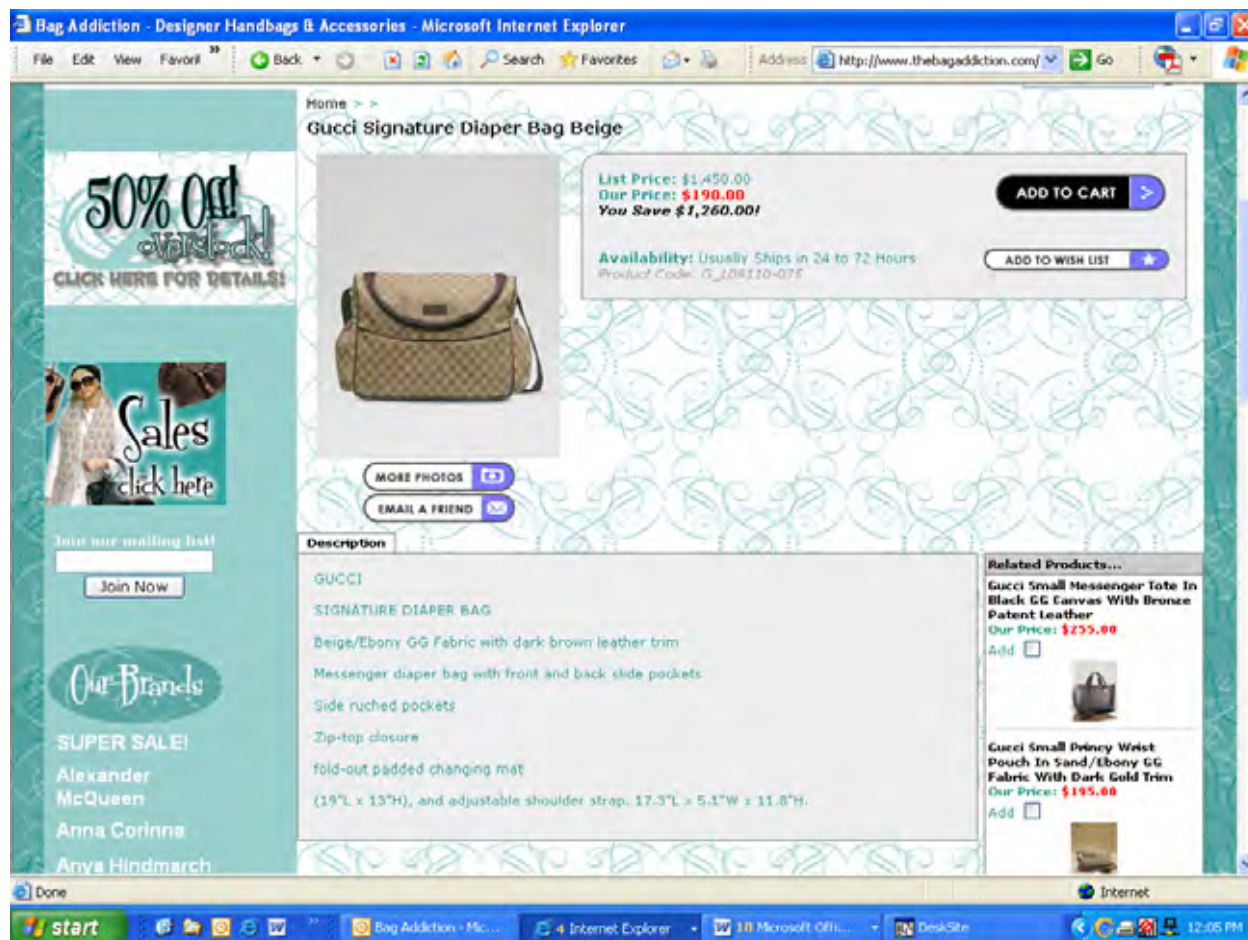
25. Shown below is a true and accurate screen shot of Defendants' website at www.TheBagAddiction.com, offering for sale a "Gucci" women's wallet.



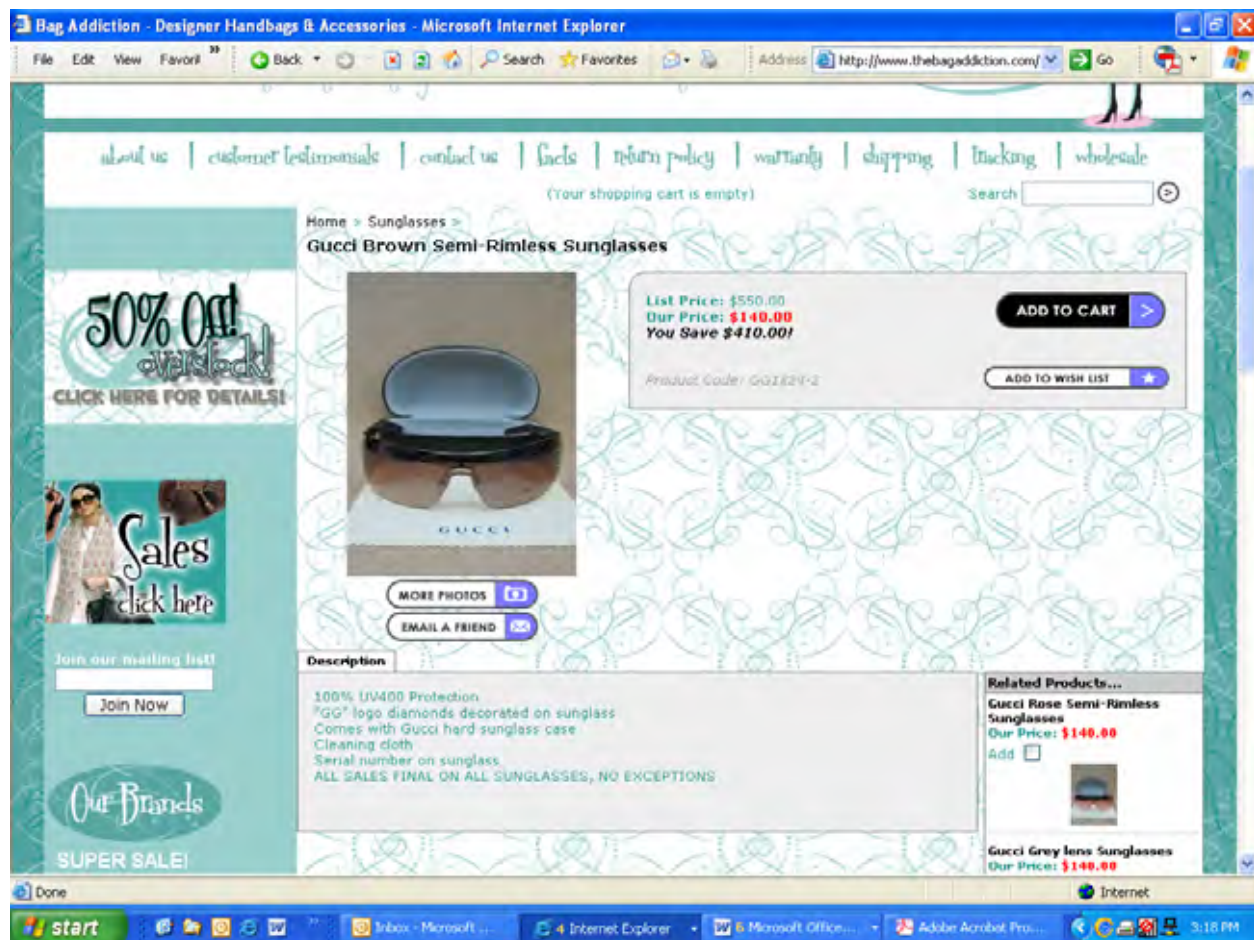
26. Shown below is a true and accurate screen shot of Defendants' website at www.TheBagAddiction.com, offering for sale a "Gucci" men's wallet.



