

Ross & Cohen, LLP v Attia
2005 NY Slip Op 30478(U)
January 7, 2005
Supreme Court, New York County
Docket Number: 601183/01
Judge: Alice Schlesinger
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SUPREME COURT OF THE STATE OF NEW YORK — NEW YORK COUNTY

ALICE SCHLESINGER

Part A Part 16

0601183/2001

ROSS & COHEN, LLP.
vs
ATTIA, ELI

SEQ 6

DISMISS

IDEX NO. _____

OTION DATE _____

OTION SEQ. NO. _____

OTION CAL. NO. _____

The following papers, numbered 1 to _____ were read on this motion to/for _____

PAPERS NUMBERED

Notice of Motion/ Order to Show Cause — Affidavits — Exhibits

Answering Affidavits — Exhibits

Replying Affidavits

FILED
JAN 21 2005
NEW YORK
COUNTY CLERK'S OFFICE

Cross-Motion: ☐ Yes ☒ No

Upon the foregoing papers, it is ordered that this motion

**MOTION IS DECIDED IN ACCORDANCE WITH
ACCOMPANYING MEMORANDUM DECISION.**

MOTION/CASE IS RESPECTFULLY REFERRED TO JUSTICE
FOR THE FOLLOWING REASON(S):

Dated: _____

JAN 07 2005

Lee Davis

Check one:

☐ FINAL DISPOSITION

☒ **ALICE SCHLESINGER**
NON-FINAL DISPOSITION

Check if appropriate:

☐ DO NOT POST

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK: IAS PART 16

-----X
ROSS & COHEN, LLP

Plaintiff/Counterclaim Defendant,

-against -

Index No. 601183/01
Mot. Seq. Nos. 006 & 007

ELI ATTIA, d/b/a ELI ATTIA ARCHITECTS

Defendant/Counterclaimant

-----X
SCHLESINGER, J:

FILED
JAN 27 2005
NEW YORK
COUNTY CLERK'S OFFICE

Ross & Cohen, LLP have sued their former client Eli Attia, an accomplished architect, and have sought damages in two categories. The first is for alleged legal services provided to Mr. Attia during the period between April 1993 and October 2000 in the sum of \$60,578.63. There is no retainer agreement for these services and they appear to have involved multiple matters. The second category concerns expenses allegedly incurred by plaintiff in connection with a federal copyright infringement lawsuit which was commenced by the firm on Mr. Attia's behalf in the U.S. District Court for the Southern District of New York. Those services were rendered pursuant to a written agreement dated April 12, 1995 that provided for a contingency fee arrangement, together with reimbursement to Ross & Cohen for any out of pocket disbursements made on defendant's behalf. The amount sued for in this regard is \$58,571.96.

Plaintiff's complaint, dated March 7, 2001, is exceedingly brief. After identifying the parties in paragraphs 1 and 2, it states the entirety of its claim and the legal basis for that claim in the following two paragraphs.

* 3]

3. That heretofore and between April 1993 and October 2000, Plaintiff at the special instances and request of Defendant performed and furnished legal services and incurred expenses for and on behalf of the Defendant at the fair and agreed price and reasonable value of \$119,150.59.

4. That no part of said sum of \$119,150.59 has been paid although due demand has been made therefor.

Ross & Cohen is a law firm that specializes in construction law but here chose to appear *pro se*. However, after some period of time, outside counsel appeared for them to provide representation vis-a-vis a counterclaim asserted by defendant Attia in his Amended Answer, a counterclaim sounding in legal malpractice.

I have before me two motions for summary judgment. In the first instance, outside counsel on behalf of Ross & Cohen as counterclaim-defendant moved to dismiss the counterclaim on the ground that this Court lacks subject matter jurisdiction over the counterclaim. Alternatively, they seek summary judgment dismissing the counterclaim on the merits, or based on alleged discovery abuses pursuant to CPLR §3042(d) and §3126.

Then, plaintiff law firm moved for judgment on its claim for \$119,150.59. Mr. Attia has opposed both motions. He argues that the Court does have jurisdiction vis-a-vis his counterclaim, and as to the main claim, urges that any claim for fees for services rendered before March 7, 1995 is time-barred because the services were provided more than six years before the claim was made.

