1		THE HONORABLE RICARDO S. MARTINEZ	
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8		ES DISTRICT COURT LICT OF WASHINGTON	
9	AT S	SEATTLE	
10	GINA KIM, on behalf of a class consisting	NO. 2:11-cv-00214-RSM	
11	of herself and all other persons similarly situated,	COACH, INC.'S ANSWER, DEFENSES, AND AFFIRMATIVE DEFENSES TO	
12	Plaintiffs, v.	FIRST AMENDED COMPLAINT, AND COUNTERCLAIMS	
13	COACH, INC., a Maryland corporation,	COUNTERCLAIMS	
14	and COACH SERVICES, INC., a Maryland corporation,		
15	Defendants, and, as to		
16	Coach, Inc., counterclaim plaintiff,		
17	V.		
18	JAY CARLSON, a Washington resident;		
19	CARLSON LEGAL, a Washington resident; CHRISTOPHER CARNEY, a		
20	Washington resident; CARNEY GILLESPIE & ISITT PLLC, a Washington		
21	PLLC,		
22	Counterclaim defendants.		
23	Defendant Coach, Inc. ("Coach") he	reby answers the First Amended Complaint (the	
24	"Amended Complaint") filed by plaintiff Gina Kim on behalf of a putative class consisting of		
25	Ms. Kim and all other Washington residents similarly situated, and filed by plaintiffs Jay		
26		Carney Gillespie & Isitt PLLC, Jason B. Moore,	
	ANSWER, DEFENSES, AND AFFIRMATIVE		
	DEFENSES TO AMENDED COMPLAINT, AND COUNTERCLAIMS – 1	DLA Piper LLP (US) 701 Fifth Avenue, Suite 7000	
	NO. 2:11-cv-00214-RSM	Seattle, WA 98104-7044 • Tel: 206.839.4800	
	WEST\223262591.5	Post of	

and Van Eyk & Moore, PLLC. Coach's answer, defenses, affirmative defenses, and counterclaims are based on information and knowledge thus far secured by Coach, and Coach reserves the right to amend or supplement its answer, defenses, affirmative defenses, and counterclaims 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.

# **ANSWER TO THE FIRST AMENDED COMPLAINT**

## SUMMARY

Coach denies each and every allegation in plaintiffs' "Summary," except to admit that its law firm Gibney, Anthony & Flaherty, LLP ("Gibney") monitors certain items listed for sale 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 Ms. Kim is a former Coach employee. Coach specifically denies that it "is trying to force all consumers to purchase Coach products" only in Coach's retail stores. Coach specifically denies that it "wantonly accuses consumers of infringing its trademarks . . . ." Coach 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 minimally reasonable investigation into its counterfeiting claims . . . ."

# I. <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.

# II. <u>PARTIES</u>

1. 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

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

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COUNTERCLAIMS - 3

NO. 2:11-cv-00214-RSM

DEFENSES TO AMENDED COMPLAINT, AND

Complaint purports to invoke venue under 28 U.S.C. §§ 1391(a), (b), & (c).

# IV. FACTS COMMON TO ALL COUNTS

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- 1. 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.
- 2. Answering 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.

# 1. "VIOLATION OF THE WASHINGTON CONSUMER PROTECTION ACT"

- 1. Coach incorporates and realleges the preceding paragraphs as if set forth fully herein.
- 2. 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.
  - 5. Coach admits that, on or about October 8, 2010, Gibney sent a letter to Ms. Kim

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

1		7.	Coach denies the allegations in Parag	graph 7.
2		8.	Coach denies the allegations in Parag	graph 8.
3		9.	Coach denies the allegations in Parag	graph 9.
4	3.	" <u>DEF</u>	AMATION BY DEFENDANT AGA	AINST PLAINTIFF"
5		1.	Coach incorporates and realleges the	preceding paragraphs as if set forth fully
6	herein.			
7		2.	Coach admits that, in October 2010,	Gibney notified eBay that Gibney believed,
8	on the b	oasis of	f Ms. Kim's eBay listing, that a handb	ag listed for sale by Ms. Kim is counterfeit
9	and infi	ringed	Coach's trademarks. Coach denies th	e remaining allegations in Paragraph 2.
10		3.	Coach denies the allegations in Parag	graph 3.
11		4.	Answering Paragraph 4, Coach lacks	sufficient knowledge or information to
12	form a	belief a	as to the truth of the allegations contain	ned therein and, on that basis, denies such
13	allegati	ons.		
14		5.	Coach denies the allegations in Parag	graph 5.
15		6.	Coach denies the allegations in Parag	graph 6.
16		7.	Coach denies the allegations in Parag	graph 7.
17	4.	" <u>TOR</u>	TIOUS INTERFERENCE WITH A	A BUSINESS EXPECTANCY"
18		1.	Coach incorporates and realleges the	preceding paragraphs as if set forth fully
19	herein.			
20		2.	Coach admits that, in October 2010,	Gibney notified eBay that Gibney believed,
21	on the b	oasis o	f Ms. Kim's eBay listing, that a handb	ag listed for sale by Ms. Kim is counterfeit
22	and infi	ringed	Coach's trademarks. Coach denies th	e remaining allegations in Paragraph 2.
23		3.	Coach admits that, on October 8, 201	0, Gibney sent a letter to Ms. Kim
24	regardii	ng her	eBay listing. Coach denies that Ms. F	Kim's characterization of the letter is
25	accurate or complete, and submits that the letter is the best evidence of its contents.			
26		4.	Coach denies the allegations in Parag	graph 4.
		SES TO ERCLA		DLA Piper LLP (US) 701 Fifth Avenue, Suite 7000 Seattle, WA 98104-7044 • Tel: 206.839.4800