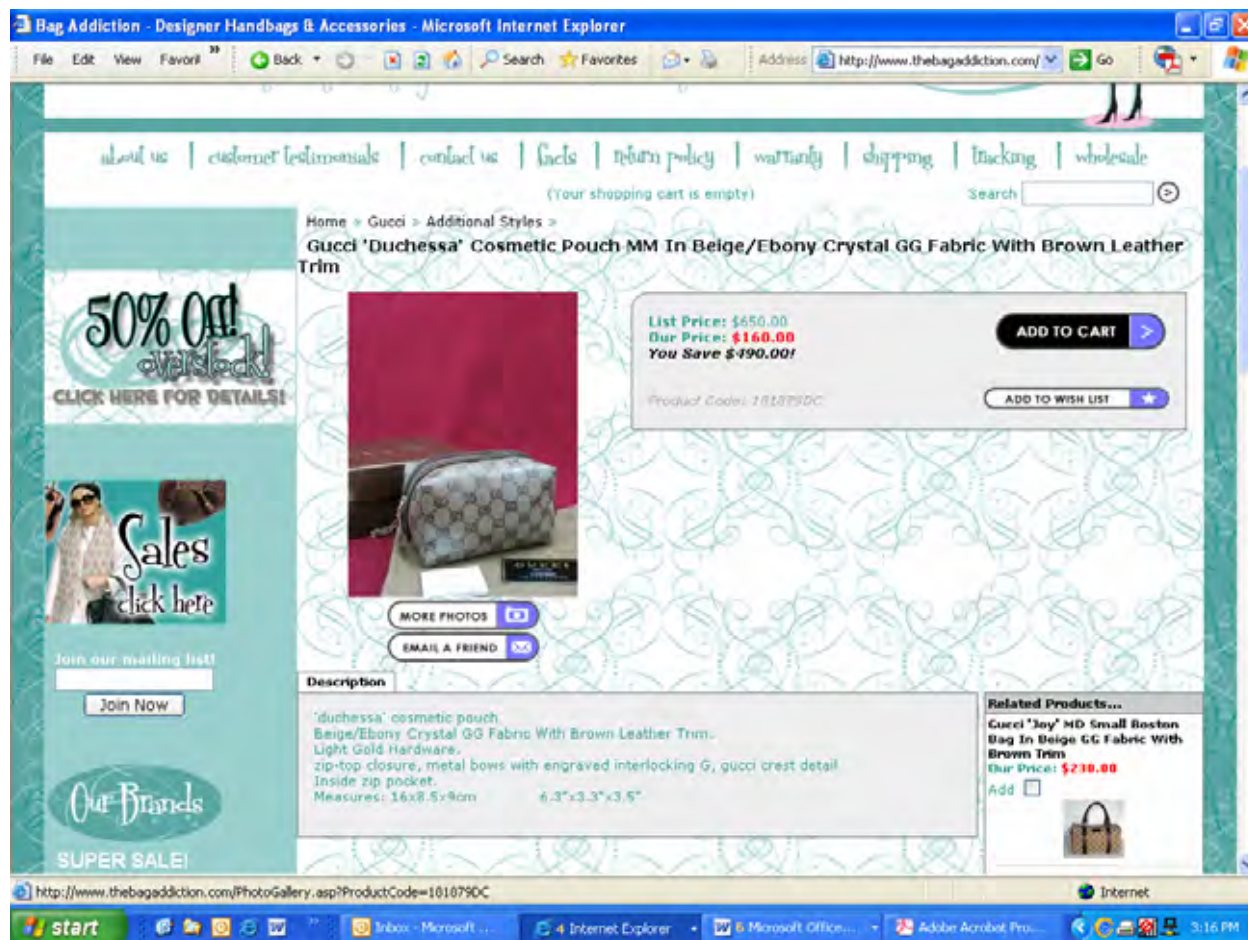
27. Shown below is a true and accurate screen shot of Defendants' website at www.TheBagAddiction.com, offering for sale a "Gucci" diaper bag.



28. Shown below is a true and accurate screen shot of Defendants' website at www.TheBagAddiction.com, offering for sale "Gucci" sunglasses.



29. Shown below is a true and accurate screen shot of Defendants' website at www.TheBagAddiction.com, offering for sale a "Gucci" cosmetic pouch.

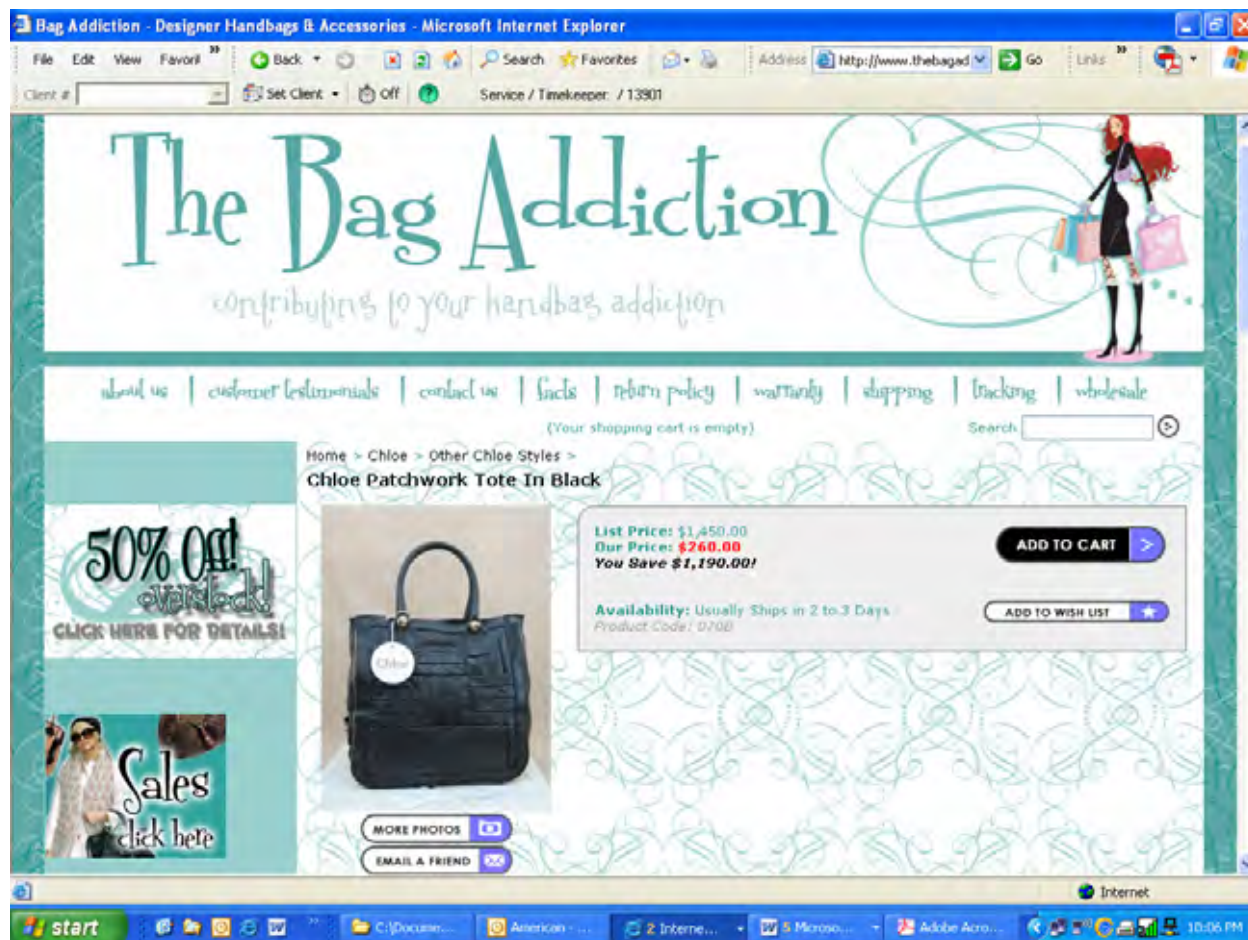


30. Shown below is a true and accurate screen shot of Defendants’ website at www.TheBagAddiction.com, offering for sale a “Gucci” messenger bag.

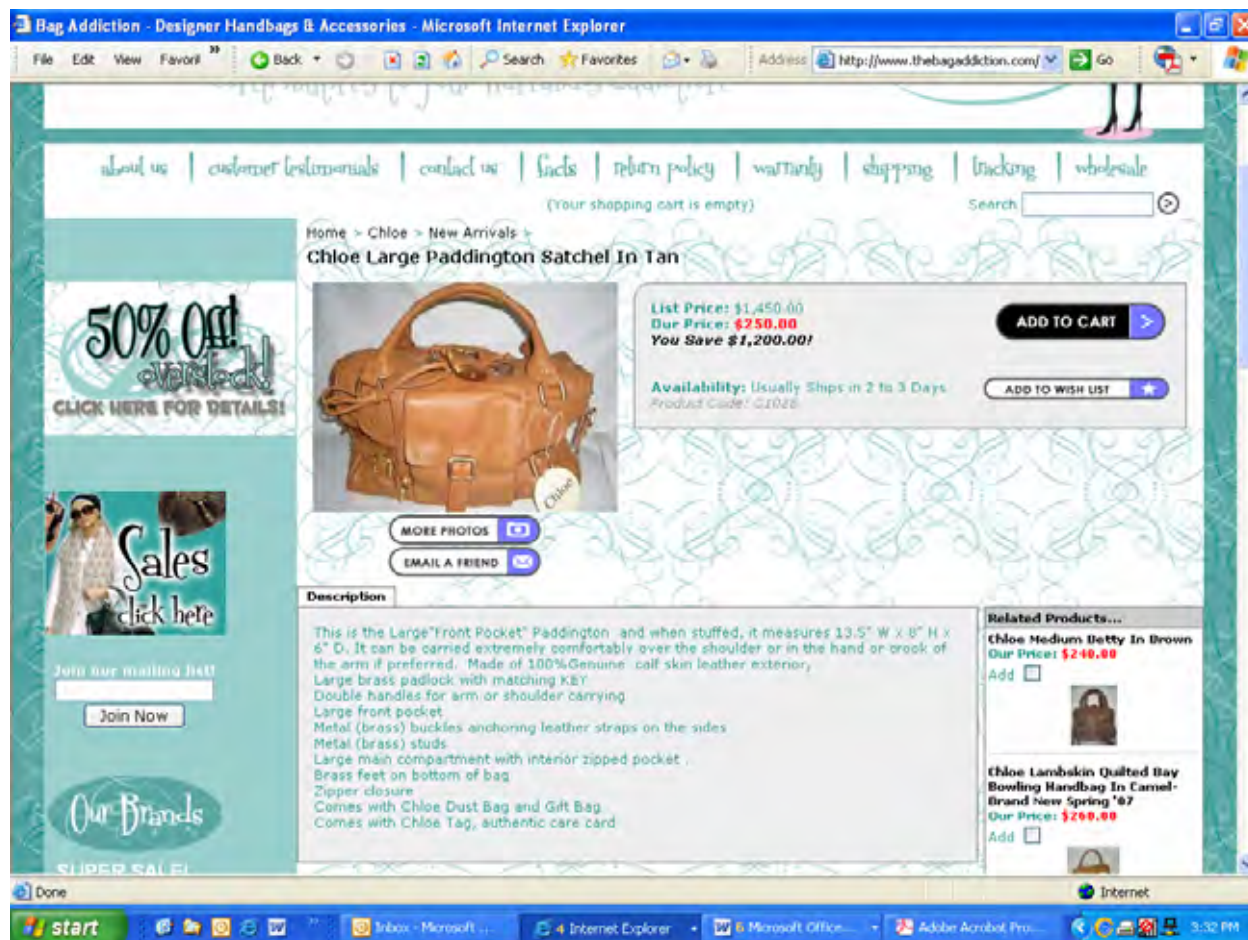


31. Defendants’ website at www.TheBagAddiction.com offers at least 8 different types of Counterfeit Products as “Chloe” handbags: (1) totes; (2) satchels; (3) frame bags; (4) shoulder bags; (5) hobos; (6) clutches; (7) messenger bags; and (8) women’s wallets. The categorization for these products is based on Defendants’ own “Product List” on their website www.TheBagAddiction.com. A true and correct copy of Defendants’ “Chloe” products from Defendants’ Product List is attached as Exhibit 2.

