1		THE HONORABLE RICARDO S. MARTINEZ
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7	ΙΝΙΤΕΌ ΥΤΑΤΕ	ES DISTRICT COURT
8		ICT OF WASHINGTON
9	ATS	SEATTLE
10	GINA KIM, on behalf of a class consisting of herself and all other persons similarly	NO. 2:11-cv-00214-RSM
11	situated,	COACH, INC.'S AMENDED ANSWER, DEFENSES, AND AFFIRMATIVE
12	Plaintiffs, and as to Ms. Kim, counterclaim	DEFENSES TO FIRST AMENDED COMPLAINT, AND AMENDED
13	defendant, v.	COUNTERCLAIM
14	COACH, INC., a Maryland corporation,	
15	and COACH SERVICES, INC., a Maryland corporation,	
16	Defendants, and, as to	
17	Coach, Inc., counterclaim plaintiff.	
18		
19		
20	Pursuant to Federal Rule of Civil Proc	cedure 15(a)(1), defendant Coach, Inc. ("Coach")
21	hereby submits its amended answer to the Fir	st Amended Complaint (the "Amended
22	Complaint") filed by plaintiff Gina Kim on b	ehalf of a putative class consisting of Ms. Kim and
23	all other Washington residents similarly situa	ted, and filed by plaintiffs Jay Carlson, Carlson
24	Legal, Christopher Carney, Carney Gillespie	& Isitt PLLC, Jason B. Moore, and Van Eyk &
25	Moore, PLLC. Coach's amended answer, de	fenses, affirmative defenses, and amended
26	counterclaim are based on information and ki	nowledge thus far secured by Coach, and Coach
	AMENDED ANSWER, DEFENSES, AND AFFIRMATIVE DEFENSES TO FIRST AMENDED COMPLAINT, AND AMENDED COUNTERCLAIM NO. 2:11-cv-00214-RSM	/of find fivenue, build / 000

reserves the right to amend or supplement its amended answer, defenses, affirmative defenses,
 and amended counterclaim based on facts later discovered, pleaded, or offered. To the extent
 that any express or implied allegations in the Amended Complaint are not specifically admitted
 herein, Coach hereby denies any such allegations.

5

6

ANSWER TO THE FIRST AMENDED COMPLAINT

SUMMARY

Coach denies each and every allegation in plaintiffs' "Summary," except to admit that 7 its law firm Gibney, Anthony & Flaherty, LLP ("Gibney") monitors certain items listed for sale 8 9 on eBay, that Gibney alerts eBay when counterfeit Coach products are detected, that Gibney delivers communications to sellers when counterfeit Coach products are detected, and that 10 Ms. Kim is a former Coach employee. Coach specifically denies that it "is trying to force all 11 12 consumers to purchase Coach products" only in Coach's retail stores. Coach specifically denies that it "wantonly accuses consumers of infringing its trademarks" Coach 13 14 specifically denies that it makes any accusations of counterfeiting "[w]ithout investigating the validity of its allegations" Coach specifically denies that it "fails to conduct even a 15 minimally reasonable investigation into its counterfeiting claims" 16

17

I.

II.

<u>NATURE OF PLAINTIFF'S CLAIMS</u>

To the extent that this section contains allegations of fact, Coach denies the allegations
contained therein, except to state that counsel for Coach indicated to counsel for Ms. Kim that
counsel for Ms. Kim had committed actionable defamation that would be the subject of a claim.
Coach specifically denies that any threats were made.

22

PARTIES

Coach denies that Ms. Kim is representative of any purported class in this
 matter. As to the remaining allegations in Paragraph 1, Coach lacks sufficient knowledge or
 information to form a belief as to the truth of the allegations contained therein and, on that
 basis, denies such allegations.

AMENDED ANSWER, DEFENSES, AND AFFIRMATIVE DEFENSES TO FIRST AMENDED COMPLAINT, AND AMENDED COUNTERCLAIM - 2 NO. 2:11-cv-00214-RSM

Coach denies that the putative class described in Paragraph 2 is valid under
 Fed.R.Civ.P. 23. As to the remaining allegations in Paragraph 2, Coach lacks sufficient
 knowledge or information to form a belief as to the truth of the allegations contained therein
 and, on that basis, denies such allegations.

