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Attorneys for Plaintiff
Coach, Inc.

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

COACH, INC.,

Plaintiff,

v.

TARGET CORPORATION,

Defendant.

CIVIL ACTION NO.
06 CV 7875 (AKH)

**AFFIDAVIT OF
CAROLE P. SADLER IN
SUPPORT OF MOTION FOR
EXPEDITED DISCOVERY**

STATE OF NEW YORK)
)
COUNTY OF NEW YORK) ss.:

CAROLE P. SADLER, Esq., being duly sworn, deposes and says:

1. I am Senior Vice President, General Counsel and Secretary of Coach, Inc. ("Coach") and have been with the company for over nine years. I am fully familiar with the Coach Trademarks, as defined in paragraph 7, *infra*, and the products on which those trademarks appear. All statements made herein are based upon my personal knowledge and on my review of the records of Coach.

2. Coach is a Maryland corporation with a principal place of business at 516

West 34th Street New York, New York 10001.

Coach, The Coach Trademarks, and the Coach Products

3. Coach is engaged in the manufacture, marketing, sale and distribution in interstate commerce of high quality merchandise, including a wide variety of handbags, small leather goods and accessories, foot wear, outerwear, eyewear, watches and other similar items bearing the Coach Trademarks as defined in paragraph 7, *infra* (the “Coach Products”). The Coach Products are sold throughout the United States in company owned retail stores, select department stores, and on the Internet, exclusively through the company owned website, coach.com.

4. Coach is the exclusive marketer in the United States of the Coach Products, all of which bear one or more of the Coach Trademarks.

5. Coach is responsible for designing, manufacturing, marketing and selling in interstate commerce the Coach Products for men and women.

6. Coach and its predecessors have used the Coach Trademarks for many years on and in connection with the Coach Products.

7. Coach is the owner of numerous registrations in the U.S. Patent and Trademark Office. The following is a representative, though not exhaustive, list of Coach’s registered trademarks:

<u>TRADEMARK</u>	<u>NO.</u>	<u>DATE</u>	<u>TRADEMARK CLASS</u>
COACH	1,071,000	8/9/77	18, 25
COACH & Hang Tag Design	1,242,098	6/14/83	18, 25
COACH	751,493	6/25/63	14
COACH & Lozenge Design	1,070,999	8/9/77	18, 25
“Signature C” Design	2,626,565	9/24/02	18
“Signature C” Design	2,592,963	7/9/02	25

"Signature C" Design	2,822,318	3/16/04	24
"Signature C" Design	2,832,589	4/13/04	4, 6, 9, 14, 16, 18, 25
"Signature C" Design	3,012,585	11/8/05	18, 24, 25
COACH & Hang Tag Design	2,088,707	8/19/97	9, 18, 25
COACH	2,088,706	8/19/97	6, 9, 16, 18, 20, 25
COACH	2,534,429	1/29/02	9
COACH & Lozenge Design	2,045,676	3/18/97	6, 9, 16, 18, 20, 25
COACH & Lozenge Design	1,309,779	12/18/01	9, 16, 18
COACH	2,291,368	11/9/99	14
COACH	1,846,801	7/26/94	25
COACH	2,231,001	3/9/99	25
COACH	2,291,341	11/9/99	14
COACH & Hang Tag Design	2,162,303	6/2/98	25
COACH & Lozenge Design	2,169,808	6/30/98	25
COACH & Lozenge Design	2,252,847	6/15/99	35
COACH & Lozenge Design	2,035,056	2/4/97	3, 21
COACH & Lozenge Design	2,055,818	4/22/97	12
COACH	2,061,826	5/13/97	12
COACH	2,074,972	7/1/97	3, 21

(the "Coach Registrations" or "Coach Trademarks").

8. Coach has the exclusive right to use and distribute products bearing any of the Coach Trademarks.

9. The Coach Trademarks are in full force and have never been abandoned. Coach intends to preserve and maintain its rights with respect to the Coach Trademarks and in the Coach Registrations.

10. The Coach Trademarks have become exclusively associated by the public and trade with Coach.

11. Coach has developed an outstanding reputation in its Coach Trademarks and trade dress because of the uniform high quality of the Coach Products it sells. Coach has gone to great lengths to ensure that the Coach Products are of the highest quality and workmanship and has stressed this fact in its advertising and promotion of its products. Coach further reinforces the high quality and workmanship of its products by standing behind its

products after sale and providing a high level of customer service.

12. As a result of the extensive advertising of Coach in connection with the Coach Trademarks, the widespread sale the Coach Products and the celebrity that Coach and the Coach Trademarks have achieved, the Coach Products have been and are now recognized by the public and the trade as originating from one single source, Coach.

13. Coach spends millions of dollars each year on advertising and promoting its products, their integrity, quality and superior workmanship.