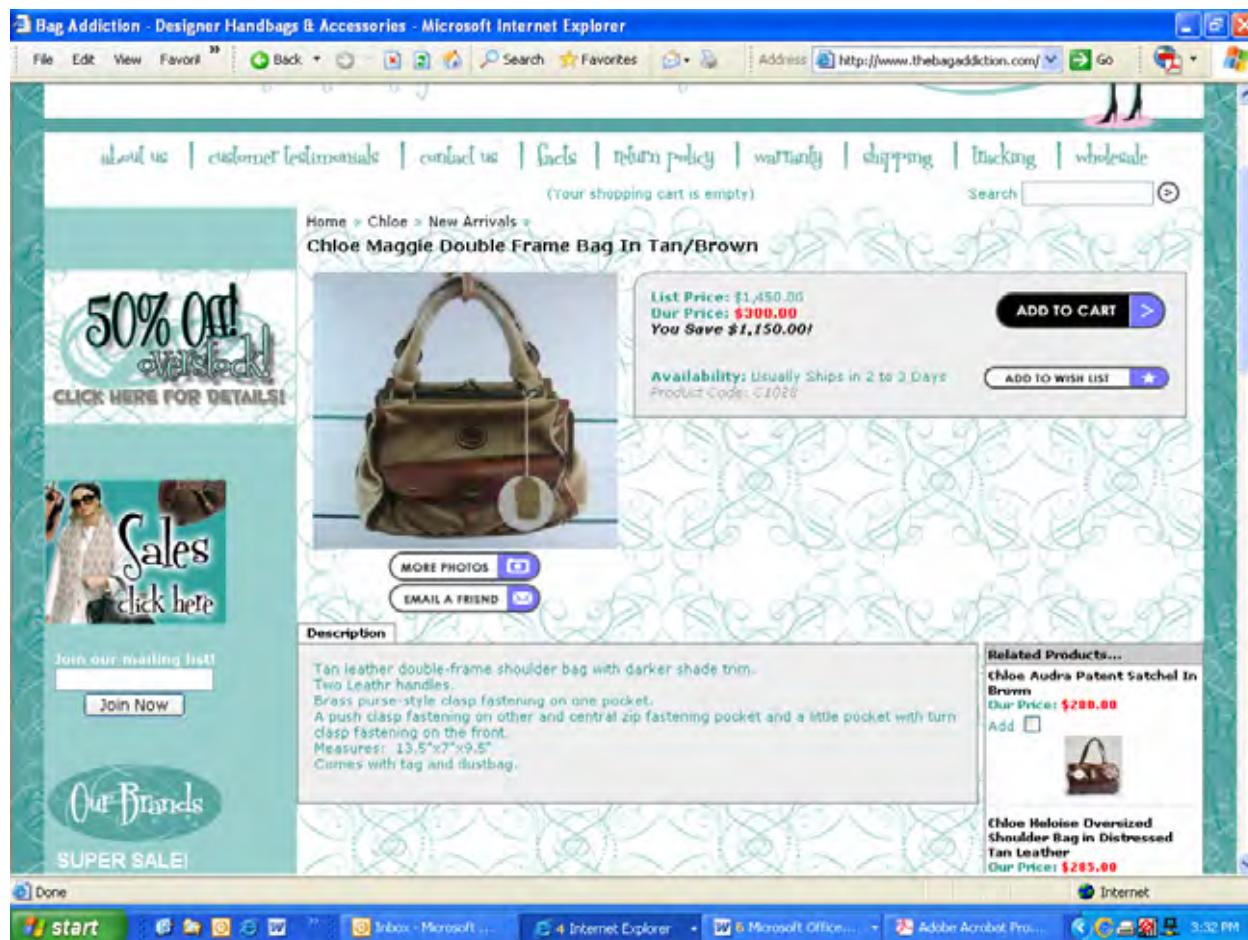
32. Shown below is a true and accurate screen shot of Defendants' website at www.TheBagAddiction.com, offering for sale a "Chloe" tote.



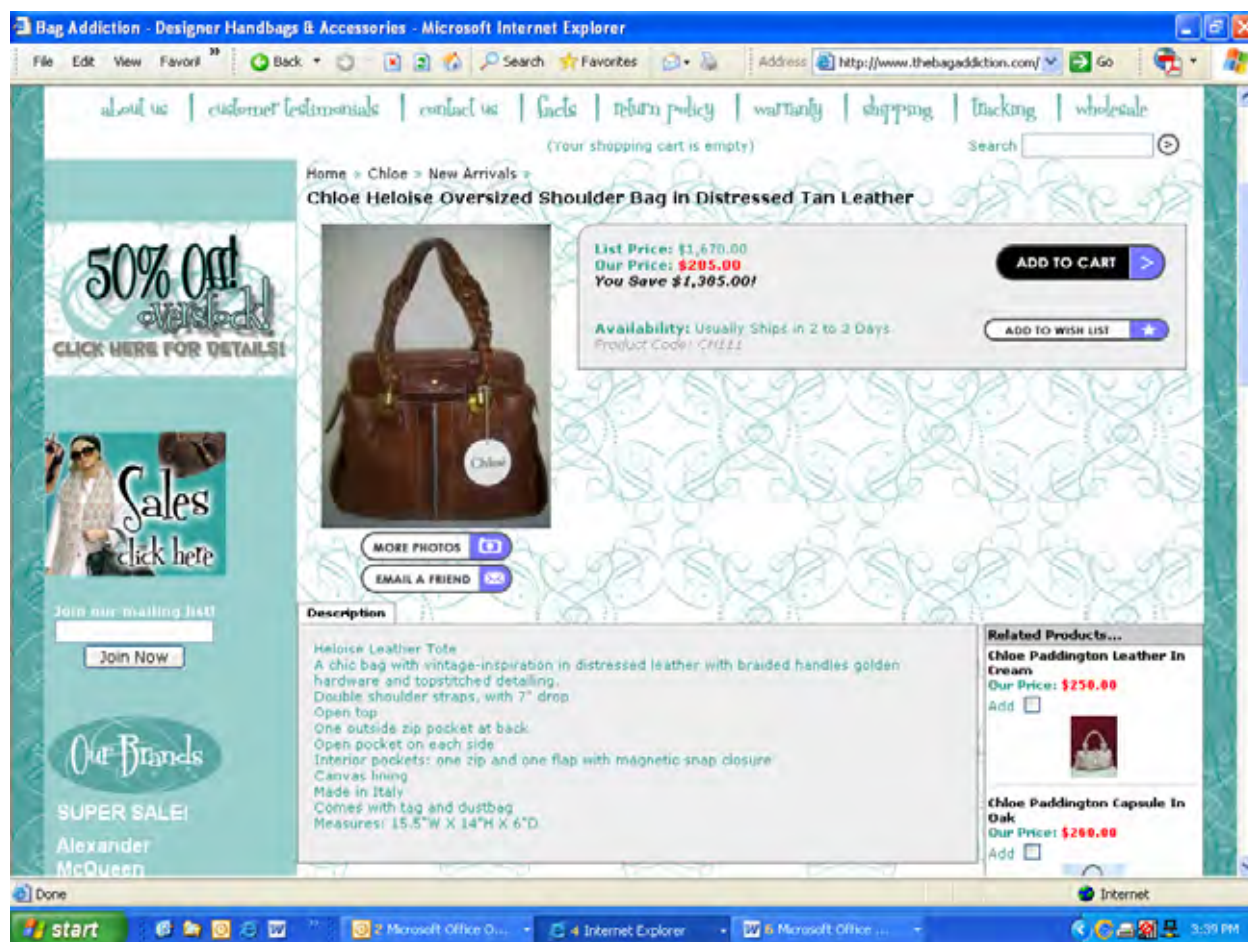
33. Shown below is a true and accurate screen shot of Defendants' website at www.TheBagAddiction.com, offering for sale a "Chloe" satchel.