3. Coach admits that Coach, Inc. and Coach Services, Inc. are Maryland
corporations and that their principal places of business are not in Washington. The meaning of
the term "extensive" is undefined and, on that basis, Coach denies the remaining allegations in
Paragraph 3.

9 4. Coach denies that counsel for Ms. Kim "have been directly threatened with a
10 defamation lawsuit by Coach's counsel." As to the remaining allegations in Paragraph 4,
11 Coach lacks sufficient knowledge or information to form a belief as to the truth of the
12 allegations contained therein and, on that basis, denies such allegations, except to acknowledge
13 that Ms. Kim's lawyers have been made named plaintiffs in this lawsuit.

14

III.

JURISDICTION AND VENUE

Answering Paragraph 1, Coach lacks sufficient knowledge or information to
 form a belief as to the truth of the allegations contained therein and, on that basis, denies such
 allegations.

Paragraph 2 contains legal conclusions to which no response is necessary. To
 the extent that Paragraph 2 contains allegations of fact, Coach admits that the Amended
 Complaint purports to invoke jurisdiction under 28 U.S.C. §§ 1331, 1332, 1367, and 2201-02.

3. Coach admits that it markets and sells trademarked goods in Washington.
 Coach denies the remaining allegations in Paragraph 3.

4. Paragraph 4 contains legal conclusions to which no response is necessary. To
the extent that Paragraph 4 contains allegations of fact, Coach admits that the Amended
Complaint purports to invoke venue under 28 U.S.C. §§ 1391(a), (b), & (c).

26

AMENDED ANSWER, DEFENSES, AND AFFIRMATIVE DEFENSES TO FIRST AMENDED COMPLAINT, AND AMENDED COUNTERCLAIM - 3 NO. 2:11-cv-00214-RSM

IV.

FACTS COMMON TO ALL COUNTS

Answering Paragraph 1, Coach lacks sufficient knowledge or information to
 form a belief as to the truth of the allegations contained therein and, on that basis, denies such
 allegations.

5 2. Answering Paragraph 2, Coach lacks sufficient knowledge or information to
6 form a belief as to the truth of the allegations contained therein and, on that basis, denies such
7 allegations.

8

1.

"VIOLATION OF THE WASHINGTON CONSUMER PROTECTION ACT"

9 1. Coach incorporates and realleges the preceding paragraphs as if set forth fully10 herein.

Paragraph 2 contains legal conclusions to which no response is necessary. To
 the extent that Paragraph 2 contains allegations of fact, Coach lacks sufficient knowledge or
 information to form a belief as to the truth of the allegations contained therein and, on that
 basis, denies such allegations.

3. Coach admits that, in October 2010, Gibney notified eBay that Gibney believed,
on the basis of Ms. Kim's eBay listing, that a handbag listed for sale by Ms. Kim is counterfeit
and infringed Coach's trademarks. Coach denies the remaining allegations in Paragraph 3.
Coach specifically denies that it acted "without conducting any reasonable investigation."

4. Coach admits that the listing referenced in the preceding paragraph was briefly
removed from eBay but denies that Ms. Kim's characterization, which implies that the listing
was never re-instated, is accurate. Coach further denies that it made any claims at all. As to
the remaining allegations in Paragraph 4, Coach lacks sufficient knowledge or information to
form a belief as to the truth of the allegations contained therein and, on that basis, denies such
allegations.

25

26

AMENDED ANSWER, DEFENSES, AND AFFIRMATIVE DEFENSES TO FIRST AMENDED COMPLAINT, AND AMENDED COUNTERCLAIM - 4 NO. 2:11-cv-00214-RSM