5. Coach denies the allegations in Paragraph 5.

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# 5. "DECLARATION OF NO DEFAMATION BY PLAINTIFF'S COUNSEL"

- 1. Coach admits that it has hired counsel named Stellman Keehnel, who practices at DLA Piper in Seattle. Coach further admits that Mr. Keehnel has been in communication with counsel for Ms. Kim. Coach further admits that, as of the filing of the Amended Complaint, Mr. Keehnel had not yet filed a notice of appearance in this matter because there was no occasion to do so, as the time for Coach to appear and respond, following service of 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 Ms. Kim. Coach specifically denies that Mr. Keehnel was under any obligation to appear in this case because of "repeated written and oral requests" to appear.
- 2. 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.
- 3. 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.
  - 5. Coach denies the allegations in Paragraph 5.
- 6. 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

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

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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. 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 the letter is the best evidence of its contents. Coach admits that Ms. Kim is a former Coach 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 posted in the eBay.com advertisement . . . . " Coach denies the remaining allegations in 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" 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 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 has been no defamation against Coach."
- 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.
  - 9. Coach denies the allegations in Paragraph 9.

### V. **CLASS ALLEGATIONS**

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 Paragraph 1.

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

1	2.	Coach denies the allegations in Paragraph 2.	
2	3.	Paragraph 3 contains legal conclusions to which no response is necessary. To	
3	the extent that Paragraph 3 contains allegations of fact, Coach denies the allegations in		
4	Paragraph 3.		
5	4.	Coach denies the allegations in Paragraph 4.	
6	5.	Coach denies the allegations in Paragraph 5.	
7	6.	Coach denies the allegations in Paragraph 6.	
8	7.	Coach denies the allegations in Paragraph 7.	
9	8.	No response is necessary to Paragraph 8.	
10	VI.	PRAYER FOR RELIEF	
11	Coach	denies that Ms. Kim is entitled to the relief sought in the Amended Complaint or	
12	to any other r	elief.	
13		<b>DEFENSES AND AFFIRMATIVE DEFENSES</b>	
14	As se <sub>l</sub>	parate and distinct defenses and affirmative defenses to the Amended Complaint,	
15	Coach further alleges as follows, without admission that Coach carries the burden of proof on		
16	any of the defenses set forth below:		
17	1.	Failure to State a Claim. The Amended Complaint fails to state a claim for	
18	which relief can be granted.		
19	2.	<u>Unclean Hands</u> . Ms. Kim is not entitled to obtain recovery for damages she has	
20	incurred, if an	y, arising out of her own wrongful conduct.	
21	3.	<b>Prior Breach</b> . Each and every one of Ms. Kim's causes of action in the	
22	Amended Co	mplaint is barred by the doctrine of prior breach.	
23	4.	<u>Intervening Cause</u> . Each and every one of Ms. Kim's causes of action in the	
24	Amended Co	mplaint is barred by the doctrine of intervening cause.	
25	5.	Kim's Own Conduct. Each and every one of Ms. Kim's causes of action in the	
26	Amended Co	mplaint is barred by Ms. Kim's own conduct.	