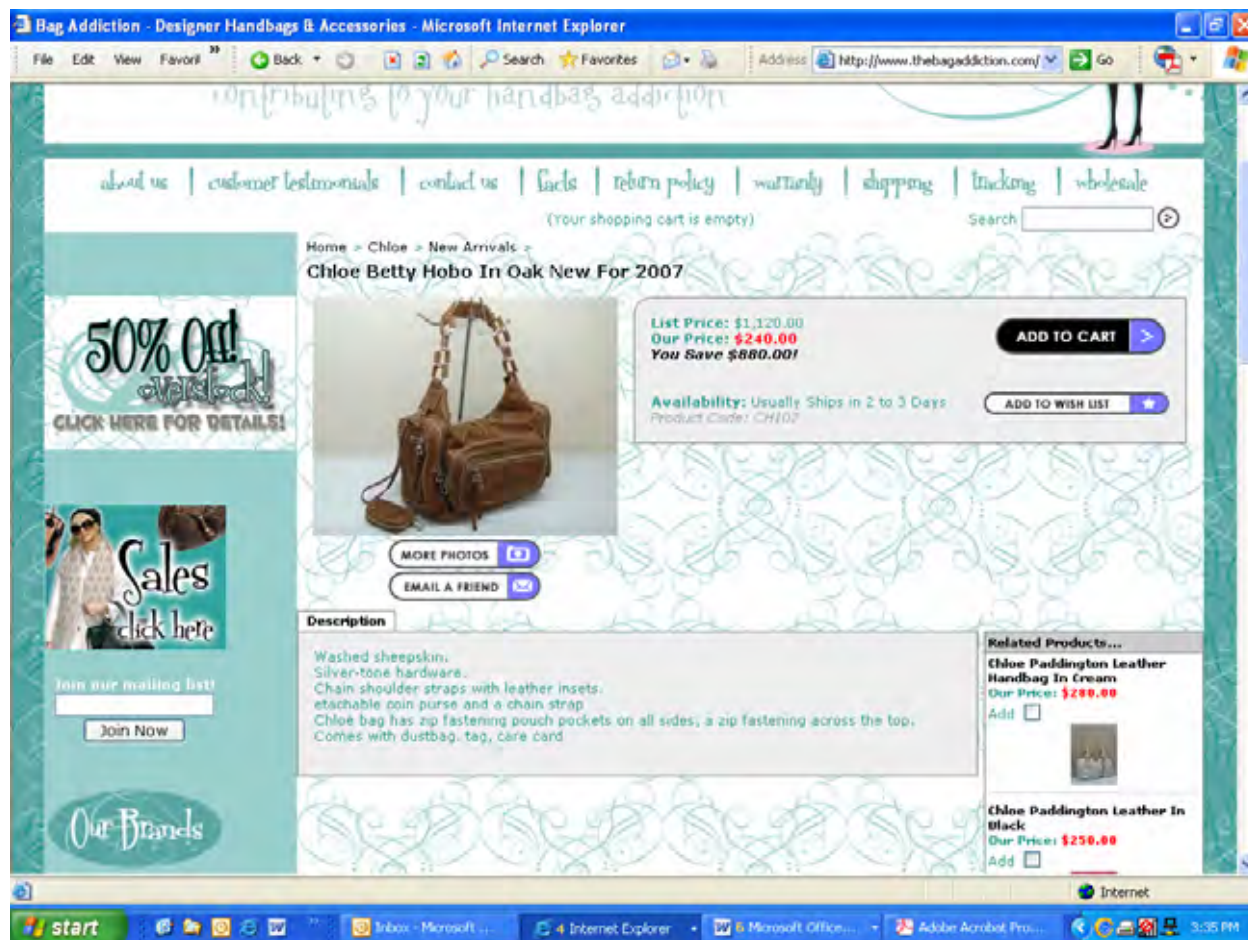
34. Shown below is a true and accurate screen shot of Defendants' website at www.TheBagAddiction.com, offering for sale a "Chloe" frame bag.



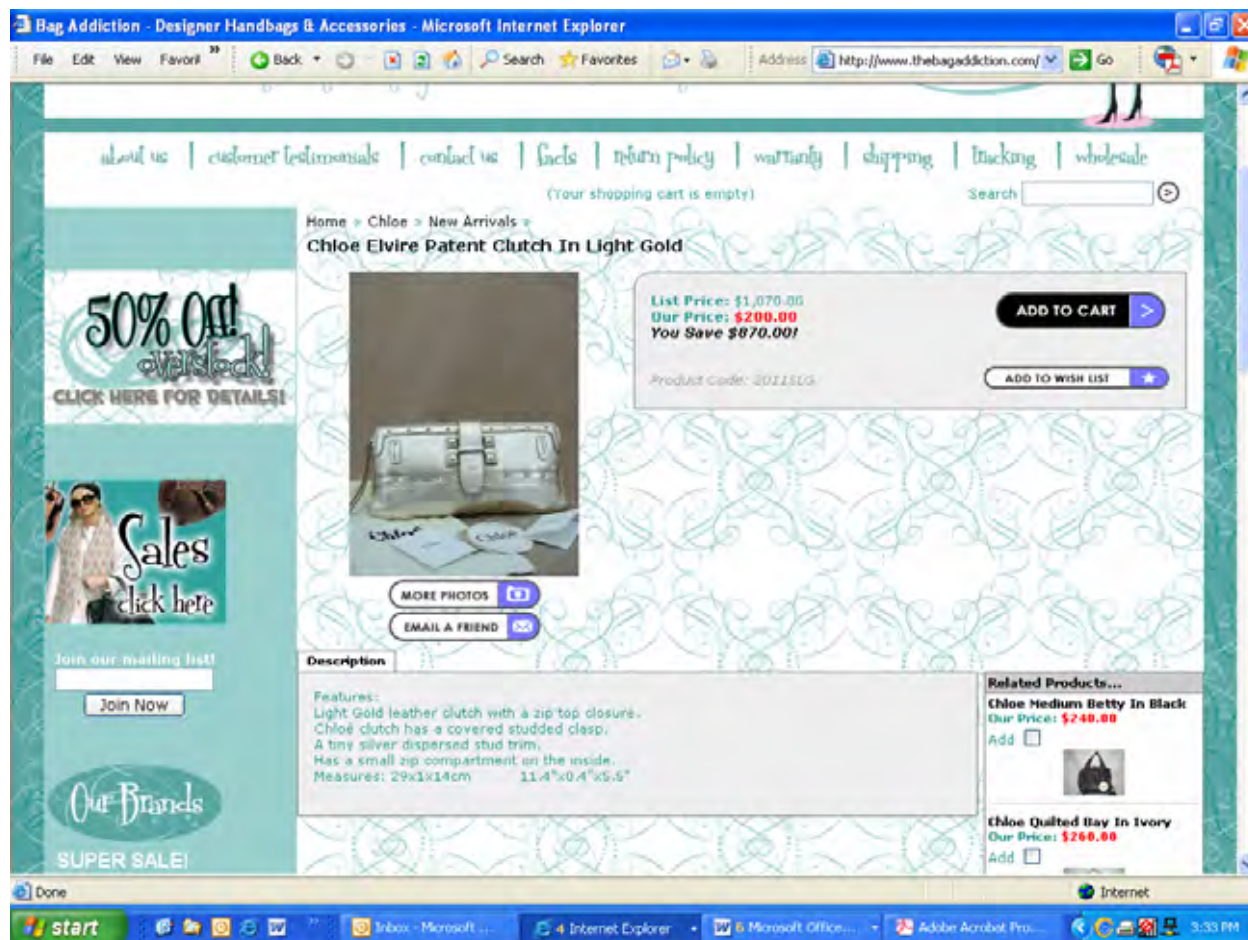
35. Shown below is a true and accurate screen shot of Defendants' website at www.TheBagAddiction.com, offering for sale a "Chloe" shoulder bag.



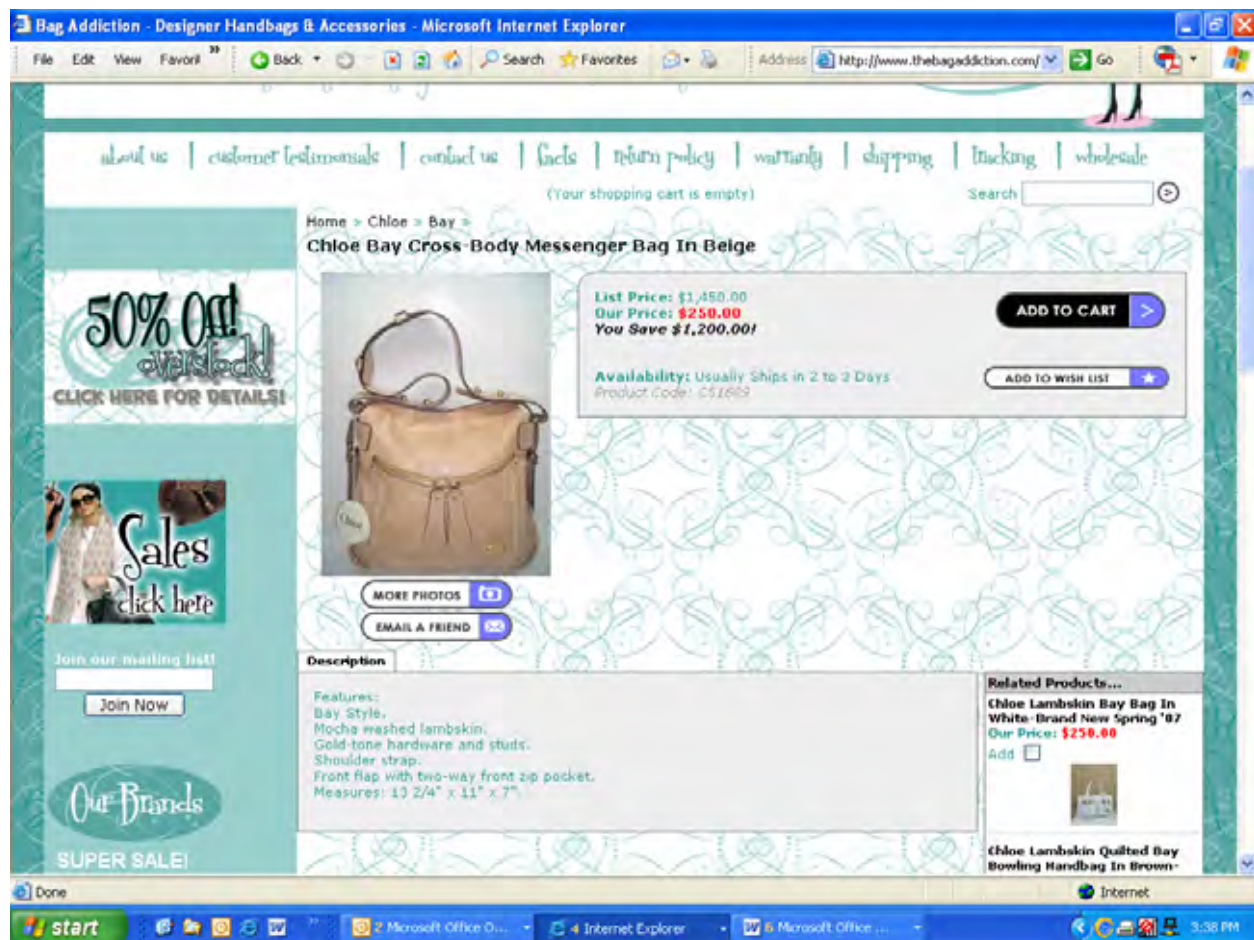
36. Shown below is a true and accurate screen shot of Defendants' website at www.TheBagAddiction.com, offering for sale a "Chloe" hobo.