Defendant's Activity and the Harm to Coach

14. Recently, I became aware that defendant Target Corporation ("Target") was selling Coach merchandise. It came to my attention that Target sold a Coach item in its Largo, Florida store that Coach's engineering department determined to be counterfeit. (The Target bag was shipped to Keith Monda, Coach's President, Chief Operating Officer. I retrieved the bag from Mr. Monda's office and delivered it to Coach's engineering department.)

15. Target's sale of a counterfeit Coach product constitutes an extreme hardship to Coach. The sale of counterfeit products often results in a large number of incidents of actual confusion by Coach consumers. In many instances, members of the public have purchased counterfeit Coach bags believing them to be the genuine product. Many of these consumers send counterfeit Coach bags to Coach for repair or replacement believing them to be genuine.

16. For decades the Coach name has symbolized the highest standard in product performance, workmanship, materials and distinctive design and is distinguished in the minds of consumers for Coach's willingness to stand behind its products. The style and quality of the Coach Products is legendary. When Coach cannot ensure the product quality or protect the Coach Trademarks from distribution of items bearing counterfeits of the Coach Trademarks, the

Coach reputation suffers. Purchaser confidence is undermined where the name Coach no longer identifies a consistent level of quality.

Carlen Enterprises, Inc.

17. Target's attorney has informed Coach's attorneys that the Coach items Target purchased and is currently selling were sold to it by Carlen Enterprises, Inc. ("Carlen").

18. Carlen was formerly a distributor of Coach products, but Coach terminated that relationship in March, 2006 due to Carlen's breach of the bounds of its relationship with Coach as it diverted Coach products to unauthorized retailers.

19. Carlen's involvement in the distribution chain for the Coach items that were sold to Target raises a cloud of suspicion over the entire distribution chain and the products involved, given its prior dealings and the ultimate grounds for termination of its relationship with Coach.

20. It is a well known problem and increasingly popular trend in the underground economy that some distributors of unauthorized goods mix counterfeit products in with genuine products in an attempt to enhance profits. See Frederik Balfour, Fakes!, Bus. Week Online (Feb. 7, 2005), at http://businessweek.com/magazine/content/05_06/b3919001_mz001.htm; Criminal Intelligence Directorate, Royal Canadian Mounted Police, Assessment of Commercial Scale Criminal Copyright Piracy & Trade-Mark Counterfeiting in Can. (2000), at http://www.rcmp-grc.gc.ca/crimint/copyright_piracy_e.htm; Int'l Intellectual Property Alliance, 2005 Special 301 Report: Hungary (2005), at <http://www.iipa.com/rbc/2005/2005SPEC301HUNGARY.pdf>; Matt Kovac, Counterfeiters Keep Cyber-Crime Team on Its Toes, South China Morning Post, Mar. 21, 2006, at

<http://www.asiamedia.ucla.edu/article.asp?parentid=41251>; David Lague, Next Step for Counterfeiters: Faking the Whole Company, N.Y. Times, May 1, 2006, at <http://www.nytimes.com/2006/05/01/technology/01pirate.html?ei=5088&en=d01abb1690a4e540&ex=1304136000&partner=rssnyt&emc=rss&pagewanted=all>; Lisa Wichmann, *Counterfeit Parts: Don't Let Them Into Your Supply Chain*, Purchasing B2B (Dec. 2005), at <http://www.bizlink.com/purchasingfiles/issue-16-5.html>. Copies of which are attached hereto as Exhibit 1.

21. When such enhancing efforts take place, such distributors will not merely mix in just one counterfeit bag, as there is no profit in that. They typically mix in many counterfeits to bulk up the order. That being said, the presence of one counterfeit bag is symptomatic of a much deeper problem.

Dealings with Target

22. When I became aware of the problem with the counterfeit bag purchased from Target, I instructed counsel to file suit, sent Target a cease and desist letter, but abstained from serving this action until Target had an opportunity to cooperate.

23. Coach requested that Target assemble in one place all Coach items currently in its possession. Coach also offered to have Coach review all of Target's inventory and identify additional counterfeit bags so that they would not be sold to unsuspecting consumers.

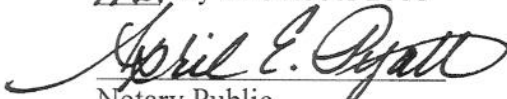
24. Target refused to assemble in one place all Coach items currently in its possession, and to have Coach review this inventory and instead has continued to bring these bags to market and sell them to consumers, knowing that once in the hands of consumers, it is

extremely difficult, if not impossible, to identify the counterfeit bags.

WHEREFORE, it is respectfully requested that Coach be permitted to proceed with expedited discovery.


CAROLE P. SADLER

Sworn to before me this
11th day of October 2006


Notary Public

APRIL E. PYATT
NOTARY PUBLIC, STATE OF NEW YORK
NO. 01PY6057881
QUALIFIED IN NEW YORK COUNTY
COMMISSION EXPIRES APRIL 30, 2007