1	5.	Coach admits that, on or about October 8, 2010, Gibney sent a letter to Ms. Kim
2	regarding he	r eBay listing. Coach denies that Ms. Kim's characterization of the letter is
3	accurate or c	complete, and submits that the letter is the best evidence of its contents.
4	6.	Answering Paragraph 6, Coach lacks sufficient knowledge or information to
5	form a belief	f as to the truth of the allegations contained therein and, on that basis, denies such
6	allegations.	
7	7.	Coach denies the allegations contained in Paragraph 7.
8	8.	Coach denies the allegations contained in Paragraph 8.
9	9.	Coach denies the allegations contained in Paragraph 9.
10	10.	Coach denies the allegations contained in Paragraph 10.
11	11.	Coach denies the allegations contained in Paragraph 11.
12		SREPRESENTATION OF TRADEMARK INFRINGEMENT IN
13	<u>VIO</u>	LATION OF 17 U.S.C. 512(f), AND DECLARATORY JUDGMENT"
14	1.	Coach incorporates and realleges the preceding paragraphs as if set forth fully
15	herein.	
16	2.	Coach admits the allegations in Paragraph 2.
17	3.	Coach admits that, in October 2010, Gibney notified eBay that Gibney believed,
18	on the basis	of Ms. Kim's eBay listing, that a handbag listed for sale by Ms. Kim is counterfeit
19	and infringed	d Coach's trademarks. Coach denies the remaining allegations in Paragraph 3.
20	4.	Coach admits that, on October 8, 2010, Gibney sent a letter to Ms. Kim
21	regarding he	r eBay listing. Coach denies that Ms. Kim's characterization of the letter is
22	accurate or c	complete, and submits that the letter is the best evidence of its contents. Coach
23	denies the re	maining allegations in Paragraph 4.
24	5.	Answering Paragraph 5, Coach lacks sufficient knowledge or information to
25	form a belief	f as to the truth of the allegations contained therein and, on that basis, denies such
26	allegations.	
	AFFIRMATIV	NSWER, DEFENSES, AND DLA Piper LLP (US) E DEFENSES TO FIRST AMENDED 701 Fifth Avenue, Suite 7000 AND AMENDED COUNTERCLAIM - 5 Seattle, WA 98104-7044 • Tel: 206.839.4800

1	6.	Coach denies the allegations in Paragraph 6.
2	7.	Coach denies the allegations in Paragraph 7.
3	8.	Coach denies the allegations in Paragraph 8.
4	9.	Coach denies the allegations in Paragraph 9.
5	3. " <u>DE</u>	FAMATION BY DEFENDANT AGAINST PLAINTIFF"
6	1.	Coach incorporates and realleges the preceding paragraphs as if set forth fully
7	herein.	
8	2.	Coach admits that, in October 2010, Gibney notified eBay that Gibney believed,
9	on the basis	of Ms. Kim's eBay listing, that a handbag listed for sale by Ms. Kim is counterfeit
10	and infringed	d Coach's trademarks. Coach denies the remaining allegations in Paragraph 2.
11	3.	Coach denies the allegations in Paragraph 3.
12	4.	Answering Paragraph 4, Coach lacks sufficient knowledge or information to
13	form a belief	as to the truth of the allegations contained therein and, on that basis, denies such
14	allegations.	
15	5.	Coach denies the allegations in Paragraph 5.
16	6.	Coach denies the allegations in Paragraph 6.
17	7.	Coach denies the allegations in Paragraph 7.
18	4. " <u>TO</u>	RTIOUS INTERFERENCE WITH A BUSINESS EXPECTANCY"
19	1.	Coach incorporates and realleges the preceding paragraphs as if set forth fully
20	herein.	
21	2.	Coach admits that, in October 2010, Gibney notified eBay that Gibney believed,
22	on the basis	of Ms. Kim's eBay listing, that a handbag listed for sale by Ms. Kim is counterfeit
23	and infringed	d Coach's trademarks. Coach denies the remaining allegations in Paragraph 2.
24	3.	Coach admits that, on October 8, 2010, Gibney sent a letter to Ms. Kim
25	regarding he	r eBay listing. Coach denies that Ms. Kim's characterization of the letter is
26	accurate or c	omplete, and submits that the letter is the best evidence of its contents.
	AFFIRMATIV	NSWER, DEFENSES, AND E DEFENSES TO FIRST AMENDED AND AMENDED COUNTERCLAIM - 6 0214-RSM DLA Piper LLP (US) 701 Fifth Avenue, Suite 7000 Seattle, WA 98104-7044 • Tel: 206.839.4800

I

4.

5.

Coach denies the allegations in Paragraph 4.

Coach denies the allegations in Paragraph 5.