18. Right to Assert Additional Defenses. The above defenses and affirmative 1 2 defenses are based on the facts and information currently known to Coach. Coach reserves the 3 right to amend or add defenses or affirmative defenses based on facts later discovered, pleaded 4 or offered. 5 **COUNTERCLAIMS** 6 Counterclaim plaintiff Coach, Inc. ("Coach") alleges as follows: 7 8 **INTRODUCTION** 9 Coach asserts a straightforward defamation case against certain of plaintiff Ms. Kim's lawyers who sought publicity of this lawsuit and then made false statements about Coach 10 11 outside the lawsuit. Coach does not assert a counterclaim against Ms. Kim. 12 Defendants Jay Carlson and Christopher Carney appeared on a television newscast and deliberately stated false information about Coach. Mr. Carlson pretended to read from a letter 13 14 sent to his client by an attorney at the law firm of Gibney, Anthony & Flaherty, on behalf of Coach. But the words that Mr. Carlson spoke – "You have committed trademark infringement 15 and we are going to sue you for two million dollars" – do not appear in the letter. 16 Mr. Carney, without justification, accused Coach of making "threats" without 17 conducting any investigation. In fact, an investigation was conducted, and Mr. Carney's 18 19 representation to the contrary with reckless disregard for the truth was calculated to inflict maximum reputational injury to Coach, and to cause consumers not to do business with Coach. 20 Mr. Carlson and Mr. Carney did not speak pursuant to any privilege. As a direct result 21 22 of their purposefully false statements, Coach has suffered and continues to suffer enormous 23 injury in the marketplace, as news outlets, blogs, and the like have republished one-sided 24 stories based on the defendants' fabricated "evidence" and baseless accusations. 25 26

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

**PARTIES** 

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

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- 1. Plaintiff Coach, Inc. is a Maryland corporation with its principal place of business in New York, NY.
- 2. On information and belief, defendant Jay Carlson is, and was at all times relevant herein, a resident of Washington.
- 3. On information and belief, Carlson Legal is the name under which defendant Mr. Carlson does business. Insufficient publicly available information is available to ascertain the nature of "Carlson Legal." Insofar as Carlson Legal is a legal entity with an existence separate from Mr. Carlson, on information and belief, Carlson Legal is a resident of Washington. Insofar as Carlson Legal is a legal entity with an existence separate from Mr. Carlson, Carlson Legal is counsel for Ms. Kim, and therefore a plaintiff in the Amended Complaint and a counterclaim defendant.
- 4. On information and belief, defendant Christopher Carney is, and was at all times relevant herein, a resident of Washington.
- 5. Carney Gillespie & Isitt PLLC is a Washington PLLC with its principal place of business in Washington. Carney Gillespie & Isitt PLLC is counsel for Ms. Kim and therefore a plaintiff in the Amended Complaint and a counterclaim defendant.

# **JURISDICTION AND VENUE**

- 6. This Court has original diversity jurisdiction over these counterclaims under 28 U.S.C. § 1332, because the action is between citizens of different states and the amount in controversy exceeds \$75,000, exclusive of interest and costs. Coach's damages exceed \$75,000, exclusive of interest and costs.
- 7. Venue is proper in this District under 28 U.S.C. § 1391 because, on information and belief, this is a diversity action in a judicial district where any (counterclaim) defendant resides and all of the counterclaim defendants reside in the same state. Venue is also proper

under 28 U.S.C. § 1391 because this is a judicial district in which a substantial part of the events or omissions giving rise to the counterclaims occurred.

# **GENERAL ALLEGATIONS**

- 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.
- 9. Coach's reputation for high quality workmanship and creative design is critical to Coach's business model. Coach relies heavily on the enormous goodwill that it enjoys with respect to its well-known and highly-regarded brand.
- 10. Impairment of Coach's reputation directly diminishes Coach's ability to conduct its business.
- 11. As with other designers and producers of consumer products, Coach is faced with the insurmountable task of policing its intellectual property and protecting itself and consumers from counterfeit merchandise.
- 12. Removing suspicious listings is a routine function that eBay undertakes in connection with its efforts to limit the potential for massive counterfeiting on eBay. If eBay were not permitted to remove suspicious listings, it would have no ability to control counterfeiting. Similarly, if intellectual property rights holders were not able to request removal of suspicious listings especially when the listing itself inaccurately describes the product at issue then websites like eBay would be overrun with counterfeit merchandise, to the detriment of the websites, the producers, and consumers.
- 13. 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.
- 14. Purporting to act on behalf of Coach, the law firm Gibney, Anthony & Flaherty LLP ("Gibney") conducted an investigation of the handbag listing. Gibney concluded,

