

UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF WASHINGTON

COACH, INC., a Maryland Corporation;  
COACH SERVICES, INC., a Maryland  
Corporation,

Plaintiffs,

v.

PEGASUS THEATER SHOPS, an  
unknown business entity; SHERL  
STOCKING, an individual; and DOES 1-  
10, inclusive,

Defendants.

CASE NO. CV

**COMPLAINT FOR DAMAGES:**

- 1. FEDERAL TRADEMARK  
INFRINGEMENT;**
- 2. TRADE DRESS  
INFRINGEMENT;**
- 3. FALSE DESIGNATIONS OF  
ORIGIN AND FALSE  
DESCRIPTIONS;**
- 4. FEDERAL TRADEMARK  
DILUTION;**
- 5. UNFAIR BUSINESS PRACTICES  
IN VIOLATION OF  
WASHINGTON LAW;**
- 6. COMMON LAW UNFAIR  
COMPETITION**

**JURY TRIAL DEMANDED**

Plaintiffs Coach, Inc., and Coach Services, Inc. ("Plaintiffs") for their claims  
against Defendants Pegasus Theater Shops and Sherl Stocking (collectively  
"Defendants") respectfully allege as follows:

COMPLAINT FOR DAMAGES

-1-

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## **I. JURISDICTION AND VENUE**

1. Plaintiffs file this action against Defendants for trademark infringement, trade dress infringement, trademark dilution under the Lanham Trademark Act of 1946, 15 U.S.C. §1051 et seq. (the “Lanham Act”), and related claims of unfair competition and trademark dilution under the statutory and common law of the state of Washington. This Court has subject matter jurisdiction over the Federal trademark infringement and trademark dilution claims under 15 U.S.C. § 1121 and 28 U.S.C. §§ 1331 and 1338.

2. This Court has subject matter jurisdiction over the remaining claims pursuant to 28 U.S.C.A § 1367, since those claims are related to and arise from the same set of facts as Plaintiffs’ Lanham Act claims.

3. This Court has personal jurisdiction over Defendants because Defendants do business within this judicial district, and the acts complained of occurred in this judicial district.

4. This action arises out of wrongful acts by Defendants within this judicial district. Venue is proper in this district pursuant to 28 U.S.C. § 1391 because the claims asserted arise in this district.

## **II. THE PARTIES**

5. Plaintiff Coach, Inc. is a corporation duly organized and existing under the laws of the state of Maryland, with its principal place of business in New York, New York. Plaintiff Coach Services, Inc., a wholly owned subsidiary of Coach, Inc., is a corporation duly organized and existing under the laws of the state of Maryland with its principal place of business in Jacksonville, Florida. Plaintiffs Coach, Inc. and Coach Services, Inc. will hereinafter be collectively referred to as “Coach.”

6. Upon information and belief, Defendant Pegasus Theater Shops is an unknown business entity with a principal place of business at 1003 1<sup>st</sup> Street, Snohomish, Washington 98290.

7. Upon information and belief, Defendant Sherl Stocking is an individual domiciled in this judicial district and is the owner of Pegasus Theater Shops.

8. Plaintiffs are unaware of the names and true capacities of Defendants, whether individual, corporate and/or partnership entities, named herein as DOES 1 through 10, inclusive, and therefore sue them by their fictitious names. Plaintiffs will seek leave to amend this Complaint when their true names and capacities are ascertained. Plaintiffs are informed and believe, and based thereon allege, that said Defendants and DOES 1 through 10, inclusive, are in some manner responsible for the wrongs alleged herein, and that at all times referenced each was the agent and servant of the other Defendants and was acting within the course and scope of said agency and employment.

9. Plaintiffs are informed and believe, and based thereon allege, that at all relevant times herein, Defendants and DOES 1 through 10, inclusive, knew or reasonably should have known of the acts and behavior alleged herein and the damages caused thereby, and by their inaction ratified and encouraged such acts and behavior. Plaintiffs further allege that Defendants and DOES 1 through 10, inclusive, had a non-delegable duty to prevent or cause such acts and the behavior described herein, which duty Defendants and DOES 1 though 10, inclusive, failed and/or refused to perform.