2

3

5.

"DECLARATION OF NO DEFAMATION BY PLAINTIFF'S COUNSEL"

4 1. Coach admits that it has hired counsel named Stellman Keehnel, who practices 5 at DLA Piper in Seattle. Coach further admits that Mr. Keehnel has been in communication 6 with counsel for Ms. Kim. Coach further admits that, as of the filing of the Amended 7 Complaint, Mr. Keehnel had not yet filed a notice of appearance in this matter because there 8 was no occasion to do so, as the time for Coach to appear and respond, following service of 9 process, had not run. Coach denies the remaining allegations in Paragraph 1. Coach specifically denies that Mr. Keehnel has been in "regular communication" with counsel for 10 11 Ms. Kim. Coach specifically denies that Mr. Keehnel was under any obligation to appear in 12 this case because of "repeated written and oral requests" to appear.

Coach denies that Mr. Keehnel sent counsel for Ms. Kim a letter dated February
 27, 2011. Coach denies that counsel for Ms. Kim's characterization of any letter sent by
 Mr. Keehnel is accurate or complete, and submits that the best evidence of the contents of any
 letter sent to Ms. Kim's counsel is such letter.

Coach again denies that Mr. Keehnel sent counsel for Ms. Kim a letter dated
 February 27, 2011. Coach admits that, in a February 17, 2011 letter, Mr. Keehnel informed
 counsel for Ms. Kim that they committed defamation. Coach denies that counsel for Ms. Kim's
 characterization of any letter sent by Mr. Keehnel is accurate or complete, and submits that the
 best evidence of the contents of any letter sent to Ms. Kim's counsel is such letter.

4. Coach denies that any "threat" was made. Coach admits that Mr. Keehnel
informed counsel for Ms. Kim that counsel for Ms. Kim committed defamation and that a claim
would be filed. Coach denies the remaining allegations in Paragraph 4.

25

5.

Coach denies the allegations in Paragraph 5.

26

AMENDED ANSWER, DEFENSES, AND AFFIRMATIVE DEFENSES TO FIRST AMENDED COMPLAINT, AND AMENDED COUNTERCLAIM - 7 NO. 2:11-cv-00214-RSM

Coach denies that the description of counsel for Ms. Kim's actions during the
 interview – that they "repeated the allegations in the Complaint and answered questions about
 the case" – is accurate or complete. As to the remaining allegations in Paragraph 6, Coach
 lacks sufficient knowledge or information to form a belief as to the truth of the allegations
 contained therein and, on that basis, denies such allegations.

7. 6 Coach admits that Gibney sent Ms. Kim a letter, although Coach denies that counsel for Ms. Kim's characterization of the letter is accurate or complete, and submits that 7 8 the letter is the best evidence of its contents. Coach admits that Ms. Kim is a former Coach 9 employee. Coach lacks sufficient knowledge or information to form a belief as to the truth of the allegation that "[t]he actual product was depicted in photographs taken by Ms. Kim and 10 posted in the eBay.com advertisement" Coach denies the remaining allegations in 11 12 Paragraph 7. Coach specifically denies that the defamatory statements by counsel for Ms. Kim were substantially true. Coach specifically denies that Coach "failed to reasonably investigate" 13 14 the authenticity of the product. Coach specifically denies that "[i]f Coach had reasonably investigated that issue, they could have easily discovered that the product was genuine." Coach 15 16 specifically denies that counsel for Ms. Kim had a "good faith basis to assert that Coach failed to investigate, and the statement was substantially true." Coach specifically denies that "[t]here 17 has been no defamation against Coach." 18

8. Coach admits that its brand is famous. Coach lacks sufficient knowledge or
 information to form a belief as to the truth of the allegation regarding "the reason the media
 was interested in this Complaint in the first place" The meaning of the phrase "great deal
 of money" is undefined and, on that basis, Coach denies the allegation regarding the amount of
 money it spends on marketing. Coach denies the remaining allegations in Paragraph 8.

Coach denies the allegations in Paragraph 9.

24

9.

25 26

> AMENDED ANSWER, DEFENSES, AND AFFIRMATIVE DEFENSES TO FIRST AMENDED COMPLAINT, AND AMENDED COUNTERCLAIM - 8 NO. 2:11-cv-00214-RSM

V.

