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Attorneys for Defendant & Third-Party Plaintiff,  
10 GENETIC DENIM, LLC

2008 SEP 18 PM 3:00  
CLERK U.S. DISTRICT COURT  
CENTRAL DIST. OF CALIF.  
LOS ANGELES

FILED

11 UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA

12 PROJECT E, INC., a corporation,  
13

14 Plaintiff,

15 v s.

16 GENETIC DENIM, LLC, a limited  
17 liability company,  
18

19 Defendant.

20  
21 GENETIC DENIM, LLC, a limited  
liability company,  
22

23 Third-Party Plaintiff,

24 vs.

25 MICHAEL D. HECHT, an individual,  
26

27 Third-Party Defendant.  
28

CASE NO.  
CV08-04016-R(JCx)

THIRD-PARTY COMPLAINT FOR  
CANCELLATION OF TRADE-  
MARK AND UNFAIR  
COMPETITION

1 Third-party plaintiff, GENETIC DENIM, LLC, by its undersigned attor-  
2 neys, sets forth the following as its third-party complaint against the above-cap-  
3 tioned third-party defendant:

4 **NATURE OF THIRD-PARTY ACTION**

5 1. This is an action for cancellation of the registration of the alleged  
6 trademark consisting of “two hand stitched Xs side by side” United States Patent  
7 and Trademark Office registration number, 3,449,391, (the “XX Mark”), as well as  
8 related claims for unfair competition under the Lanham Act and the laws of the  
9 State of California.

10 2. Third-party plaintiff, Genetic Denim, LLC, (“Genetic”), is a limited  
11 liability company formed and existing under the laws of the State of Delaware,  
12 with its principal place of business located at 1013 South Los Angeles Street, 9th  
13 Floor, Los Angeles California. Genetic is in the business of manufacturing and  
14 selling luxury, high fashion jeans for men and women. Genetic’s jeans are  
15 well-known among sophisticated and discriminating purchasers of high fashion  
16 clothing and are worn and endorsed by numerous fashion models and celebrities.

17 3. Upon information and belief, third-party defendant, Michael D.  
18 Hecht, (“Hecht”), is a citizen and resident of the State of Georgia, residing at 743  
19 Lambert Drive, NE, Atlanta, Georgia 30324. Hecht is the owner of record of the  
20 alleged XX mark, that is at issue in the primary suit, and its registration.

21 4. Upon information and belief, Hecht licensed his alleged mark to  
22 plaintiff Project E, Inc., (“Project E”), in the main action as his exclusive licensee  
23 in the United States for the manufacture, distribution and sale of vintage-style  
24 shirts.

25 **JURISDICTION AND VENUE**

26 5. This Court has original subject matter jurisdiction over Genetic’s  
27 third-party action pursuant to 28 U.S.C. §§1331 and 1338. Jurisdiction is also  
28 based upon 15 U.S.C. §§1119 and 1121.

1 6. Venue is based upon Title 28 U.S.C. Sections §§1391 and 1400  
2 because third-party defendant transacts business within this Judicial District and  
3 elsewhere.

4 **FACTS COMMON TO ALL CAUSES OF ACTION**

5 7. On or about June 15, 2004, Hecht caused an application for registra-  
6 tion of his alleged XX mark to be filed with the United States Patent and Trade-  
7 mark Office, (“PTO”), for registration upon the Principal Register, in International  
8 Class 25 for clothing. Among other things, Hecht alleged in his application a date  
9 of first use in commerce of January 1, 2004.

10 8. The PTO assigned Hecht’s application with serial number 78435436.

11 9. In a PTO Office Action dated January 25, 2005, registration was  
12 initially refused by reason of a likelihood of confusion between Hecht’s alleged  
13 “mark” and a senior user’s registered mark.

14 10. The January 25, 2005 Office Action also noted, “[i]t appears from the  
15 body of the application and the specimen that the applicant only wishes to register  
16 the XX portion of the mark shown on the drawing page. In other words, it appears  
17 the depiction of the shirt on the drawing page is merely used to show placement of  
18 the mark.”

19 11. Hecht amended his application to state that “the shirt is not a feature  
20 of the mark and is depicted in broken lines to show the placement of the mark  
21 only.”