### **III. ALLEGATIONS COMMON TO ALL CAUSES OF ACTION**

#### **A. The Coach Brand and its Family of Marks**

10. Coach was founded more than seventy years ago as a family-run workshop in Manhattan. Since then Coach has been engaged in the manufacture, marketing and sale of fine leather and mixed material products including handbags, wallets, accessories, eyewear, footwear, jewelry and watches. Coach sells its goods through its own specialty retail stores, department stores, catalogs and via an Internet website [www.coach.com](http://www.coach.com) throughout the United States.

11. Coach is the worldwide owner of the trademark “COACH” and various composite trademarks and assorted design components (collectively “Coach Marks”).

12. Amongst the many Coach Marks, one of the most well-known and recognized marks is Coach’s “CC Mark” (see below). Coach has used the CC Mark in association with the sale of goods since as early as 2001. The CC Mark was first registered at the U.S. Patent and Trademark Office on September 24, 2002. Registrations for the CC Mark include, but are not limited to, U.S. Reg. Nos. 2,626,565; 2,822,318; and 2,832,589.



13. Coach has used the CC Mark in connection with the sale of handbags and other leather and/or mixed material goods since as early as 2001.

14. Coach’s “Signature” line of goods features the CC Mark in a repeating pattern in various sizes, patterns and colors (“CC Design”)

15. Coach has long been manufacturing and selling in interstate commerce high quality leather and mixed material products under the CC Mark. These registrations are valid and subsisting and are incontestable. Through longstanding use, advertising, and registration, the CC Mark has achieved a high degree of consumer recognition and constitute famous marks.

16. Coach and its predecessors have continuously used the CC Mark in interstate commerce in connection with the sale, distribution, promotion, and advertising of its goods for four decades.

17. Plaintiffs’ CC Mark is highly recognized by the public and serves to identify the source of the goods as Coach.

18. Due to Coach and its predecessors’ long use, extensive sales, and significant advertising and promotional activities, the CC Mark has achieved

widespread acceptance and recognition among the consuming public and trade throughout the United States. The arbitrary and distinctive CC Mark identifies Coach as the source/origin of the goods on which it appears.

#### **B. Defendants' Infringing Conduct**

19. Upon information and belief, Plaintiffs hereon aver and allege that Defendant Pegasus Theater Shops is in the business of selling handbags, wallets, sunglasses, reading glasses, cellular phone cases, watches, and other accessories at its retail store located 1003 at 1<sup>st</sup> Street, Snohomish, Washington 98290.

20. Plaintiffs have recently discovered that Defendant Pegasus Theater Shops has been advertising, distributing, offering for sale, and/or selling products, specifically handbags, wallets, sunglasses, reading glasses, cellular phone cases, and watches bearing marks identical and/or substantially indistinguishable from Coach's CC Mark. Said infringing marks appear in repetition on said infringing products in such a way as to imitate the CC Design.

21. Upon information and belief, Plaintiffs hereon aver and allege that Defendant Sherl Stocking is the owner of Pegasus Theater Shops and is the active, moving, conscious force behind the alleged infringing activities.

22. Defendants are not authorized by Coach to manufacture, distribute, advertise, offer for sale, and/or sell merchandise bearing any of Plaintiff's federally registered trademarks and copyrights.

### **IV. CLAIMS FOR RELIEF**

#### **FIRST CLAIM FOR RELIEF**

#### **(Federal Trademark Infringement – 15 U.S.C. § 1114)**

23. Plaintiffs incorporate herein by reference the averments of the preceding paragraphs as though fully set forth herein.

1           24. The CC Mark is nationally recognized, including within this judicial  
2 district, as being affixed to goods and merchandise of the highest quality and coming  
3 from Plaintiffs.

4           25. The registrations embodying the CC Mark are in full force and effect and  
5 Plaintiffs have authorized responsible manufacturers and vendors to sell merchandise  
6 with these marks.

7           26. Defendants' unauthorized use of the CC Mark on inferior quality  
8 merchandise in interstate commerce and advertising relating to same constitutes false  
9 designation of origin and a false representation that the goods and services are  
10 manufactured, offered, sponsored, authorized, licensed by or otherwise connected with  
11 Plaintiffs or come from the same source as Plaintiffs' goods and are of the same  
12 quality as that assured by the Coach Marks.