CLASS ALLEGATIONS

2 1. Paragraph 1 contains legal conclusions to which no response is necessary. To the extent that Paragraph 1 contains allegations of fact, Coach denies the allegations in 3 4 Paragraph 1. 2. 5 Coach denies the allegations in Paragraph 2. 3. 6 Paragraph 3 contains legal conclusions to which no response is necessary. To the extent that Paragraph 3 contains allegations of fact, Coach denies the allegations in 7 Paragraph 3. 8 4. 9 Coach denies the allegations in Paragraph 4. 5. Coach denies the allegations in Paragraph 5. 10 11 6. Coach denies the allegations in Paragraph 6. 12 7. Coach denies the allegations in Paragraph 7. 8. No response is necessary to Paragraph 8. 13 14 VI. **PRAYER FOR RELIEF** 15 Coach denies that Ms. Kim is entitled to the relief sought in the Amended Complaint or 16 to any other relief. **DEFENSES AND AFFIRMATIVE DEFENSES** 17 As separate and distinct defenses and affirmative defenses to the Amended Complaint, 18 19 Coach further alleges as follows, without admission that Coach carries the burden of proof on any of the defenses set forth below: 20 1. Failure to State a Claim. The Amended Complaint fails to state a claim for 21 which relief can be granted. 22 23 2. **Unclean Hands**. Ms. Kim is not entitled to obtain recovery for damages she has 24 incurred, if any, arising out of her own wrongful conduct. 25 3. **Prior Breach**. Each and every one of Ms. Kim's causes of action in the 26 Amended Complaint is barred by the doctrine of prior breach. AMENDED ANSWER, DEFENSES, AND DLA Piper LLP (US) AFFIRMATIVE DEFENSES TO FIRST AMENDED 701 Fifth Avenue, Suite 7000 COMPLAINT, AND AMENDED COUNTERCLAIM - 9 Seattle, WA 98104-7044 • Tel: 206.839.4800 NO. 2:11-cv-00214-RSM

4. 1 Intervening Cause. Each and every one of Ms. Kim's causes of action in the 2 Amended Complaint is barred by the doctrine of intervening cause. 3 5. Kim's Own Conduct. Each and every one of Ms. Kim's causes of action in the 4 Amended Complaint is barred by Ms. Kim's own conduct. 5 6. **Estoppel.** Each and every one of Ms. Kim's causes of action in the Amended Complaint is barred by the doctrine of estoppel. 6 7. 7 Justification. Each and every one of Ms. Kim's causes of action in the Amended Complaint is barred by the doctrine of justification. 8 9 8. **Truth**. Ms. Kim's claim for defamation is barred by the doctrine of truth. 9. Lack of Damages. The Amended Complaint, and each purported claim by 10 11 Ms. Kim for relief therein, is barred because Ms. Kim has not suffered any damages as a result 12 of any acts, conduct, or omissions by Coach. 10. Failure to Mitigate. Ms. Kim is precluded from pursuing her Amended 13 14 Complaint and each claim for relief therein because Ms. Kim has failed to mitigate her damages, if any, which she seeks to recover. 15 11. Successful Mitigation of Damages. Ms. Kim is precluded from pursuing her 16 Amended Complaint and each claim for relief therein because Ms. Kim has successfully 17 18 mitigated her damages, such that there are no damages to recover. 19 12. **Justifiable Reliance**. Coach justifiably relied on Ms. Kim's false statement that the subject bag is "NEW." In fact, the subject bag was six or seven years old at the time 20 Ms. Kim falsely represented that the bag is "NEW." 21 13. **<u>No Typicality</u>**. Ms. Kim is not typical of the class she purports to represent. 22 23 14. **No Numerosity**. The putative class does not satisfy the numerosity 24 requirement. 25 15. Counsel Not Qualified. Ms. Kim's selected counsel are not qualified to serve as class counsel. 26 AMENDED ANSWER, DEFENSES, AND DLA Piper LLP (US) AFFIRMATIVE DEFENSES TO FIRST AMENDED 701 Fifth Avenue, Suite 7000

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COMPLAINT, AND AMENDED COUNTERCLAIM - 10

NO. 2:11-cv-00214-RSM

1 16. <u>No Predominance</u>. Individual issues predominate, rendering class treatment
 2 inappropriate.