22 12. On or about June 17, 2008, the PTO granted registration of Hecht’s  
23 “mark.” The issued certificate of registration states that the mark consists of  
24 “TWO HAND STITCHED X’S SIDE BY SIDE.”

25 13. On or about June 18, 2008, Project E commenced the instant main  
26 action against Genetic. Despite the issuance of the registration by this time,  
27 Project E did not allege the registration within its complaint.  
28

1           14. On or about April 7, 2007, prior to the issuance of the aforementioned  
2 registration, plaintiff commenced an action within the Northern District involving  
3 the same alleged mark at issue in this litigation against The Gap, Inc., and Old  
4 Navy, LLC, (collectively, "the GAP Defendants"), Docket No.: 07-cv-2280,  
5 alleging substantially the same claims of infringement and unfair competition  
6 under Lanham Act as the instant action.

7           15. Upon information and belief, after the exchange of some discovery,  
8 on or about November 21, 2007, the GAP Defendants moved for summary  
9 judgment against Project E's complaint.

10           16. The basis of the summary judgment motion by the GAP Defendants  
11 was that Project E's alleged mark was incapable of functioning as a trademark  
12 within the clothing industry as the XX cross-stitching was and is a common  
13 decorative element found on clothing.

14           17. Upon information and belief, Project E did not file any opposition to  
15 the GAP Defendants' motion and the litigation was settled on terms unknown to  
16 Genetic. Project E later filed a Notice of Voluntary Dismissal.

17           18. Upon information and belief, prior to the filing of his application for  
18 registration for the mark at issue, Hecht knew that the claimed XX "mark" was a  
19 common ornamental element previously used by others on clothing for decades.  
20 Hecht's knowledge as to the ubiquity of the cross-stitch ornamentation is demon-  
21 strated by the fact that Project E's shirts places its XX mark (cross-stitching) in  
22 numerous places on its shirts other than in the left breast area of its shirts. The  
23 placement of the XX mark is a material element of the mark as registered.

24           19. Upon information and belief, prior to the filing of his application for  
25 registration for the mark at issue, Hecht knew that there were other senior users  
26 using the same or a substantially similar mark.

27           20. Upon information and belief, prior to the commencement of this  
28 action and Project E's action against the GAP Defendants, Hecht and Project E

1 knew that Hecht had no valid claims of ownership rights in the alleged mark at  
2 issue.

3 **FIRST CAUSE OF ACTION**  
4 **(CANCELLATION OF THE REGISTRATION)**

5 21. Genetic repeats each and all of the allegations contained within  
6 paragraphs 1 through 20 as if more fully set forth herein.

7 22. In his application to the PTO filed on or about June 15, 2004, Hecht  
8 under oath stated that:

9 “he/she believes [that] the applicant [is] the owner of the trade-  
10 mark/service mark sought to be registered”;

11 “He/she believes [that] applicant [is] entitled to use such mark in  
12 commerce”;

13 “To the best of his/her knowledge and belief no other person, firm,  
14 corporation, or association has the right to use the mark in commerce,  
15 either in identical form thereof or in such near resemblance thereto as  
16 to be likely, when used on or in connection with the goods/services of  
17 such other person, to cause confusion, or to mistake or deceive”;

18 23. Additionally, in his application, Hecht alleged that he (or his licens-  
19 ees) were using the mark on “t-shirts, shirts, polos, sweatshirts, skirts, dresses,  
20 pants, shorts, hats, and belts,” when in fact, there was (and is) no use of the mark  
21 on pants, shorts, hats or belts.

22 24. All of the above quoted statements were false and Hecht knew at the  
23 time that he prepared and filed his application, that those statements were materi-  
24 ally false.

25 25. Hecht willfully made these statements solely for the purposes of  
26 deceiving the PTO into issuing the registration as the PTO would not have granted  
27 registration but for Hecht’s false representations of fact.  
28

1 26. Hecht's false statements constitutes fraud in procurement of the  
2 registration.

3 27. Genetic, being a manufacturer of high-end jeans, and using two  
4 embroidered XX on only its jeans for women, (signifying the XX chromosome for  
5 females), has been and will continue to be damaged by Hecht's registration.