37. Shown below is a true and accurate screen shot of Defendants' website at www.TheBagAddiction.com, offering for sale a "Chloe" clutch.



38. Shown below is a true and accurate screen shot of Defendants' website at www.TheBagAddiction.com, offering for sale a "Chloe" messenger bag.



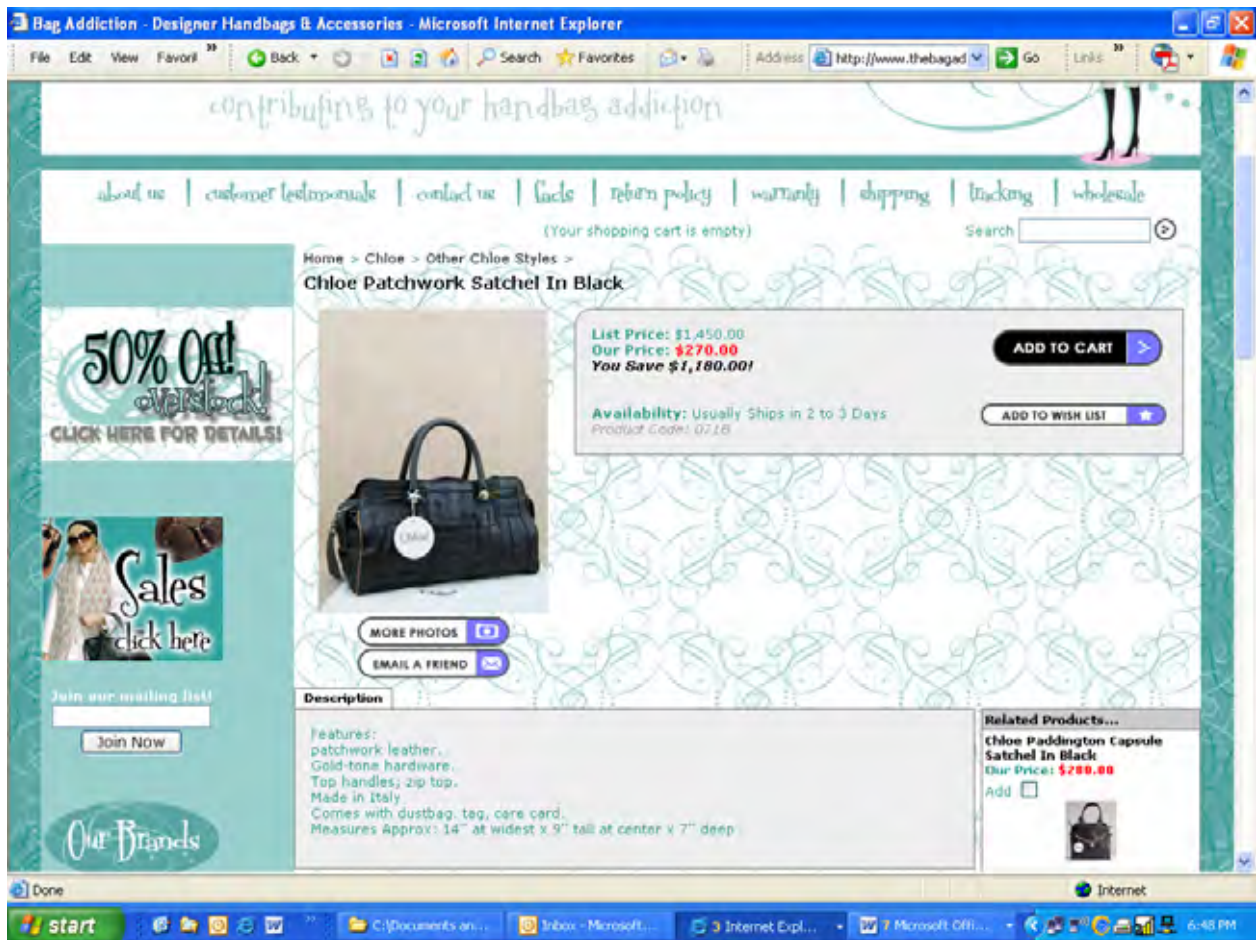
39. Shown below is a true and accurate screen shot of Defendants' website at www.TheBagAddiction.com, offering for sale a "Chloe" women's wallet.

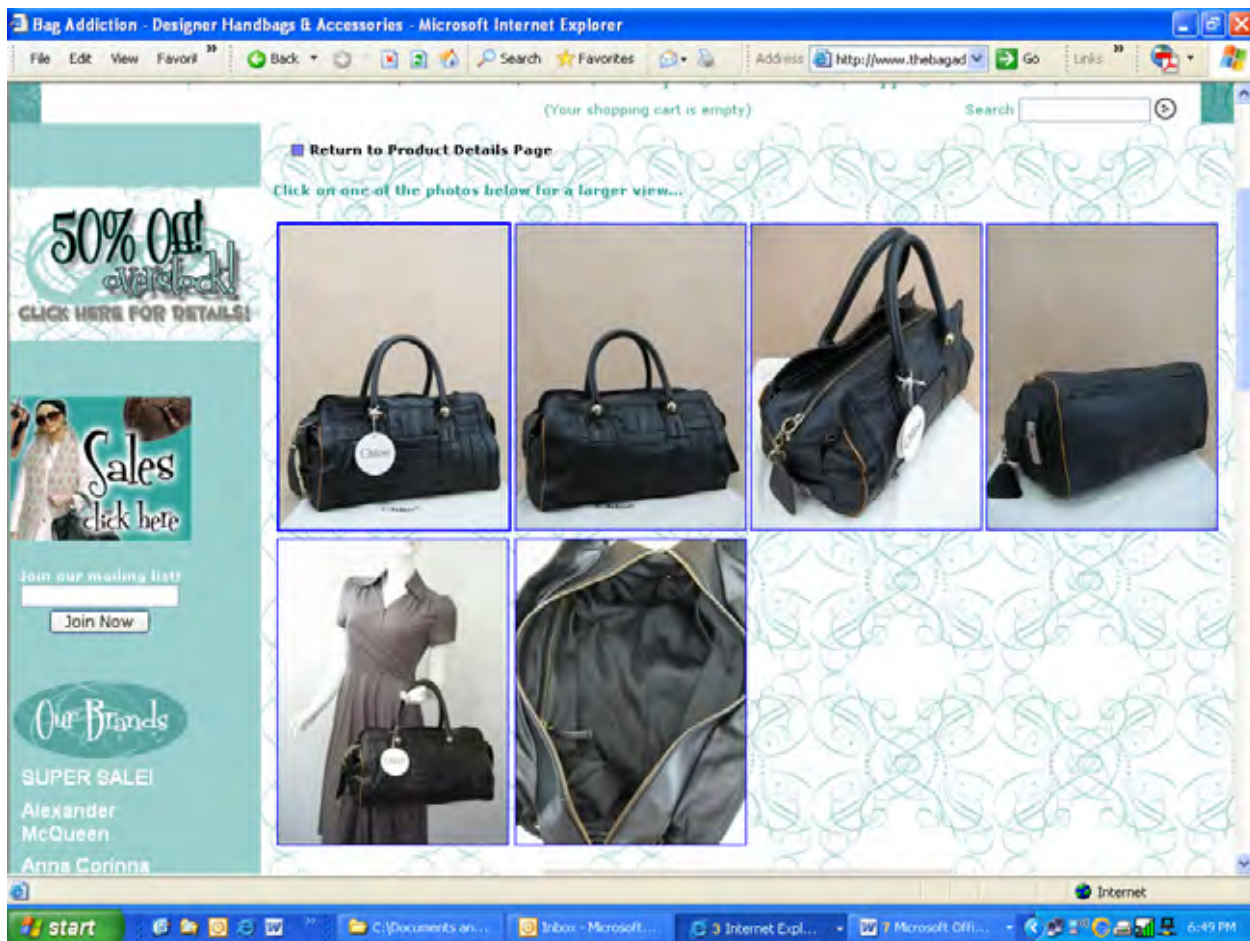


Chloe Patchwork Satchel Black Purchase

40. I placed an order through the website www.TheBagAddiction.com for a bag identified by the website at www.TheBagAddiction.com as a "Chloe" bag with a description of "Chloe Patchwork Satchel Black" and product code "071B." The cost of the purchase of the bag was \$270, plus a \$10 charge for shipping, for a grand total of \$280. Stonegate paid for the order through an account with a MasterCard credit card. Attached as Exhibit 3 is a true and correct copy of the order form with the orderer's identifying financial information obscured to protect Stonegate's investigative methods.

41. Below are true and accurate images of the item, as it was advertised on www.TheBagAddiction.com.





42. I received a confirmation e-mail from thebagaddiction@gmail.com, noting that the order was placed from the website www.TheBagAddiction.com. The order number provided by agents of www.TheBagAddiction.com was 11814. Attached as Exhibit 4 is a true and correct copy of this e-mail.

43. Subsequently, I received the monthly statement for the MasterCard credit card used for this purchase, which confirms a payment in the amount of \$280 for the bag and shipping. The statement identifies the recipient of the funds as “THEBAGADDICTION.COM.”