3	17. <u>Failure to Join Necessary Party</u> . Each and every one of Ms. Kim's causes of
4	action in the Amended Complaint is barred by Ms. Kim's failure to join a necessary party.
5	18. <u>Right to Assert Additional Defenses</u> . The above defenses and affirmative
6	defenses are based on the facts and information currently known to Coach. Coach reserves the
7	right to amend or add defenses or affirmative defenses based on facts later discovered, pleaded
8	or offered.
9	
10	COUNTERCLAIM FOR DECLARATORY RELIEF
11	Counterclaim plaintiff Coach, Inc. ("Coach") alleges as follows:
12	PARTIES
13	1. Plaintiff Coach, Inc. is a Maryland corporation with its principal place of
14	business in New York, NY.
15	2. Declaratory judgment defendant Gina Kim is a resident of King County,
16	Washington.
17	JURISDICTION AND VENUE
18	6. This Court has supplemental jurisdiction over this counterclaim under 28 U.S.C.
19	§ 1367.
20	7. Venue is proper in this District under 28 U.S.C. § 1391 because, on information
21	and belief, this is a civil action wherein jurisdiction is not founded solely on diversity of
22	citizenship, and (1) all of the defendants reside in the same state, and at least one defendant
23	resides in this District; and (2) this is the district where a substantial part of the events or
24	omissions giving rise to the claim occurred.
25	
26	
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GENERAL ALLEGATIONS

1

8. Coach is a leading designer, producer, and marketer of accessories and gifts,
 including handbags, business cases, luggage and travel accessories, wallets, outerwear,
 eyewear, gloves, scarves, fragrance, and fine jewelry bearing the COACH trademark and other
 associated marks.

6 9. Coach's reputation for high quality workmanship and creative design is critical
7 to Coach's business model. Coach relies heavily on the enormous goodwill that it enjoys with
8 respect to its well-known and highly-regarded brand.

9 10. Impairment of Coach's reputation directly diminishes Coach's ability to conduct
10 its business.

11 11. As with other designers and producers of consumer products, Coach is faced
12 with the insurmountable task of policing its intellectual property and protecting itself and
13 consumers from counterfeit merchandise.

14 12. Removing suspicious listings is a routine function that eBay undertakes in
15 connection with its efforts to limit the potential for massive counterfeiting on eBay. If eBay
16 were not permitted to remove suspicious listings, it would have no ability to control
17 counterfeiting. Similarly, if intellectual property rights holders were not able to request
18 removal of suspicious listings – especially when the listing itself inaccurately describes the
19 product at issue – then websites like eBay would be overrun with counterfeit merchandise, to
20 the detriment of the websites, the producers, and consumers.

13. When intellectual property rights holders request the removal of suspicious
listings, they are entitled to rely on the product description in the listing. If intellectual property
holders cannot rely on the product description in the listing, then they are powerless to prevent
counterfeit products from reaching consumers.

14. In late September or early October 2010, Ms. Kim listed a handbag on
eBay.com as "NEW." Ms. Kim also advertised the bag as a COACH handbag.

AMENDED ANSWER, DEFENSES, AND AFFIRMATIVE DEFENSES TO FIRST AMENDED COMPLAINT, AND AMENDED COUNTERCLAIM - 12 NO. 2:11-cv-00214-RSM

1 15. On information and belief, the eBay user agreement that Ms. Kim agreed to
 2 when listing an item on eBay provided that she "will not... post false, inaccurate, [or]
 3 misleading ... content."

4 16. Acting on behalf of Coach, the law firm Gibney, Anthony & Flaherty LLP
5 ("Gibney") conducted an investigation of the handbag listing. Gibney concluded, correctly,
6 that if the bag were "NEW," it is not an authentic COACH handbag.

7 17. On information and belief, in October 2010, eBay removed Ms. Kim's handbag
8 listing for a short time in connection with suspicion that Ms. Kim was selling a counterfeit bag.

