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2 **ALFREDO VERSACE,**

3
4 **Defendant-Cross-Defendant-Third-**
5 **Party-Plaintiff-Counter-**
6 **Claimant-Counter-Defendant-**
7 **Appellant,**

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9 **TRANSPORTATION SERVICES, INC., TSI**
10 **EQUIPMENT, INC., KINNEY SHOE CORPORATION,**
11 **JOHN DOES 1-10,**

12
13 **Third-Party-Defendants,**

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15 **ANTHONY J. PELLEGRINO, PATRICK MARANO,**

16
17 **Third-Party-Defendants-Counter-**
18 **Claimants.**

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22 **APPEARING FOR APPELLANT:** LEONARD ZACK (Christopher
23 Macchiaroli, of counsel),
24 Leonard Zack & Associates, New
25 York, NY.

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27 **APPEARING FOR APPELLEE:** ELIZABETH A. ADINOLFI, Phillips
28 Nizer, LLP, New York, NY.

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31 Appeal from the United States District Court for the
32 Southern District of New York (Leisure, J.).

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34 **UPON DUE CONSIDERATION, IT IS HEREBY ORDERED, ADJUDGED**
35 **AND DECREED** that the judgment of the district court be
36 **AFFIRMED.**

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38 Alfredo Versace ("Alfredo") appeals from the January
39 12, 2006 judgment of the District Court for the Southern
40 District of New York (Leisure, J.) entering a permanent
41 injunction barring Alfredo from using the name "Versace" in
42 connection with any commercial activity anywhere in the
43 world. We assume the parties' familiarity with the
44 underlying facts, the procedural history, and the issues
45 presented for review.

1 In 1998, the district court entered a preliminary
2 injunction barring Alfredo from using the name "Versace"
3 unless accompanied by a disclaimer stating that Alfredo was
4 not affiliated with Gianni Versace, S.p.A. ("GV"). The
5 territorial reach of the preliminary injunction was somewhat
6 ambiguous until 2001, when the district court clarified that
7 it applied extraterritorially.
8

9 In 2000, Alfredo was sanctioned for violating the
10 preliminary injunction by selling infringing goods over the
11 internet. In 2002, he was sanctioned again for continuing
12 internet sales and for selling watches, jeans, and handbags
13 without the required disclaimer. In the wake of these
14 violations, the district court modified the injunction to
15 prohibit Alfredo from commercially using "Versace" in any
16 way, with or without a disclaimer.
17

18 Alfredo's infringing activities continued unabated. In
19 2004, Alfredo violated a court order to account for profits
20 derived from improper use of "Versace," and continued to
21 violate the injunction, this time in connection with bottled
22 water labeled "Designed by Alfredo Versace" and a business
23 named "Versace Boutique." The district court sanctioned
24 Alfredo again, finding that he had "repeatedly disobeyed and
25 ignored orders of the Court," had exhibited "continued
26 contumacy" that "seriously threaten[ed] [GV's] legitimate
27 business interests," and had displayed a "continued contempt
28 . . . for the authority of the federal judiciary." A.V. by
29 Versace, Inc. v. Gianni Versace, S.p.A., No. 96 Civ. 9721,
30 2004 WL 691243, at *9 (S.D.N.Y. Mar. 31, 2004).
31

32 Following the entry of default judgment and partial
33 summary judgment in favor of GV, the district court granted
34 GV's request for a permanent injunction in 2005. A.V. by
35 Versace, Inc. v. Gianni Versace, S.p.A., No. 96 Civ. 9721,
36 2005 WL 147364, at *5 (S.D.N.Y. Jan. 24, 2005). The terms
37 of the permanent injunction were approved, and the
38 injunction entered, one year later. A.V. by Versace, Inc.
39 v. Gianni Versace, S.p.A., No. 96 Civ. 9721, 2006 WL 90062,
40 at *1 (S.D.N.Y. Jan. 12, 2006).
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42 "We review a district court's entry of a permanent
43 injunction in a trademark case for abuse of discretion, and
44 we review de novo questions of law concerning the district
45 court's authority to grant the injunction." Starter Corp.
46 v. Converse, Inc., 170 F.3d 286, 298 (2d Cir. 1999). "We
47 review the scope of the injunction for abuse of discretion."

1 Sterling Drug, Inc. v. Bayer AG, 14 F.3d 733, 744 (2d Cir.
2 1994).

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4 The district court's extraterritorial application of
5 the injunction was not error. Under Vanity Fair Mills v. T.
6 Eaton Co., a court must consider three factors before
7 imposing an extraterritorial injunction: (1) the
8 citizenship of the enjoined party; (2) the potential
9 conflict with foreign trademark laws; and (3) the existence
10 of a substantial effect on United States commerce. 234 F.2d
11 633, 642 (2d Cir. 1956). On appeal, Alfredo argues only
12 that the district court failed to consider adequately the
13 fact that he is a United States resident rather than a
14 citizen. But Alfredo's forty years of residence and
15 business activity in the United States, and his relationship
16 with a United States corporation (Foldom International
17 (U.S.A.), Inc.), are sufficient to support the international
18 reach of the permanent injunction when taken together with
19 the district court's unchallenged conclusions regarding the
20 lack of conflict with foreign law and the existence of a
21 substantial effect on commerce. Id. at 643 (noting that it
22 is not necessary for all three factors to weigh completely
23 in favor of extraterritoriality); cf. Totalplan Corp. v.
24 Colborne, 14 F.3d 824, 830 (2d Cir. 1994) (foreign
25 citizenship "alone may not be sufficient to defeat"
26 extraterritorial application).

27
28 Nor did the district court abuse its discretion by
29 refusing to permit Alfredo to use "Versace" accompanied by a
30 disclaimer or by refusing to limit the injunction to certain
31 (unspecified) countries. A district court must be permitted
32 to fashion an "injunction which will keep a proven infringer
33 safely away from the perimeter of future infringement."
34 Patsy's Brand, Inc. v. I.O.B. Realty, Inc., 317 F.3d 209,
35 220 (2d Cir. 2003) (quoting 5 McCarthy on Trademarks and
36 Unfair Competition § 30:4, at 30-12 (4th ed. 2002)). For
37 that reason, we have recognized that "a party who has once
38 infringed a trademark may be required to suffer a position
39 less advantageous than that of an innocent party." Oral-B
40 Labs., Inc. v. Mi-Lor Corp., 810 F.2d 20, 24 (2d Cir. 1987).

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43 For the reasons set forth above, the judgment of the
44 district court is hereby **AFFIRMED**.

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FOR THE COURT:
THOMAS ASREEN, ACTING CLERK
By:

Lucille Carr, Deputy Clerk