44. I received the bag via USPS Express Mail International Service (“EMS”). The return address was entirely handwritten in Chinese. The contents were described as “Family Wedding

Gift, handbag” with a declared value of \$20. Attached as Exhibit 5 is a true and correct copy of the EMS Airbill.

45. A translation obtained from Language Alliance, Inc. revealed that the Chinese characters on the EMS Airbill read:

Original Office: Tian He District
From: Miss Zhou
City: Guangzhou Country: China
Address: 283 Huang Pu Avenue, 2nd Floor
Sender’s Signature: Miss Zhou
Accepted by: Hui
Handwritten characters in upper right corner: XX Hui [X = illegible]

Attached as Exhibit 6 is a true and correct copy of the EMS Airbill translation received from Language Alliance, Inc.

46. Below is a true and exact image of the handbag, as it was received. The handbag included a label that specifically identifies it as a “Chloe” product.

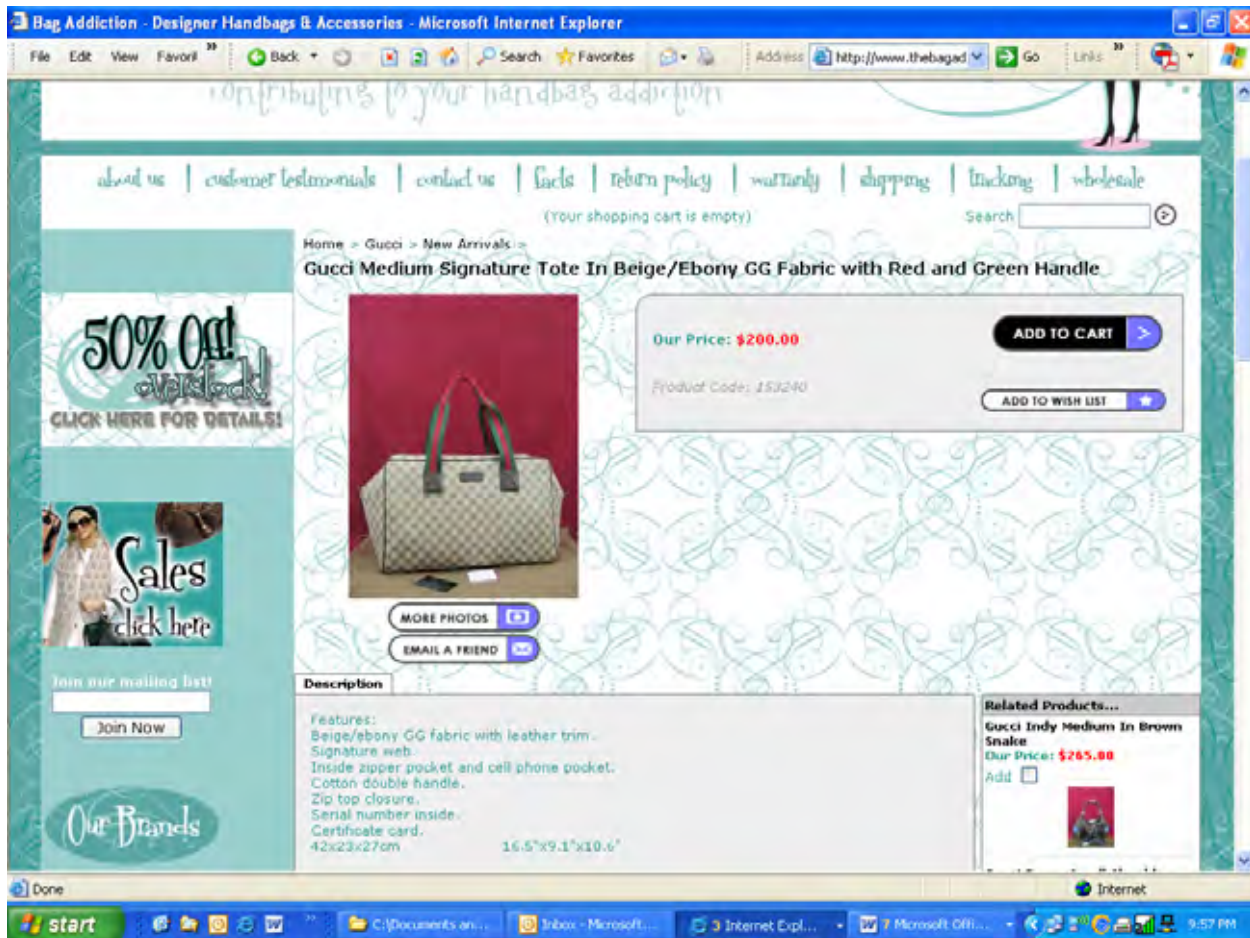


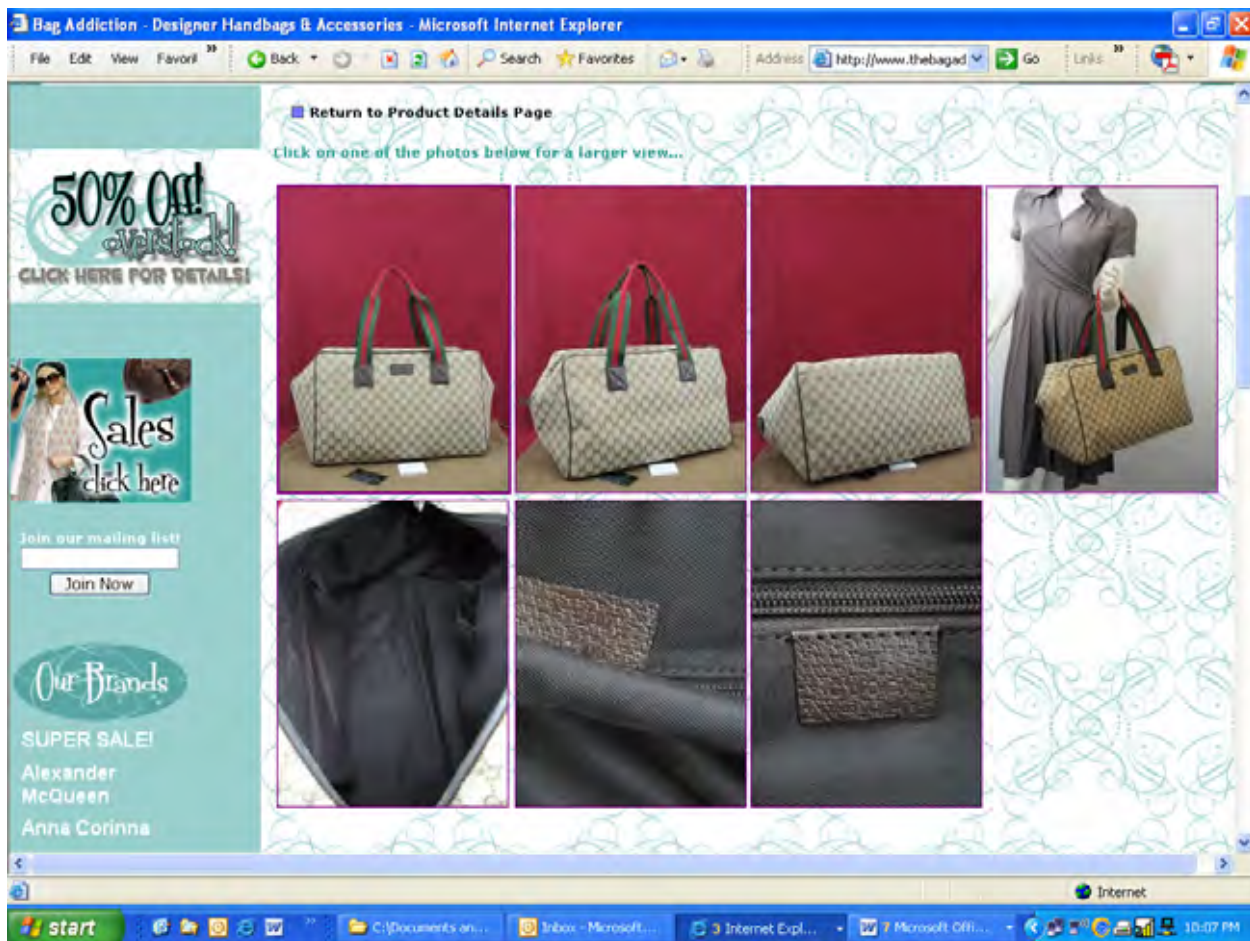
Gucci Signature Tote Red and Green

47. Acting under my direction, a Stonegate agent placed an order from the website www.TheBagAddiction.com for a “Gucci Signature Tote Red and Green” with the product code “153240.” The cost of the purchase of the bag was \$200, plus a \$10 shipping fee, for a grand total of \$210. Stonegate paid for the order through an account with an American Express credit

card. Attached as Exhibit 7 is a true and correct copy of the order form with the orderer's identifying financial information obscured to protect Stonegate's investigative methods.

48. Below are true and accurate images of the handbag, as it was advertised on www.TheBagAddiction.com.





49. The Stonegate agent received a confirmation e-mail from thebagaddiction@gmail.com, noting that the order was placed from the website www.TheBagAddiction.com. The order number provided by agents of www.TheBagAddiction.com was 12340. Attached as Exhibit 8 is a true and correct copy of this e-mail.

50. Subsequently, the Stonegate agent received a monthly statement for the American Express credit card used for this purchase, which confirms a payment in the amount of \$210 for the bag and shipping. The statement identifies the recipient of the funds as “THEBAGADDICTION.COM ROCKLIN CA.”

51. The Stonegate agent received the bag via EMS. The return address was entirely handwritten in Chinese. The contents were described as “Family Wedding Gift, handbag” with a declared value of \$20. Attached as Exhibit 9 is a true and correct copy of the EMS Airbill.