9 18. Shortly after Ms. Kim's listing was removed from eBay, Gibney sent Ms. Kim a
10 letter, which letter is attached as Exhibit A. Ms. Kim received the letter, contacted Gibney,
11 and her listing with eBay was reinstated almost immediately thereafter.

12 19. On February 8, 2011, counsel for Ms. Kim filed the above-captioned lawsuit in
13 this Court. Among the claims asserted was a claim for defamation. It appears that the
14 statements alleged to have been defamatory are (a) a communication by Gibney to eBay
15 allegedly requesting that eBay remove Ms. Kim's listing; and (b) the letter from Gibney to
16 Ms. Kim.

17 20. Nothing that Gibney communicated was false. A "NEW" bag of the sort that
18 Ms. Kim was selling would be counterfeit. Gibney reasonably relied on Ms. Kim's description
19 of the item in question in forming this belief.

20 21. Gibney's letter to Ms. Kim was published only to Ms. Kim. Neither Gibney nor
21 Coach disseminated the letter. The letter was brought to the attention of the general public only
22 through this lawsuit and through publicity associated with a newscast regarding this lawsuit,
23 participated in by plaintiffs Jay Carlson and Christopher Carney.

24 22. Coach is entitled to a declaration that Gibney and Coach were entitled to rely on
25 Ms. Kim's description of the listed bag as "NEW" in her listing, and that no defamation
26 occurred.

AMENDED ANSWER, DEFENSES, AND AFFIRMATIVE DEFENSES TO FIRST AMENDED COMPLAINT, AND AMENDED COUNTERCLAIM - 13 NO. 2:11-cv-00214-RSM

1	23.	Even if the defamation claim is dismissed, the propriety of Gibney's actions
2	goes to the he	eart of anti-counterfeiting efforts. For this reason, Coach is entitled to a
3	declaratory ju	adgment, independent of the adjudication of Ms. Kim's defamation claim.
4		FIRST CAUSE OF ACTION
5		(Declaration Of No Defamation)
6	24.	Coach incorporates and realleges the preceding paragraphs as if set forth fully
7	herein.	
8	25.	A case of actual controversy exists within this Court's jurisdiction.
9	26.	Coach respectfully requests this Court for a declaration that Gibney and Coach
10	were entitled	to rely on Ms. Kim's description of the listed bag as "NEW" in her listing.
11	27.	Coach respectfully requests this Court for a declaration that no defamation
12	occurred.	
13		REQUEST FOR RELIEF
14	Coach	n requests the following relief:
15	1.	Dismissal of the Amended Complaint with prejudice;
16	2.	A declaratory judgment under 28 U.S.C. § 2201 that Gibney and Coach were
17	entitled to rel	y on Ms. Kim's description of the listed bag as "NEW" in her listing.
18	3.	A declaratory judgment under 28 U.S.C. § 2201 that no defamation occurred.
19	4.	An award of costs and reasonable attorneys' fees incurred in this lawsuit; and
20	5.	An award of any such other and further relief as the Court may deem just and
21	proper.	
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	AFFIRMATIVI	NSWER, DEFENSES, AND E DEFENSES TO FIRST AMENDED AND AMENDED COUNTERCLAIM - 14 214-RSM DLA Piper LLP (US) 701 Fifth Avenue, Suite 7000 Seattle, WA 98104-7044 • Tel: 206.839.4800

1	Dated this 24th day of March, 2011.
2	DLA Piper LLP (US)
3	Dry a/Stallman Kashnal
4	By: <i>s/ Stellman Keehnel</i> Stellman Keehnel, WSBA No. 9309
5	R. Omar Riojas, WSBA No. 35400 Patrick Eagan, WSBA No. 42679
6	DLA Piper LLP (US) 701 Fifth Avenue, Suite 7000
7	Seattle, WA 98104 Tel: 206.839.4800
8	Fax: 206.839.4801 E-mail: stellman.keehnel@dlapiper.com
9	E-mail: omar.riojas@dlapiper.com E-mail: patrick.eagan@dlapiper.com
10	Attorneys for defendant and counterclaim plaintiff Coach, Inc.
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1	CERTIFICATE OF SERVICE
2	I hereby certify that on March 24, 2011, I electronically filed the foregoing with the
3	Clerk of the Court using the CM/ECF system which will send notification of such filing to all
4	counsel of record.
5	Dated this 24th day of March, 2011.
6	
7	/s/ Stellman Keehnel Stellman Keehnel, WSBA No. 9309
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EXHIBIT A