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

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1	correctly, that if the bag were "NEW," it is not an authentic COACH handbag.
2	15. On information and belief, in October 2010, eBay.com removed Ms. Kim's
3	handbag listing for a short time in connection with suspicion that Ms. Kim was selling a
4	counterfeit bag.
5	16. Shortly after Ms. Kim's listing was removed from eBay, Gibney sent Ms. Kim a
6	letter, which letter is attached as <b>Exhibit A</b> . Ms. Kim received the letter, contacted Gibney,
7	and her listing with eBay was reinstated almost immediately thereafter.
8	17. On February 8, 2011, the counterclaim defendants filed the above-captioned
9	lawsuit on behalf of Ms. Kim in this Court.
10	18. On February 9, 2011, the counterclaim defendants appeared on a television
11	newscast on KING 5 news in Seattle.
12	19. As part of the newscast, Mr. Carlson purported to read from the letter that
13	Gibney sent to Ms. Kim. Representing that he was reading from the letter, Mr. Carlson stated
14	as follows:
15	You have committed trademark infringement and we are going to sue you for two
16	million dollars.
17	20. While making the above statement, Mr. Carlson looked at the letter and pointed
18	to the text to indicate that he was, in fact, reading from the letter. The only fair conclusion to
19	the viewer was that the letter from Gibney included Mr. Carlson's statement.
20	21. In fact, as is clear from Exhibit A, the letter contains no such statement. Mr.
21	Carlson's statement was false.
22	22. Later in the same newscast, Mr. Carney made the following statement regarding
23	the matter:
24	She acquired her Coach bags directly from Coach, they are unquestionably
25	legitimate. Clearly Coach did nothing to investigate their threats against her.
26	
	ANGWED DECENCES AND ACCIDMATIVE

ANSWER, DEFENSES, AND AFFIRMATIVE DEFENSES TO AMENDED COMPLAINT, AND COUNTERCLAIMS - 14 NO. 2:11-cv-00214-RSM

1	34.	The above-described publication v	was made by Mr. Carlson with actual malice
2	and reckless disregard for the truth, in that Mr. Carlson specifically intended to misrepresent		
3	the contents of a statement attributed to Coach in an effort to injure Coach.		
4		SECOND CAUS	E OF ACTION
5		(Defamation – Aga	inst Mr. Carney)
6	35.	Coach incorporates and realleges	the preceding paragraphs as if set forth fully
7	herein.		
8	36.	Mr. Carney's statement to the new	vs media on or about February 9, 2011 was
9	false.		
10	37.	Mr. Carney's statement was an un	privileged communication.
11	38.	Mr. Carney's statement was publi	shed to the news media with knowledge of its
12	falsity.		
13	39.	Mr. Carney's statement has harme	ed and continues to harm Coach's reputation.
14	40.	On information and belief, Mr. Ca	arney's statement to the news media has been
15	viewed/heard	d by persons around the country and	the world.
16	41.	As a proximate result of publication	on of Mr. Carney's statement, Coach has
17	suffered sign	ificant damages in an amount to be	demonstrated at trial.
18	42.	The above-described publication v	was made by Mr. Carney with actual malice
19	and reckless disregard for the truth.		
20		REQUEST FO	OR RELIEF
21	Coacl	h requests the following relief:	
22	1.	Dismissal of the Amended Compl	aint with prejudice;
23	2.	An award of general and special d	lamages, according to proof at trial;
24	3.	An award of costs and reasonable	attorneys' fees incurred in this lawsuit; and
25	4.	An award of any such other and fu	urther relief as the Court may deem just and
26	proper.		
			DLA Piper LLP (US) 701 Fifth Avenue, Suite 7000 Seattle, WA 98104-7044 • Tel: 206.839.4800

1	Dated this 3rd day of March, 2011.	
2	DLA Piper LLP (US)	
3	Press/Stallman Kaahnal	
4	By: s/ Stellman Keehnel 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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	ANSWER, DEFENSES, AND AFFIRMATIVE DEFENSES TO AMENDED COMPLAINT, AND COUNTERCLAIMS - 17  DLA Piper LLP (US) 701 Fifth Avenue, Suite 7000	

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NO. 2:11-cv-00214-RSM

# **CERTIFICATE OF SERVICE** I hereby certify that on March 3, 2011, I electronically filed the foregoing with the Clerk of the Court using the CM/ECF system which will send notification of such filing to all counsel of record. Dated this 3rd day of March, 2011. /s/ Stellman Keehnel Stellman Keehnel, WSBA No. 9309 ANSWER, DEFENSES, AND AFFIRMATIVE DEFENSES TO AMENDED COMPLAINT, AND DLA Piper LLP (US) 701 Fifth Avenue, Suite 7000 COUNTERCLAIMS - 18

Seattle, WA 98104-7044 • Tel: 206.839.4800

NO. 2:11-cv-00214-RSM

# 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



You hereby warrant and represent that

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.

•	ou notody 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, eBay.com.
6.	You have made monetary payment of \$300 to Coach, either by certified check or

money order, made payable to "Coach, Inc." based upon your profits and Coach's attorneys' fees and costs in connection with your sale of the Infringing Merchandise.

N WITNESS WHEREOF, you agree to the foregoing.	
Pate:	
rint Name:	
ignature:	

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

John Macalus