52. A translation obtained from Language Alliance, Inc. revealed that the Chinese characters on the EMS Airbill read:

Original Office: Tian He District
From: Miss Jin
City: Guangzhou Country: China
Address: 18 De Lai Street, #403, Tian He District
Sender’s Signature: Miss Jin
Accepted by: Hui
Handwritten characters in upper right corner: XX Hui [X = illegible]

Attached as Exhibit 6 is a true and correct copy of the EMS Airbill translation received from Language Alliance, Inc.

53. Below is a true and exact image of the handbag, as it was received.

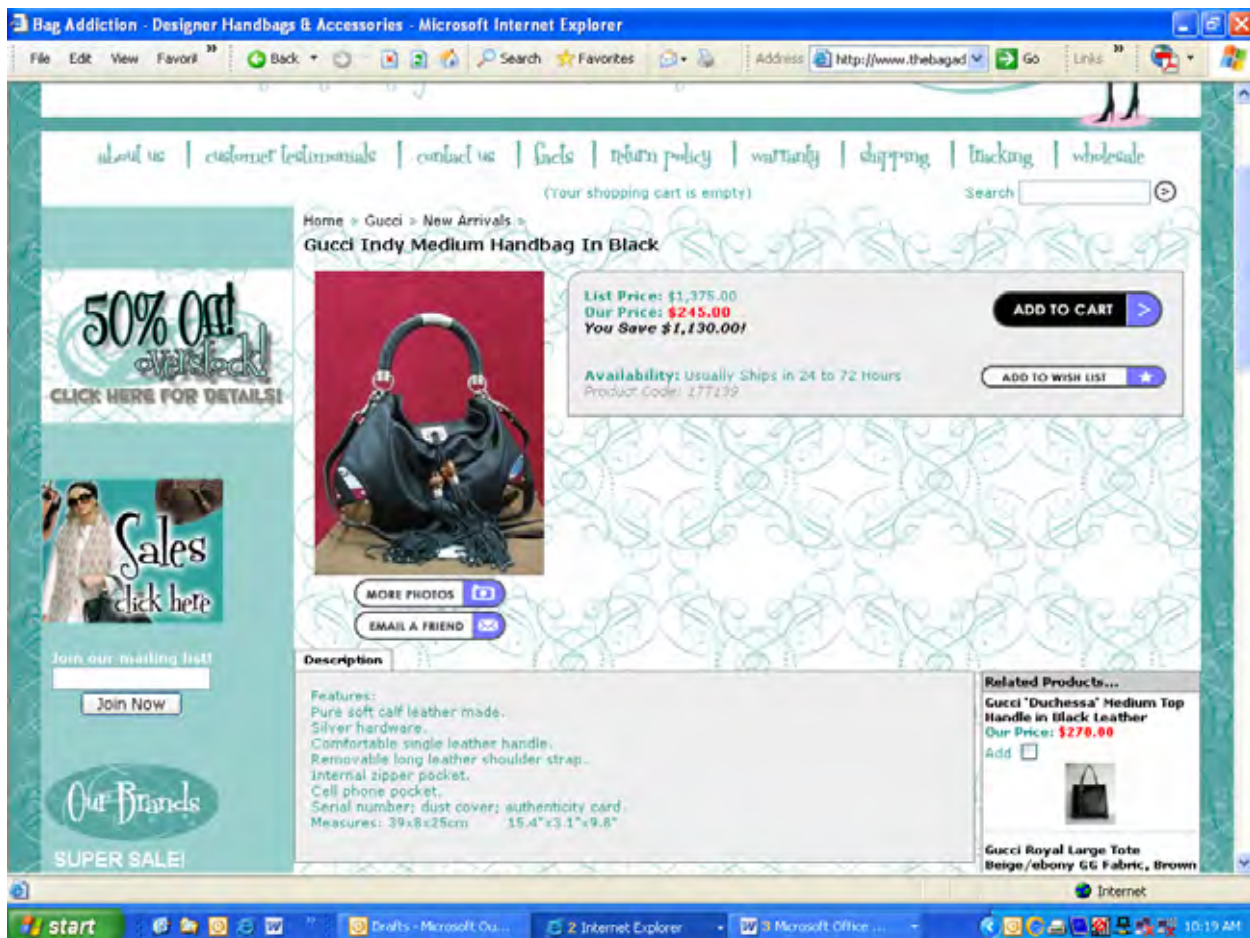


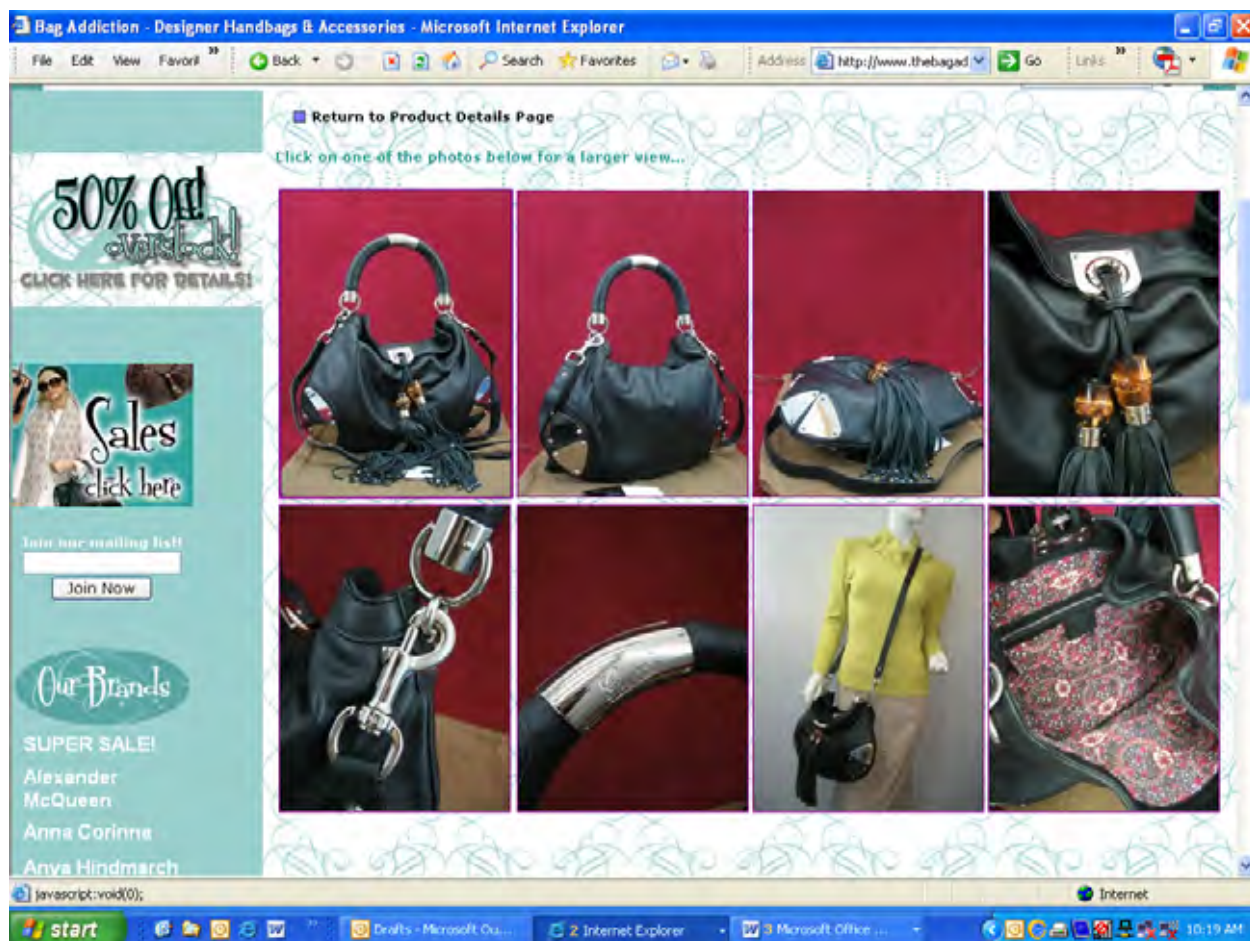
Gucci Indy Medium Black Handbag

54. Acting under my direction, a Stonegate agent placed an order from the website www.TheBagAddiction.com for a “Gucci Indy Medium Black Handbag” with the product code “177139.” The cost of the purchase of the bag was \$245, plus a \$10 shipping fee, for a grand total of \$255. Stonegate paid for the order through an account with a Visa credit card. Attached

as Exhibit 10 is a true and correct copy of the order form with the orderer's identifying financial information obscured to protect Stonegate's investigative methods.

55. Below are true and accurate images of the handbag, as it was advertised on www.TheBagAddiction.com.





56. The Stonegate agent received a confirmation e-mail from thebagaddiction@gmail.com, noting that the order was placed from the website www.TheBagAddiction.com. The order number provided by agents of www.TheBagAddiction.com was 13517. Attached as Exhibit 11 is a true and correct copy of this e-mail.

57. Subsequently, the Stonegate agent received a monthly statement for the Visa credit card used for this purchase, which confirms a payment in the amount of \$255 for the bag and shipping. The statement identifies the recipient of the funds as "THEBAGADDICTION.COM 866-755-0356 CA."

58. The Stonegate agent received the bag via EMS. The return address was entirely handwritten in Chinese. The contents were described as “gift bag” with a declared value of \$13. Attached as Exhibit 12 is a true and correct copy of the EMS Airbill.

59. A translation obtained from Language Alliance, Inc. revealed that the Chinese characters on the EMS Airbill read:

Original Office: Guilin
From: Mo Li
Address: 2 Jiao Tong Road, Guilin City
Accepted by: Xu Hong
Chinese characters above the bar code: Chen Guilin U.S.A.

Attached as Exhibit 6 is a true and correct copy of the EMS Airbill translation received from Language Alliance, Inc.