Attorneys at Law 665 Fifth Avenue New York, NY 10022 212.688.5151 212.688.8315 Fax www.gibney.com

John Macaluso 212.688.5151 coach@gibney.com

October 8, 2010

BY EMAIL: ginayunkim@gmail.com AND FIRST CLASS MAIL Gina Kim 9069 17th Avenue SW Seattle, WA 98106

Re: Coach, Inc.

Dear Ms. Kim:

This firm is counsel to Coach, Inc. and Coach Services, Inc. (hereinafter collectively referred to as "Coach"), with respect to certain intellectual property matters. Coach is the owner of the federally-registered "COACH" trademark, among others (the "Coach Trademarks").

It has recently come to our attention that you are offering for sale and selling merchandise bearing counterfeits of the Coach Trademarks (the "Infringing Merchandise") on <u>eBay.com</u>.

Such action is likely to cause confusion and constitutes trademark counterfeiting, infringement and dilution of our clients' intellectual property rights. Your conduct violates federal and state trademark laws. As a result, you may be held liable for trademark counterfeiting and infringement. The penalties for such conduct are severe and may include injunctive relief, actual damages, statutory damages of up to \$2,000,000 for each trademark that has been counterfeited, costs and attorneys' fees.

Therefore, we demand that you immediately <u>cease and desist</u> from any and all offering for sale, sale, distribution, importation, manufacture, advertisement, promotion and display of the Infringing Merchandise. We also demand that you do the following immediately:

1. Surrender all Infringing Merchandise in your possession, custody or control.

2. Provide the identity of the source of the Infringing Merchandise.

San Francisco Office: Two Transamerica Center, 505 Sansome Street, Suite 1200, San Francisco, CA 94111 tel 415.901.2270

Associated Offices: Gros & Waltenspuhl, Rue Beauregard 9, CH-1204 Geneva, Switzerland tel +41 22.311.3833 Magrath LLP, 66/67 Newman Street, London, W1T 3EQ, United Kingdom tel +44 207.495.3003 GIBNEY ANTHONY & FLAHERTY LLP

3. Make payment to "Coach, Inc." by Cashier's Check, Certified Check or Money Order, for all damages and costs incurred by our clients in connection with your infringing conduct, in the amount of \$300.

We strongly urge you not to contact the supplier of the Infringing Merchandise or to take any other action which would interfere with Coach's ability to eliminate Infringing Merchandise from the marketplace and will hold you responsible for your complicity in any such actions to the maximum extent provided by law.

Please complete the information below and return it along with the merchandise and payment to the undersigned at: Gibney, Anthony & Flaherty, LLP, 665 Fifth Avenue, New York, NY 10022.

You hereby warrant and represent that:

- 1. Your eBay.com seller ID is:
- 2. All Infringing Merchandise has been withdrawn from <u>eBay.com</u> and all other venues and you have surrendered all Infringing Merchandise in your possession or control to the undersigned counsel for Coach.
- 3. You sold ______ pieces of Infringing Merchandise and your profits from these sales were \$_____.
- 4. Your supplier(s) for the Infringing Merchandise and its (their) contact information is:

- 5. You will never again advertise, manufacture, offer for sale, sell or otherwise distribute the Infringing Merchandise in any venue, including, but not limited to, <u>eBay.com</u>.
- 6. You have made monetary payment of <u>\$300</u> to Coach, either by certified check or money order, made payable to "<u>Coach, Inc.</u>" based upon your profits and Coach's attorneys' fees and costs in connection with your sale of the Infringing Merchandise.

GIBNEY ANTHONY & FLAHERTY ILP

IN WITNESS WHEREOF, you agree to the foregoing.

Date:

Print Name:

Signature:

Please be advised that your failure to respond or to comply with these demands before **October 15, 2010**, may result in Coach taking legal action to enforce their rights, all of which are hereby expressly reserved.

Sincerely,

Gibney, Anthony & Flaherty, LLP

Macaluro John Macaluso By:

