

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

<p>LVL XIII BRANDS, INC., <i>a New York corporation,</i></p> <p><i>Plaintiff,</i></p> <p>— vs. —</p> <p>LOUIS VUITTON MALLETIER SA, <i>and</i> LOUIS VUITTON NORTH AMERICA INC.,</p> <p><i>Defendants.</i></p>	<p>DOCKET NO. 14-cv-04869 (PAE)</p>
<p>LOUIS VUITTON MALLETIER SA, <i>and</i> LOUIS VUITTON NORTH AMERICA INC.,</p> <p><i>Counterclaimants,</i></p> <p>— vs. —</p> <p>LVL XIII BRANDS, INC., <i>a New York corporation,</i></p> <p><i>Counterclaim Defendant.</i></p>	

MEMORANDUM OF LAW IN OPPOSITION TO DEFENDANTS' MOTION TO STRIKE CERTAIN OF LVL XIII'S SUBMISSIONS RELATING TO PARTIES' CROSS-MOTIONS FOR SUMMARY JUDGMENT

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PRELIMINARY STATEMENT

Attempting illegitimately to supplement their summary judgment briefing, defendants Louis Vuitton Malletier SA and Louis Vuitton North America, Inc. (collectively, “Louis Vuitton” or “defendants”) have submitted a so-called “motion to strike certain of LVL XIII’s submissions relating to parties’ cross-motions for summary judgment.” This essentially amounts to a unilateral grant by defendants to themselves of 18 pages of argumentation attacking plaintiff’s summary judgment submissions under the guise of a “motion to strike” – a procedural device not provided for under the Federal Rules of Civil Procedure except in connection with pleadings, and even then utilized only sparingly.

Defendants have also awarded themselves this extra round of motion practice for another attempt, this time from another angle, to attack the testimony of Erik Pelton, plaintiff’s trademark prosecution counsel. Mr. Pelton was highly effective at countering misguided questioning by Louis Vuitton concerning both his practice and PTO procedure as it applied to the facts of this case at his deposition, and demonstrated the extent of defendants’ continuing misapprehension of his answers in the declaration he submitted in the summary judgment briefing. Defendants now double down and insist that if Mr. Pelton is so certain that he knew what he was doing, and why, when he prosecuted LVL XIII’s trademark applications, he must be “an expert witness” and his testimony should therefore be stricken.

This is a non-sequitur, as demonstrated below. Mr. Pelton merely testified, and continues to do so, based on his factual recollection and comprehension of the trademark prosecution work he performed for plaintiff. That this factual circumstance implicated deep expertise does not make him an expert witness because LVL XIII does not offer him as one. The mere fact that Louis Vuitton does not like what Mr. Pelton has to say – because it is correct – is a testament to

his expertise, but it does not change his status as a fact witness, or make defendants' motion meritorious.

ARGUMENT

I. THERE ARE NO LEGAL GROUNDS FOR THE RELIEF SOUGHT BY DEFENDANTS CONCERNING LVL XIII'S RULE 56.1 SUBMISSIONS.

Defendants have brought a motion styled as a motion to strike a wide variety of submissions by LVL XIII they wish were not in the case, but nowhere cite any Federal Rule of Civil Procedure authorizing such relief. Such relief has, from time to time, been authorized in extreme circumstances; *see, e.g., Hollander v. American Cyanamid Co.*, 172 F.3d 192, 198 (2d Cir. 1999) (affidavit submitted on summary judgment “flagrantly disregarded the requirements of Rule 56(e)"); or where mere assertions by counsel have been substituted for reasonable characterizations of the factual record; *see Vuona v. Merrill Lynch & Co.*, 919 F. Supp. 2d 359, 387 (S.D.N.Y. 2013) (statement in 56.1 submission was “merely a representation by counsel”).