60. Below is a true and exact image of the handbag, as it was received.

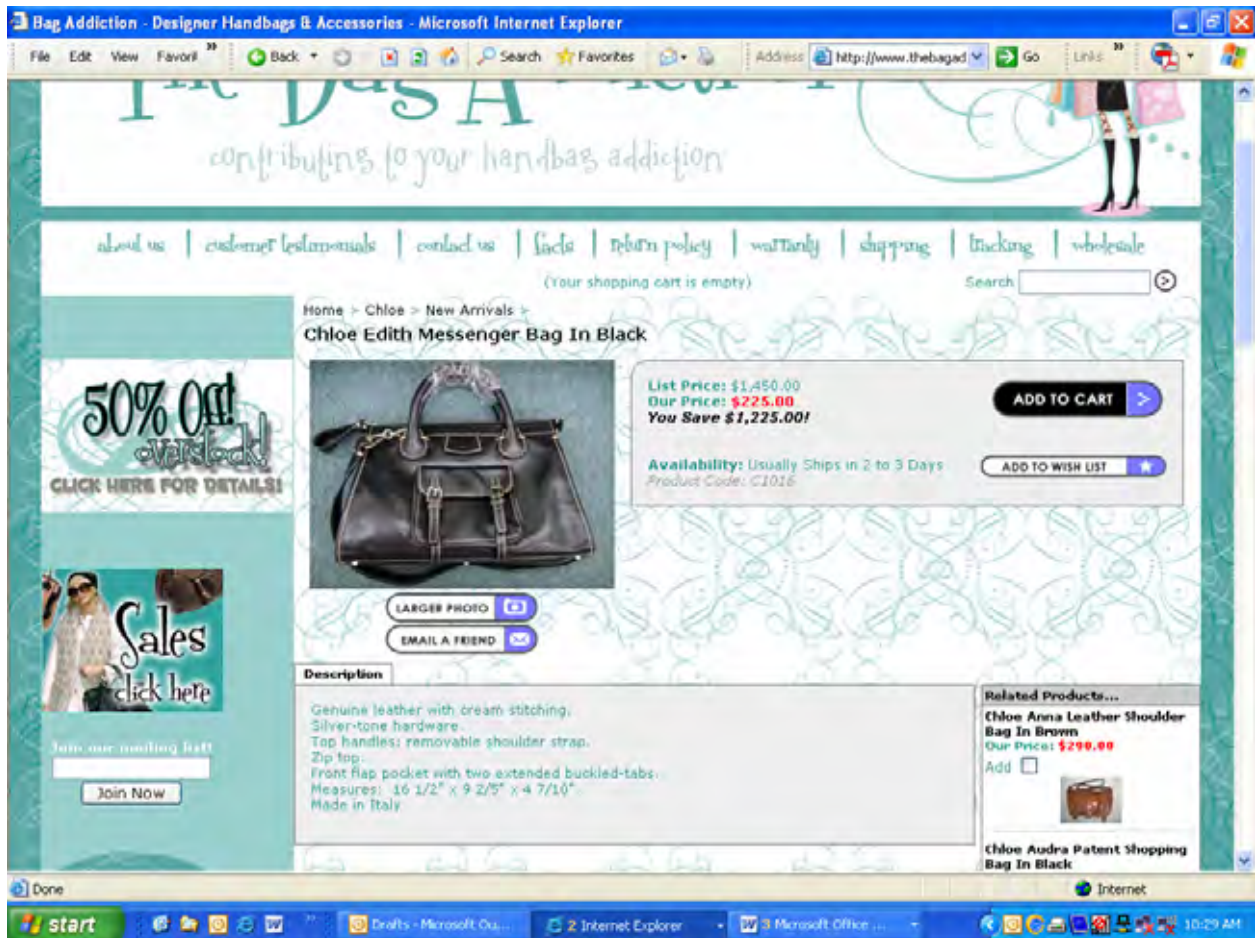


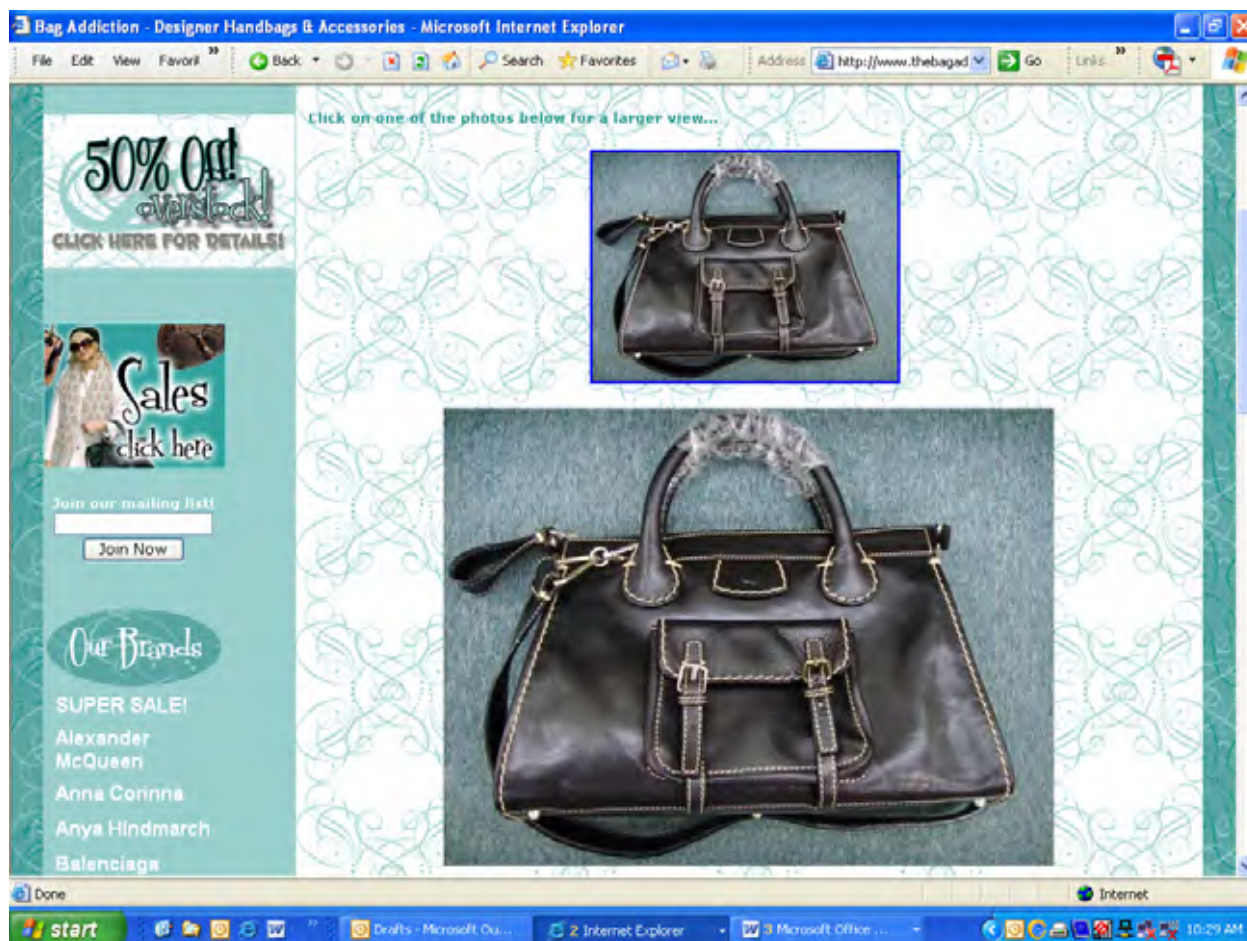
Chloe Edith Messenger Bag in Black

61. I placed an order from the website www.TheBagAddiction.com for a “Chloe Edith Messenger Bag in Black” with the product code “C1016.” The cost of the purchase of the bag was \$225, plus a \$10 shipping fee, for a grand total of \$235. Stonegate paid for the order through an account with a Discover credit card. Attached as Exhibit 13 is a true and correct copy

of the order form with the orderer's identifying financial information obscured to protect Stonegate's investigative methods.

62. Below are true and accurate images of the handbag, as it was advertised on www.TheBagAddiction.com.





63. I received a confirmation e-mail from thebagaddiction@gmail.com, noting that the order was placed from the website www.TheBagAddiction.com. The order number provided by agents of www.TheBagAddiction.com was 13808. Attached as Exhibit 14 is a true and correct copy of this e-mail.

64. Subsequently, I received a monthly statement for the Discover credit card used for this purchase, which confirms a payment in the amount of \$235 for the bag and shipping. The statement identifies the recipient of the funds as “THEBAGADDICTION.COM ROCKLIN CA.”

65. Below is a true and exact image of the handbag, as it was received.



DEFENDANTS' ADVERTISING MECHANISMS

66. One of the ways in which Defendants attract customers to their website is by causing a “sponsored link” advertisement to appear on popular online search engines and shopping price comparison services when Internet users search for legitimate Gucci and Chloé products.

67. For example, when an Internet user searches the Internet by entering the phrases “Gucci Handbags,” “Chloe Handbags,” or “Handbags and Accessories” into the Google search engine, Defendants cause Google to post Defendants’ “sponsored link” advertisement and a hyperlink that can take Internet users to the www.TheBagAddiction.com website, next to the Google search results. Based on my knowledge of Internet advertising practices, I understand that Defendants must pay Google for this “sponsored link” advertisement.

68. Shown below are true and accurate images of online searches for “Gucci Handbags,” “Chloe Handbags,” and “handbags and accessories” on www.Google.com, except that arrows have been added to direct the reader’s attention to the relevant text. In each case, Defendants’ “sponsored link” advertisement appears in close proximity to Plaintiffs’ trademark names and to hyperlinks to websites that sell legitimate Plaintiffs’ Products.