6 28. Genetic has no adequate remedy at law.

7 **SECOND CAUSE OF ACTION**

8 **(COMMON LAW UNFAIR COMPETITION)**

9 29. Genetic repeats each and all of the allegations contained within  
10 paragraphs 1 through 28 as if more fully set forth herein.

11 30. With his June 15, 2005 filing, Hecht fraudulently obtained a trade-  
12 mark registration for two cross-stitched "xx" which at all times have been in the  
13 public domain and used throughout the clothing industry for decades and used to  
14 repair clothing for hundreds of years.

15 31. Through his exclusive licensee, Project E, Hecht has commenced this  
16 action, the action against the GAP Defendants, other litigations and inter-parties  
17 proceedings in the PTO, in an attempt to appropriate exclusive rights over a public  
18 domain design element and to bully and intimidate his competitors, large and  
19 small.

20 32. Such conduct constitutes unfair competition under the Lanham Act  
21 and the laws of the State of California.

22 33. Genetic has been damaged as a result of Hecht's conduct in an  
23 amount to be determined at trial, but no less than \$75,000.

24 WHEREFORE, Genetic respectfully requests that this Court issue an Order  
25 and Judgment granting the following:  
26  
27  
28


1 A. Cancellation Third-party Defendant's United States Patent and  
2 Trademark Office registration 3,449,391, with a decree certified by the Court to  
3 the Director of the Patent and Trademark Office to rectify the Principal Register;

4 B. Damages for Third-party Defendant's unfair competition in an  
5 amount to be determined at trial, but no less than \$75,000;

6 C. A finding that this action is an "exceptional case" within the meaning  
7 of Title 15 U.S.C. Section 1117, and accordingly the award of attorney's Fees,  
8 costs, disbursements, interest, and a trebling of third-party plaintiff's actual  
9 damages;

10 D. All other and further relief deemed just and proper.

11 Respectfully submitted,  
12 ISAACMAN, KAUFMAN & PAINTER, P.C.

13  
14 By:   
15 Michael A. Painter  
16 Attorneys for Defendant and Third-Party  
17 Plaintiff

18 Dated: September 18, 2008

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**PROOF OF SERVICE**

1  
2 STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

3 I am employed in the County of Los Angeles, State of California. I am over  
4 the age of eighteen and not a party to the within action; my business address is  
8484 Wilshire Boulevard, Suite 850, Beverly Hills, California 90211.

5 On September 18, 2008, a copy of the foregoing document described as  
6 **THIRD PARTY COMPLAINT FOR CANCELLATION OF TRADEMARK  
AND UNFAIR COMPETITION** was served on the parties as follows:

7 Robert A. Peterson, Esq.  
8 Robert A. Peterson Law Offices  
9 1451 Glenneyre Street  
Laguna Beach, California 92651  
10 [bob@rpetersonlaw.com](mailto:bob@rpetersonlaw.com)

11 X BY MAIL

12 I am readily familiar with the practice of Isaacman, Kaufman & Painter, A  
13 Professional Corporation, for collection and processing of correspondence for  
14 mailing with the United States Postal Service, that the document would be  
15 deposited with U.S. Postal Service that same day in the ordinary course of  
and mailing said envelope on that date following ordinary business practices of  
16 Isaacman, Kaufman & Painter, A Professional Corporation.

17 — BY PERSONAL SERVICE

18 I caused the delivery of such envelope by hand at the offices of the  
addressee.

19 — BY FACSIMILE

20 By transmitting via facsimile the documents listed above to the fax number set  
21 forth above on this date. This transmission was reported as complete without error  
22 by a transmission report issued by the facsimile machine upon which the said  
transmission was made immediately following the transmission.

23 — BY ELECTRONIC MAIL

24 I caused such document to be transmitted by electronic mail.

25 X BY ELECTRONIC NOTIFICATION

26 Through the Court's CM/ECF system to the persons at the e-mail addresses  
27 set forth above.  
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x Federal

I declare under the penalty of perjury under the laws of the State of California that the above is true and correct and that I am employed in the office of a member of the bar of the above Court at whose direction the service was made.

Executed this 18<sup>th</sup> day of September, 2008 at Beverly Hills, California.

  
SHERYL R. CONAWAY

## Notices

2:08-cv-04016-R-JC Project E, Inc. v. Genetic Denim, LLC  
(JCx), DISCOVERY

### UNITED STATES DISTRICT COURT, CENTRAL DISTRICT OF CALIFORNIA

#### Notice of Electronic Filing

The following transaction was entered by Painter, Michael on 9/18/2008 at 11:10 AM PDT and filed on 9/18/2008

**Case Name:** Project E, Inc. v. Genetic Denim, LLC  
**Case Number:** 2:08-cv-4016  
**Filer:** Genetic Denim, LLC  
**Document Number:** 10

#### Docket Text:

**NOTICE of Manual Filing filed by Defendant Genetic Denim, LLC of Third-Party Complaint for Cancellation of Trademark and Unfair Competition; Third-Party Plaintiff's Certificate.. Local Rule 7-1.1. (Attachments: # (1) Certification as to Interested Parties) (Painter, Michael)**

#### 2:08-cv-4016 Notice has been electronically mailed to:

Michael A Painter painter@ikplaw.com

Robert A Peterson bob@rpeteronlaw.com

#### 2:08-cv-4016 Notice has been delivered by First Class U. S. Mail or by fax to :

John Dalley  
John A Dalley Law Offices  
521 Fifth Avenue  
New York, NY 10175

Kenneth Sussmane  
McCue Sussmane & Zapfel PC  
521 Fifth Avenue  
New York, NY 10175

The following document(s) are associated with this transaction:

**Document description:**Main Document

**Original filename:**F:\Painter\WPDOCS\DENIM.PLEAD\Third Party Complaint.pdf

**Electronic document Stamp:**

[STAMP cacdStamp\_ID=1020290914 [Date=9/18/2008] [FileNumber=6512387-0]  
[0d9686a72904b1f8384505a3b27f77548b1116acc46563cf423cfc38398266e184cd  
e29a8dfe872cdbc70ef8c5080b0b007cade5a3d22d9e6da5c7199f566477]]

**Document description:** Certification as to Interested Parties

**Original filename:**F:\Painter\WPDOCS\DENIM.PLEAD\Certification as to Interested Parties.pdf

**Electronic document Stamp:**

[STAMP cacdStamp\_ID=1020290914 [Date=9/18/2008] [FileNumber=6512387-1]  
[c253e50c2ac867fcd3881419324a7b9fbb2f23518e08f4635584645be2628092f5bf  
d0c3d0164dea450178a8fe9c5fbefe4ec47556c1c5b5eeaf4f845ff79261]]

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**UNITED STATES DISTRICT COURT  
 CENTRAL DISTRICT OF CALIFORNIA**

PROJECT E, INC., a corporation  PLAINTIFF(S)	CASE NUMBER  CV08-04016-R(JCx)
v.  GENETIC DENIM, LLC, a limited liability company  DEFENDANT(S).  <i>See Attached</i>	SUMMONS ON A THIRD-PARTY COMPLAINT

TO: THE ABOVE-NAMED THIRD PARTY DEFENDANT(S): MICHAEL D. HECHT

A lawsuit has been filed against defendant GENETIC DENIM, LLC, who as third-party plaintiff is making this claim against you to pay part or all of what [he] may owe to the plaintiff PROJECT E, INC.

Within 20 days after service of this summons on you (not counting the day you received it), you must serve on the plaintiff and on the defendant an answer to the attached third-party complaint or a motion under Rule 12 of the Federal Rules of Civil Procedure. The answer or motion must be served on the defendant's attorney, Michael A. Painter, Esq., whose address is 8484 Wilshire Blvd., Beverly Hills CA 90211, and also on the plaintiff's attorney, Robert A. Peterson, Esq., whose address is 1451 Glennevre St Laguna Beach CA 92651. If you fail to do so, judgment by default will be entered against you for the relief demanded in the third-party complaint. You also must file the answer or motion with the court and serve it on any other parties.

A copy of the plaintiff's complaint is also attached. You may - but are not required to - respond to it.

Clerk, U.S. District Court

Dated: 18 SEP 2008

By: *Shan Benjamin*  
 Deputy Clerk

(Seal of the Court)