Background Facts

I will first discuss the counterclaim issue, and for this discussion certain historical events must be brought out. In 1987, Mr. Attia was retained by New York Hospital to devise an alternative plan for expansion and modernization of hospital facilities located near the East River at 68th Street in Manhattan. The Hospital had been considering various proposals in this regard for many years and before retaining Attia believed they had found a solution, one involving filling-in existing courtyards on its campus.¹

However, Mr. Attia developed a concept involving a new building that would be constructed on a platform over the F.D.R. Drive. In that regard, he prepared a series of architectural drawings and sketches collected in two booklets, the first dated December 1, 1987, supplemented by the second, dated March 1, 1988. His approach found favor with the Hospital, which made it their new approach and proffered it to the New York State Department of Health as such.

The Hospital then engaged Attia to work with another consultant, Taylor Clark Architects, Inc. ("TCA"), to develop the plan. However, this relationship became acrimonious and the Hospital terminated Attia's consultancy. They also paid him approximately \$500,000 for the services he had provided in the previous nine months.

In July 1988, the Hospital initiated a competition to select the architect who would design and build the project. Attia was asked to compete and did so in a joint venture with

¹This statement of facts has been adopted from the one given in the Second Circuit's 1999 affirmance of the District Court's grant of summary judgment to defendant Hospital and others in *Attia v. Society of New York Hospital*, 201 F.3d 50.

two other firms. It was decided that four finalists would be chosen, and as Attia's group came in fifth, they failed to make the cut. The winner was announced in February of 1989, Hellmuth Obata and Kassabaum, Inc. ("HOK") in a joint venture with TCA. In early 1992, HOK/TCA submitted a set of schematic design drawings to the Hospital which were then filed with the NYS Department of Health in February of that year. Attia says that in January of the following year, 1993, he saw an article in the New York Times that included an illustration of HOK/TCA's plan to erect a building over the F.D.R. Drive and concluded that HOK/TCA had infringed on his copyright.

As stated earlier, Attia had been a client of plaintiff law firm for other matters. He states that he attempted to secure attorneys who were specialists in intellectual property law but was unable to do so. Therefore, in April 1995, he signed the before-mentioned retainer agreement with Ross & Cohen and the firm brought the copyright infringement action. In this federal action, Attia through Ross & Cohen sued the Hospital as well as the architectural firms HOK and TCA for copyright infringement, violation of the Lanham Act (falsely claiming the defendants represented that they were the creators of his design), and unjust enrichment.

After the completion of discovery, all defendants moved for summary judgment dismissing the complaint, and Judge Jed Rakoff, in May of 1998, granted that motion (1998 WL 226167). An appeal was then taken to the Circuit Court, with Ross & Cohen as

counsel. That Court, in December 1999, affirmed the dismissal (201 F 3d 50).²

The Jurisdictional Dispute

A claim this Court found interesting, as well as possibly dispositive, was the one made herein by Ross & Cohen as counterclaim defendant to the effect that this Court lacks subject matter jurisdiction over the asserted counterclaim. They point out that the subject of the counterclaim, in part, concerns the firm's alleged failure to have submitted expert testimony in opposition to defendants' summary judgment motion in federal court to counter the argument there by the Hospital and HOK/TCA that no copyright infringement had occurred because, while similarities between the designs existed, the similarities did not go beyond the concepts and ideas contained in Mr. Attia's drawings (more on this later). Therefore, Ross & Cohen argue that the resolution of that issue would necessarily involve an analysis and determination of what is appropriate under federal copyright law, an area where exclusive jurisdiction is vested in the federal courts.

In furtherance of this argument, counsel cited to the First Department opinion *Karl-Erbo Graf Von Kageneck v. Cohen, Pontani, Lieberman & Pavane*, 301 AD2d 363 (2003). Noting that resolution of the malpractice complaint revolved around analysis and application of patent law, the appellate court in *Karl-Erbo* held that defendant's motion to

²One of the claims Attia makes herein in his defense and counterclaim asserting legal malpractice is that plaintiff refused to appeal further by petitioning for Certiorari to the United States Supreme Court because Attia declined to advance money for expenses. Yet, I did note that Certiorari was denied in *Attia v. Society of New York Hospital*, 531 U.S. 843 (U.S. Oct 2, 2000). It appears Attia made this application while representing himself. But the fact remains, it was made and denied.

dismiss the complaint should have been granted because "the complaint goes to the heart of the patent and defendants' negligence in analyzing it and applying patent law." 301 AD2d at 364. That being the case, "subject matter jurisdiction lies exclusively in the federal courts." 301 AD2d at 363.