By and large, however, courts in this Circuit typically deny motions to strike paragraphs in Rule 56.1 statements, and simply disregard any improper assertions. *See Russo v. New York Presbyterian Hosp.*, 972 F. Supp. 2d 429, 436, n.3 (E.D.N.Y. 2013) (“Rather than analyze Plaintiff’s Combined Counter-Statement line by line in response to Defendant’s motion to strike, the Court will ignore the portions of Plaintiff’s affidavit that are not based on personal knowledge.”) This Court has increasingly recognized that motions to strike are utilized tactically, as Louis Vuitton has done here, to unilaterally extend the page limit on summary judgment motions and present the court with extended argument regarding the parties’ substantive submissions. The Court clearly had that reality in mind when it rejected similar motions brought by both sides in *Edwards v. Khalil*, Case No. 12-cv-8442 (JCM), 2016 U.S. Dist. LEXIS 44407 (S.D.N.Y. Mar. 31, 2016):

Plaintiff moves to strike the Smith Affidavit (*i.e.*, the affidavit submitted by counsel for Defendants), claiming that it is “littered with legal arguments.” . . . To the extent the Smith Affidavit contains any improper argument, its inclusion does not constitute a sufficient reason to strike the document. Accordingly, Plaintiff’s motion to strike is denied.

In return, Defendants contend that the Court should ignore Plaintiff’s Rule 56.1 Response because it “contains a host of improper arguments as well as unsupported and conclusory allegations.” The Court construes this as a motion to strike Plaintiff’s Rule 56.1 Response. The purpose of Local Rule 56.1 is to streamline the consideration of summary judgment motions by freeing district courts from the need to hunt through voluminous records without guidance from the parties. However, where, as here, the parties’ Rule 56.1 statements have not sufficiently guided the Court, the Court may and has reviewed the record as a whole. Therefore, the Court denies Defendants’ motion to strike as moot.

U.S. Dist. LEXIS 44407 at *39-41 (citations and internal quotes omitted).

Notwithstanding the permissive language of *Hollander*, a 1999 case, this trend is appropriate in light of the 2010 amendments to Rule 56(c), as explained in *O’Brien v. Wisniewski*, Case No. 10-cv-120 (CSH), 2012 U.S. Dist. LEXIS 47227 (D. Conn. Apr. 3, 2012):

[E]ven if the Court were able to construe plaintiff’s Opposition submissions as “pleadings,” a motion to strike is improper with respect to summary judgment. “The Federal Rules of Civil Procedure do not explicitly allow motions to strike in the context of summary judgment.” *Ferraresso v. Town of Granby*, 646 F. Supp.2d 296, 301 (D. Conn. 2009). Specifically, “Rule 56, which governs summary judgment, does not provide a ‘motion to strike’ as a tool in the summary judgment process.” *Ferraresso*, 646 F. Supp.2d at 301. Rather, Rule 56(c), upon which defendants rely in bringing this motion, provides a means to object to inadmissible evidence referenced by the opposing party. Rule 56(c), as amended in 2010 and captioned “Summary Judgment Procedures,” states in relevant part:

(2) Objection That a Fact Is Not Supported by Admissible Evidence. A party may object that the material cited to support or dispute a fact cannot be presented in a form that would be admissible in evidence.

Fed. R. Civ. P. 56(c). Federal Rule 56(c) thus contemplates that the parties will flag for the court material cited by opposing counsel which is not admissible, and hence not properly considered on summary judgment.

The Committee Notes to the amended Rule 56(c), which became effective December 1, 2010, explicitly clarified that motions to strike are inappropriate in the summary judgment context. The Notes thus explained that “[t]he objection functions much as an objection at trial, adjusted for the pretrial setting,” and “[t]he burden is on the proponent to show that the material is admissible as presented or to explain the admissible form that is anticipated.” Advisory Committee’s Note to Fed. R. Civ. P. 56(c). The Notes further assert that “[t]here is *no need to make a separate motion to strike*. If the case goes to trial, failure to challenge admissibility at the summary-judgment stage does not forfeit the right to challenge admissibility at trial.” *Id.* (emphasis added).

As noted above, with respect to documents filed in opposition to summary judgment, neither a Local Rule 56(a) Statement nor the evidence supporting such a statement is a “pleading.” *See* Fed. R. Civ. P. 7(a) (pleadings include complaint, answer, answer to counterclaim, answer to cross-claim, third-party complaint, third-party answer, and “[o]nly these pleadings are allowed”).

2012 U.S. Dist. LEXIS 47227 at *9-11.

Defendants cite *Epstein v. Kemper Ins. Co.*, 210 F. Supp. 2d 308 (S.D.N.Y. 2012), in which this Court considered a motion to strike and did not strike a thing, holding merely under the heading of its opinion entitled “Motion to Strike” that “[t]he Court has disregarded any inappropriate portions of Plaintiffs’ submissions, and its analysis relies upon admissible evidence.” *Id.* at 314. Similarly, defendants also cite *Simmons v. Woodycrest Ctr. for Human Dev., Inc.*, Case No. 10-cv-5193, 2011 U.S. Dist. LEXIS 24513, at *15 (S.D.N.Y. Mar. 8, 2011) which does not even contain the word “strike” in the entire opinion. The one case cited by defendants in which any Rule 56.1 material was stricken is *Am. Gen. Life Ins. Co. v. Diana Spira 2005 Irrevocable Life Ins. Trust*, Case No. 08-cv-6843 (NSR), 2014 U.S. Dist. LEXIS 165367, at *3 (S.D.N.Y. Nov. 25, 2014), in which a motion to strike five categories of statements in a rule 56.1 statement was denied as to three, and, regarding the others Magistrate Judge Román granted two – “argumentative statements” and “purported factual statements which are unsupported by any citation to record evidence” – with little discussion or analysis. Indeed, notwithstanding that outcome, *Am. Gen. Life Ins. Co.* was considered and even quoted by this Court in

Congregational Rabbinical College of Tartikov, Inc. v. Vill. of Pomona, Case No. 07-cv-6304, 2015 U.S. Dist. LEXIS 132714 (S.D.N.Y. Sept. 29, 2015), but rather than grant a similar motion to strike, the Court wrote, “Plaintiffs argue that the remedy is ‘not . . . to strike the statement, but to simply disregard the faulty sections.’ . . . The Court agrees that Defendants’ proposed sanction is too severe. Accordingly, the Court will, as outlined above, disregard the portions of Plaintiffs’ Rule 56.1 Statements that are not compliant with Local Rule 56.1.” *Id.*, at *77.

What is unusual is that here, Louis Vuitton actually seeks to strike **objections** by LVL XIII to Louis Vuitton’s Rule 56.1 statements as well as sourced counterstatements by LVL XIII. Rule 56(c)(2), of course, expressly provides, “A party may object that the material cited to support or dispute a fact cannot be presented in a form that would be admissible in evidence.” There is no authority cited by defendants that a party making such an objection bears any evidentiary burden once it does so, or that by failing to meet that burden – assuming *arguendo* one exists – it subjects all or part of its Rule 56.1 statement to being stricken.

Louis Vuitton nonetheless complains that “LVL XIII seeks to controvert over 40 of LV’s factual statements by merely [*sic*] claiming that the source materials LV relies upon do not support the statement for which they are cited. In each instance, LVL XIII neither quotes the cited source material nor otherwise demonstrates the basis for its ‘denial,’ instead imposing on the Court the burden of reviewing LV’s source material, which actually does support LV’s statements.” (Def. Mem.¹ at 8.) By this magic word “merely,” defendants would place a burden on LVL XIII, as opponents of defendants’ motion, that is found nowhere in Rule 56(c)(2). Defendants do this via shell game, pursuant to which they transpose the “showing” LVL XIII

¹ All references to Defendants’ Memorandum in Support of its Motion to Strike Certain of LVL XIII’s Submissions Relating to Parties’ Cross-Motions for Summary Judgment dated March 22, 2016 (Dkt. No. 151) is referred to herein as “Def. Mem. at ___.”

would be required to make under Rule 56(c)(1)(B) – that is, to succeed as a proponent on a motion for summary judgment – into Rule 56(c)(2), in which a party opposing such a motion may indeed “merely” object that “the material cited to support or dispute a fact cannot be presented in a form that would be admissible in evidence.”

Defendants then cite to a footnote in *Brovarski v. Local 1205, Int'l Bhd. of Teamsters Union, Pension Plan*, 1998 U.S. Dist. LEXIS 23039, at *2 (E.D.N.Y. Feb. 23, 1998), in which Judge Gleeson states that, contrary to the assertion of the party, he had surveyed the record and found, “with few exceptions which I have discounted, that the documents cited do in fact support the characterizations made by the defendants.” *Id.*, at *2, n.1. This is well and good; Judge Gleeson was known for his thoroughness. But Judge Gleeson **did not strike anything** – he evaluated the submissions and ruled on the summary judgment motions. That is what this Court should do as well, for there is no place here for motions to strike, or for extra summary judgment briefing masquerading under that name.

Plaintiff will not rise to the bait. It is patently obvious that Louis Vuitton’s brief is “merely” a supplementation of its summary judgment submissions and its already belabored arguments to the Court. It consists of its views of what defendants believe is good evidence, enough evidence, strong evidence and weak evidence, and it asks the Court to rule on that basis that the submissions of LVL XIII should be stricken. There is no legal basis for such a request. If anything, the Court should be struck with the inequity that LVL XIII has been put to the expense and trouble to oppose this patently inappropriate motion, which should be denied – or, perhaps, stricken.

II. ERIK PELTON'S TESTIMONY IS NOT EXPERT TESTIMONY AND SHOULD NOT BE STRICKEN.

Defendants argue that Erik Pelton's declaration is tantamount to an expert submission and should be stricken for numerous reasons. We enumerate them differently here from the manner in which they are set out at page 11 of Louis Vuitton's moving brief, for clarity:

- 1) They contain impermissible legal conclusions and argument;
- 2) They contain "wrong" legal conclusions and argument;
- 3) They contradict his prior testimony; and
- 4) They amount to previously undisclosed expert opinion.

Regarding (1) – which, of course, is the same as (4) – defendants argue that Mr. Pelton's statements constitute an improper "adversarial memorandum" because he "takes issue with specific legal authority cited by LV in its moving papers, arguing that the proposition cited is one that simply does not exist," referring to ¶¶ 7, 11, 14, 15 and 16 of Mr. Pelton's Declaration (Dkt. No. 129). Focusing on the first of these paragraphs for the moment, Mr. Pelton's specific words are as follows:

7. The purpose of this Declaration is not to make a legal argument but to address a factual question arising from terminology used in the '102 Application. In particular, I understand defendants in this matter to be arguing, in their motion for summary judgment, that the specific language in the '102 Application and which was the subject of my deposition on July 9, 2015 necessarily leads to the legal conclusion that the subject of the '102 Application is "trade dress product design," not a trademark. This is not accurate.

In the above paragraph, Mr. Pelton is describing how he understands the '102 Application for LVL XIII as the trademark attorney who prepared and filed it. This involves legal analysis as a factual, historical matter.

Such testimony is routinely permitted. For example, in *Neutrino Dev. Corp. v. Sonosite, Inc.*, 410 F. Supp. 2d 529 (S.D. Tex. 2006), the plaintiff objected to the testimony of the defendant's corporate counsel on the grounds that the defendant had not designated him as an expert witness and that his testimony on the legal effect of certain Securities and Exchange Commission ("SEC") filings would be so laden with legal opinion and analysis that they could not qualify as "lay testimony" under Fed. R. Evid. 701. The plaintiff argued that this testimony "concerning [SEC filings] will consist exclusively of recounting, as a matter of historical fact, what [the defendant] did, and why." *Id.*, at 551. The Court agreed that "this is proper testimony from a fact witness," and the plaintiff had sufficient notice of the witness's role as corporate counsel and his specific involvement with the SEC filings at issue to question him adequately. *Id.*

Similarly, in *Keystone Retaining Wall Sys. v. Rockwood Retaining Wall, Inc.*, Case No. 00-cv-496 (RHK)(SRN), 2001 U.S. Dist. LEXIS 26272 (D. Minn. Oct. 9, 2001), a patent case, the defendant sought to exclude the testimony of the attorney who prosecuted the underlying patent in the area of patent law "regarding claim construction or any other matters involving patent prosecution." *Id.*, at 33. The defendant responded that it did not proffer the attorney as an expert regarding either claim construction or patent prosecution, but that it may call him as a fact witness to testify about the prosecution of the patent in issue – which, of course, would necessarily implicate both topics as a factual matter. The court rejected the motion to exclude the testimony, ruling, "[a]s a fact witness with first-hand knowledge of those events, [the patent prosecuting attorney] is competent to testify and will not be excluded." *Id.*; *see also*, *Nightlight Sys. v. Nitelites Franchise Sys.*, Case No. 04-cv-2112 (CAP), 2007 U.S. Dist. LEXIS 95538, at

*12-13 (N.D. Ga. May 11, 2007) (former trademark counsel not disclosed as expert could testify “as a fact witness . . . regarding the legal advice he gave the plaintiffs”).

The same goes for the other paragraphs referred to by defendants. In ¶ 11, Mr. Pelton refers to his understanding of the PTO’s classification system, and how it bore on his approach to LVL XIII’s ‘102 Application. In ¶ 14-16, again, each sentence specifically details precisely how Mr. Pelton’s understanding of the PTO’s policies and procedures affected that approach and informed his work for LVL XIII.

Defendants also complain that these sections of Mr. Pelton’s declaration should be stricken because they “are also demonstrably legally wrong.” The “arguments” referred to by Louis Vuitton cannot be “wrong” in this context however – **only Mr. Pelton can be wrong**. Again, his testimony is about what he understood about trademark law when he prepared the LVL XIII applications; it is not meant to persuade the Court one way or the other about what the law is. The fact that defendants believe Mr. Pelton is wrong is not grounds for striking his testimony, or for arguing with him via this motion, which, again, LVL XIII will not do because the motion is improper.

Defendants also maintain that the Court is entitled to disregard Mr. Pelton’s declaration if it contradicts his prior deposition testimony. No one disputes this. But there is no basis for claiming that this is grounds for **striking** his declaration. Louis Vuitton, cynical as ever, invokes the “sham issue of fact” doctrine via a sham motion to strike. The question becomes, again, whether Louis Vuitton is entitled – without even a colorable legal basis to claim that there are grounds to strike his declaration – to brief the point it wants to make via an unauthorized sur-reply, and impose on LVL XIII the cost, expense and burden of responding to that argument.

LVL XIII has little choice. In any event, Mr. Pelton's clarification of his testimony is no sham, no backtracking, but a completely legitimate explanation of his prior statement concerning a highly esoteric legal issue given in the context of highly obnoxious deposition questioning. "We have held that a party cannot create an issue of fact by submitting an affidavit in opposition to summary judgment that contradicts prior deposition testimony." *Gorzynski v. JetBlue Airways Corp.*, 596 F.3d 93, 104 (2d Cir. 2010), citing *Perma Research and Dev. Co. v. Singer Co.*, 410 F.2d 572, 578 (2d Cir. 1969). "If, however, the allegations in the affidavit, rather than contradicting, explain or amplify prior deposition testimony, then the affidavit may create a genuine issue of material fact sufficient to defeat summary judgment." *Id.*, citing *Hayes v. N.Y. City Dep't of Corr.*, 84 F.3d 614, 620 (2d Cir. 1996). That is the case regarding Mr. Pelton's statements concerning LVL XIII's Metal Toe Plate Mark. In any case, there are no grounds to strike his testimony, regardless of how the Court views that question.

CONCLUSION

The bad faith of defendants' submission is readily apparent from the lack of legal authority underlying it to the obvious purpose of affording themselves additional opportunities to place before the Court supplemental argumentation to shore up their faltering summary judgment motions. If they will not be punished for their cynical practice in bringing this motion – after they were cautioned (Dkt. Nos. 157 and 157-1) – they should certainly not be rewarded. Their motion should be denied in its entirety.

Respectfully submitted,



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