13           27. Defendants' infringing use of the CC Mark is without Plaintiffs'  
14 permission or authority and is in total disregard of Plaintiffs' rights to control their  
15 trademarks.

16           28. Defendants' activities are likely to lead to and result in confusion, mistake  
17 or deception and are likely to cause the public to believe that Plaintiffs have produced,  
18 sponsored, authorized, licensed or are otherwise connected or affiliated with  
19 Defendants' commercial and business activities, all to the detriment of Plaintiffs.

20           29. Upon information and belief, Defendants' acts are deliberate and intended  
21 to confuse the public as to the source of Defendants' goods or services and to injure  
22 Plaintiffs and reap the benefit of Plaintiffs' goodwill associated with Plaintiffs'  
23 trademarks.

24           30. As a direct and proximate result of Defendants' willful and unlawful  
25 conduct, Plaintiffs have been injured and will continue to suffer injury to their  
26 businesses and reputations unless Defendants are restrained by this Court from  
27 infringing Plaintiffs' trademarks.

31. Defendants' acts have damaged and will continue to damage Plaintiffs, and Plaintiffs have no adequate remedy at law.

32. In light of the foregoing, Plaintiffs are entitled to injunctive relief prohibiting Defendants from using the Coach Marks or any marks identical and/or confusingly similar thereto for any purpose, and to recover from Defendants all damages, including attorneys' fees, that Plaintiffs have sustained and will sustain as a result of such infringing acts, and all gains, profits and advantages obtained by Defendants as a result thereof, in an amount not yet known, as well as the costs of this action pursuant to 15 U.S.C. § 1117(a), attorneys' fees and treble damages pursuant to 15 U.S.C. § 1117(b), and/or statutory damages pursuant to 15 U.S.C. § 1117(c).

## **SECOND CLAIM FOR RELIEF**

### **(Trade Dress Infringement – 15 U.S.C. § 1125(a))**

33. Plaintiffs incorporate herein by reference the averments of the preceding paragraphs as though fully set forth herein.

34. Coach has used the CC Mark in association with the sale of goods in its "Signature" line of goods since as early as 2001. Coach's Signature line of products features the CC Mark in a repeating pattern in various sizes, colors, and patterns ("CC Design")

35. The CC Design is nonfunctional and its inherently distinctive quality has achieved a high degree of consumer recognition and serves to identify Coach as the source of high quality goods.

36. Defendants' unauthorized use of the CC Design on its merchandise in interstate commerce and advertising relating to same constitutes false designation of origin and a false representation that the goods and services are manufactured, offered, sponsored, authorized, licensed by or otherwise connected with Plaintiffs or come from the same source as Plaintiffs' goods when in fact they do not.

1 37. Defendants' use of the CC Design is without Plaintiffs' permission or  
2 authority and in total disregard of Plaintiffs' rights to control its trademarks and trade  
3 dress.

4 38. Defendants' use of the CC Design is likely to lead to and result in  
5 confusion, mistake or deception, and are likely to cause the public to believe that  
6 Plaintiffs have produced, sponsored, authorized, licensed or is otherwise connected or  
7 affiliated with Defendants' commercial and business activities, all to the detriment of  
8 Plaintiffs.

9 39. Plaintiffs have no adequate remedy at law.

10 40. In light of the foregoing, Plaintiffs are entitled to injunctive relief  
11 prohibiting Defendants from using the CC Design, or any designs identical or  
12 confusingly similar thereto, and to recover all damages, including attorneys' fees, that  
13 Plaintiffs have sustained and will sustain, and all gains, profits and advantages  
14 obtained by Defendants as a result of their infringing acts alleged above in an amount  
15 not yet known, and the costs of this action.

### 16 **THIRD CLAIM FOR RELIEF**

#### 17 **(False Designation of Origin and False Designations)**

18 41. Plaintiffs incorporate herein by reference the averments of the preceding  
19 paragraphs as though fully set forth herein.

20 42. The CC Mark and CC Design are nonfunctional and their inherently  
21 distinctive quality has achieved a high degree of consumer recognition and serves to  
22 identify Coach as the source of high quality goods.

23 43. Defendants' unauthorized use of Plaintiffs' CC Mark and CC Design on  
24 its merchandise in interstate commerce and advertising relating to same constitutes  
25 false designation of origin and a false representation that the goods are manufactured,  
26 offered, sponsored, authorized, licensed by or otherwise connected with Plaintiffs or  
27 come from the same source as Plaintiffs' goods when in fact they do not.



44. Defendants' use of Plaintiffs' CC Mark and CC Design is without Plaintiffs' permission or authority and in total disregard of Plaintiffs' rights to control its trademarks and trade dress.

45. Defendants' activities are likely to lead to and result in confusion, mistake or deception, and are likely to cause the public to believe that Plaintiffs have produced, sponsored, authorized, licensed or is otherwise connected or affiliated with Defendants' commercial and business activities, all to the detriment of Plaintiffs.

46. Plaintiffs have no adequate remedy at law.

47. In light of the foregoing, Plaintiffs are entitled to injunctive relief prohibiting Defendants from using Plaintiffs' CC Mark and CC Design, or any marks and/or designs identical and/or confusingly similar thereto, and to recover all damages, including attorneys' fees, that Plaintiffs have sustained and will sustain, and all gains, profits and advantages obtained by Defendants as a result of their infringing acts alleged above in an amount not yet known, and the costs of this action.

#### **FOURTH CLAIM FOR RELIEF**

##### **(Federal Trademark Dilution – 15 U.S.C. § 1125(c))**

48. Plaintiffs incorporate herein by reference the averments of the preceding paragraphs as though fully set forth herein.

49. Plaintiffs' CC Mark and CC Design are "famous" within the meaning of the Lanham Act.

50. Defendants have used in commerce in connection with the sale of their products counterfeit reproductions and/or marks confusingly similar to the CC Mark and CC Design, which is likely to cause, and most likely has caused, confusion or mistake as to the affiliation, connection, or association between Defendants and Plaintiffs, or as to the origin, sponsorship, or approval of said counterfeit goods by Plaintiffs.

1           51. Defendants' acts described above have diluted and continue to dilute  
 2 Plaintiffs' unique and distinctive trademarks. These acts violate the Lanham Act, have  
 3 injured and, unless immediately restrained, will continue to injure Plaintiffs, causing  
 4 damage to Plaintiffs in an amount to be determined at trial, as well as irreparable injury  
 5 to Plaintiffs' goodwill and reputation associated with the value of Plaintiffs'  
 6 trademarks.

7           52. Upon information and belief, Defendants' unlawful actions began long  
 8 after Plaintiffs' CC Mark and CC Design became famous.

9           53. Upon information and belief, Defendants acted knowingly, deliberately  
 10 and willfully with the intent to trade on Plaintiffs' reputation and to dilute Plaintiffs'  
 11 CC Mark and CC Design. Defendants' conduct is willful, wanton and egregious.

12           54. Plaintiffs have no adequate remedy at law to compensate it fully for the  
 13 damages that have been caused and which will continue to be caused by Defendants'  
 14 unlawful acts, unless they are enjoined by this Court.

15           55. In light of the foregoing, Plaintiffs are entitled to injunctive relief  
 16 prohibiting Defendants from the CC Mark and CC Design, or any marks and/or  
 17 designs confusingly similar thereto, and to recover all damages, including attorneys'  
 18 fees, that Plaintiffs have sustained and will sustain, and all gains, profits and  
 19 advantages obtained by Defendants as a result of their infringing acts alleged above in  
 20 an amount not yet known, and the costs of this action.

## 21                                   **FIFTH CLAIM FOR RELIEF**

### 22                                   **(Unfair Business Practices - RCW § 19.86 et seq)**

23           56. Plaintiffs incorporate herein by reference the averments of the preceding  
 24 paragraphs as though fully set forth herein.

25           57. Defendants' use of Coach's CC Mark and CC Design in commerce in  
 26 connection with the sale of their products constitutes an unfair business practice  
 27 pursuant to RCW § 19.86 et seq.



1           64. Defendants' unauthorized use of Plaintiffs' CC Mark and CC Design has  
2 caused and is likely to cause confusion as to the source of Defendants' products, all to  
3 the detriment of Plaintiffs.

4           65. Defendants' acts are willful, deliberate, and intended to confuse the public  
5 and to injure Plaintiffs.

6           66. Defendants' acts constitute unfair competition under Washington common  
7 law.

8           67. Plaintiffs have been irreparably harmed and will continue to be irreparably  
9 harmed as a result of Defendants' unlawful acts unless Defendants are permanently  
10 enjoined from their unlawful conduct.

11           68. The conduct herein complained of was extreme, outrageous, fraudulent,  
12 and was inflicted on Plaintiffs in reckless disregard of Plaintiffs' rights. Said conduct  
13 was despicable and harmful to Plaintiffs and as such supports an award of exemplary  
14 and punitive damages in an amount sufficient to punish and make an example of the  
15 Defendants and to deter them from similar such conduct in the future.

16           69. Plaintiffs have no adequate remedy at law.

17           70. In light of the foregoing, Plaintiffs are entitled to injunctive relief  
18 prohibiting Defendants from using Plaintiffs' CC Mark and CC Design, or marks  
19 and/or designs identical and/or confusingly similar thereto, and to recover all damages,  
20 including attorneys' fees, that Plaintiffs have sustained and will sustain and all gains,  
21 profits and advantages obtained by Defendants as a result of their infringing acts  
22 alleged above in an amount not yet known, and the costs of this action.

23                           **PRAYER FOR RELIEF**

24           WHEREFORE, Plaintiffs respectfully pray for judgment against Defendants, as  
25 follows:

1           1.     Granting temporary, preliminary and permanent injunctive relief  
2     restraining and enjoining Defendants, their officers, agents, employees, and attorneys,  
3     and all those persons or entities in active concert or participation with them from:

4                 (a)     manufacturing, importing, advertising, marketing, promoting,  
5     supplying, distributing, offering for sale, or selling any products which bear the Coach  
6     Marks, or any other marks confusingly similar thereto;

7                 (b)     engaging in any other activity constituting unfair competition with  
8     Coach, or acts and practices that deceive consumers, the public, and/or trade, including  
9     without limitation, the use of designations and design elements associated with Coach;

10                (c)     engaging in any other activity that will dilute the distinctiveness of  
11     the Coach Marks;

12                (d)     committing any other act which falsely represents or which has the  
13     effect of falsely representing that the goods and services of Defendants are licensed by,  
14     authorized by, offered by, produced by, sponsored by, or in any other way associated  
15     with Plaintiffs;

16           2.     Ordering Defendants to recall from any distributors and retailers and to  
17     deliver to Coach for destruction or other disposition all remaining inventory of all  
18     infringing products, including all advertisements, promotional and marketing materials  
19     therefore, as well as means of making same;

20           3.     Ordering Defendants to file with this Court and serve on Coach within  
21     thirty (30) days after entry of the injunction a report in writing, under oath setting forth  
22     in detail the manner and form in which Defendants have complied with the injunction;

23           4.     Ordering an accounting by Defendants of all gains, profits and advantages  
24     derived from their wrongful acts;

25           5.     Awarding Plaintiffs all of Defendants' profits and all damages sustained  
26     by Plaintiffs as a result of Defendants' wrongful acts, and such other compensatory  
27     damages as the Court determines to be fair and appropriate;

1           6.     Awarding treble damages in the amount of Defendants' profits or  
2 Plaintiffs' damages, whichever is greater;

3           7.     Awarding applicable interest, costs, disbursements and attorneys' fees;

4           8.     Awarding Plaintiffs' statutory damages pursuant to 15 U.S.C. §1117(c);

5           9.     Awarding Plaintiffs punitive damages in connection with its claims under  
6 Washington law; and

7           10.    Such other relief as may be just and proper.

8  
9     Dated: September 19, 2012

GORDON & REES LLP

10  
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19                     *Attorneys for Plaintiffs*

20                     *Coach, Inc. and Coach Services, Inc.*

**DEMAND FOR JURY TRIAL**

Pursuant to Rule 38(b) of the Federal Rules of Civil Procedure, Plaintiffs hereby demand a trial by jury as to all claims in this litigation.

Dated: September 19, 2012

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