I asked counsel to further brief this issue. After receiving those submissions, it is now clear to me that this Court has subject matter jurisdiction over the counterclaim asserted here pursuant to the "well-pleaded complaint rule" discussed by the United State Supreme Court in *The Holmes Group, Inc. v. Vornado Air Circulation Systems*, 535 U.S. 826 (2002). Citing *Christianson v. Colt Industries Operating Corp.* 486 U.S. at 800, 809, (1988), the *Holmes* Court stated (at p.830) that:

[T]he well-pleaded complaint rule provides that whether a case "arises under" patent law "must be determined from what necessarily appears in the plaintiff's statement of his own claim in the bill or declaration."

To put it another way, it is solely the complaint that determines whether jurisdiction rests in the federal court because it, the complaint, must demonstrate either that federal law creates the cause of action or that plaintiff's right to relief necessarily depends on resolution of a question of federal law.

The *Holmes* court emphasized that it would be error to base jurisdiction on an answer or counterclaim when the complaint failed to meet the test. Any such result, they explained, would contravene a long line of federal cases and contravene the policy that it is the plaintiff, rather than the defendant, who is entitled under the "well-pleaded complaint

rule" to determine whether the claims should be heard in a federal or state forum. 535 U.S. at 830-31. In footnote 2 in *Holmes* the Court added: "The well-pleaded complaint rule also governs whether a case is removable from state to federal court pursuant to 28 U.S.C. §1441(a)" because removal is possible only when the federal court has jurisdiction based on the complaint. 535 U.S. at 830.

While *Holmes* involved questions of patent law, it was undisputed that plaintiff's well-pleaded complaint did not assert any claim arising under federal patent law. Only the counterclaim did. Therefore, the high court ruled that the Federal Circuit had erred in asserting jurisdiction.

The holding clearly applies to the circumstances here. That is why the *Karl-Erbo* decision cited by counterclaim-defendant Ross & Cohen is distinguishable. The patent law issue in *Karl-Erbo* had been asserted in the complaint, making exclusive federal jurisdiction proper. Here, the complaint merely demands money allegedly owed for legal services and expenses and raises no issues involving federal law. The copyright issues are raised only in the defense and counterclaim. Thus, under the well-pleaded complaint rule, this Court has jurisdiction to determine the counterclaim on the merits.

Determining the Counterclaim

The finding that this Court can and should exercise jurisdiction over the counterclaim does not end the inquiry as to its viability. The counterclaim asserted in Attia's Amended Answer, after he obtained counsel to represent him, is set down in paragraphs 12 through 19. It refers exclusively to the dispute between Attia and the various Hospital defendants.

The alleged malpractice appears in paragraph 18, which reads in its entirety as follows:

Plaintiff's representation of Attia in the New York Hospital matter was negligent. Plaintiff failed to retain an independent expert, to ensure that all materials claimed by Attia to have been copied by the New York Hospital Defendants had been registered for copyright protection, and to file claims for breach of contract and for quantum meruit. Plaintiff, in breach of the retainer agreement between the parties, further declined to represent Attia with respect to petitions for certiorari to the United States Supreme Court.

Thus, there are four claims of malpractice asserted by Attia in his counterclaim. The first two, the failure to submit an affidavit from an expert on the dispositive issues and the failure of the law firm to make sure that all the drawings submitted by Attia had in fact been copyrighted, focus on the loss of the summary judgment motion in federal court and its consequences. In this regard, at oral argument on defendants' summary judgment motion to dismiss the federal action on September 23, 1997, the Hospital defendants challenged two of the drawings attached to Mr. Attia's opposition papers on the ground that the drawings had not been registered with the Office of Copyright. The argument was continued to October 29 and the parties were invited to make further submissions. On the latter date, it was confirmed that the drawings had not been registered and thus could not form any basis for Attia's claim of copyright infringement. After judgment was awarded to the defendants, they moved for attorneys' fees. This request was denied, but Judge Rakoff did award them the sum of \$38,935.76 in fees and expenses attributable to the preparation of the supplemental submission and additional oral argument. That award was also

appealed and affirmed.

The third aspect of alleged negligence was the firm's refusal to petition the U.S. Supreme Court for certiorari, although as noted earlier, Attia did this for himself. Finally, there is the assertion that the firm was negligent in failing to heed the six year statute of limitations and so was barred from suing the Hospital on Attia's behalf for breach of contract and/or quantum meruit for the termination of his consulting agreement by the Hospital in July of 1988.

In order to prevail in a legal malpractice action, the plaintiff must be able to demonstrate that "but for" the attorney's conduct, in this instance omissions by the attorney, the outcome would have been different. In other words, the plaintiff must show that he would have prevailed in the action in which the malpractice was allegedly committed had the attorney not been negligent. The plaintiff must essentially prove a "case within a case." *Reibman v. Senre*, 302 AD2d 290 (First Dep't 2003), citing *McKenna v. Forsyth & Forsyth*, 280 AD2d 79, 82 *lv. denied* 96 NY2d 720.

Applying this standard, this Court agrees with Ross & Cohen that Attia's first claim of malpractice lacks merit and must be dismissed. In studying the decisions of the federal courts which heard the copyright action between Attia and the Hospital defendants, particularly the second, more detailed one by the Court of Appeals, I find that the use of an expert by Attia would not have led to a different result. I come to this conclusion because the Circuit Court even assumed for purposes of the motion that the similarities between the Attia and the TCA designs were attributable to copying by TCA, who had had

access to Attia's drawings while collaborating with him in 1988. However, the Court then defined the determinative issue as whether the drawings were protected in the first instance against intentional copying. 201 F3d at 53-54. The Court explained that "ideas, concepts, and processes" are not protected from copying; only the "expression" of such ideas and concepts are protected. *Id.* at 54. Then, after a painstaking review of the materials, the Court found that the drawings were not protected "because the similarities do not go beyond the concepts and ideas contained in Plaintiff's [Attia's] drawings." *Id.* at 55. The panel said:

We may assume with Plaintiff that the ideas taken or at least some of them, are powerful, dynamic ideas of immense value to the successful enlargement of the Hospital. Under the law of copyright, however, the power of an idea does not improve the creator's right to prevent copying. The protection of copyright extends only to the author's expression of the idea. We find no instance [in the set of facts presented here] in which Defendants have copied particularized expression that commands protection under the copyright law (at 55).

Therefore, it is apparent that no expert could or would have made a difference to the court's ruling that the Attia drawings were not entitled to legal protection.

However, I cannot make a similar finding vis-a-vis the claim that Ross & Cohen's failure to ensure that the drawings were registered damaged Attia in the amount of the \$38,935.76 award. That claim must withstand dismissal. Here, Attia and his wife Noa both insist they did not tell their attorney the two drawings had been registered. Frederick Cohen, the partner handling the matter, says they did. So there is an issue of credibility.

Beyond that, Attia's counsel in this case, a practitioner in this field, states that competent intellectual property law practice requires the attorney, particularly one who did not do the initial registering, to verify such registration. The booklets Attia prepared were copyrighted. Cohen says he had a right to rely on his client's representations regarding the other drawings. Thus, there are issues here as to the requisite standard of care and whether it was breached. Further, it is clear that the Hospital's successful defense regarding the two unregistered drawings, while not relevant to the District Court decision, did result in the additional award to the Hospital defendants. Thus, this claim is viable.

Turning to the next allegation of malpractice, the failure of Ross & Cohen to petition the United States Supreme Court on Attia's behalf is not actionable. Attia filed such a petition and failed. There is no meaningful allegation by Attia that, if the law firm had filed the petition, the result would have in any way been different; in other words, that the Court would have granted certiorari or reversed the Circuit Court. Therefore, that claim must be dismissed.

Finally, on the last allegation of malpractice (allowing the lapse of Attia's claim against the Hospital for breach of contract or quantum meruit), that claim also lacks merit. Despite the fact that the parties agree that Attia and the law firm had a relationship extending years before the claims became time-barred, it is also undisputed that Attia did not retain the defendant to sue the Hospital until April of 1995, well after the statute of limitations had run. Second, the counterclaim contains nothing to suggest that the Hospital breached its contract with Attia in terminating the consultancy agreement or that Attia was

not paid for his services. As mentioned earlier, he received approximately \$500,000 for the work that he did and booklets he prepared, work that was performed in under a year. Further, after the consultancy ended, Attia was invited to submit a bid and compete for the architectural contract. He did so, but his bid failed. And in 1993, when he found out about the accepted plans from the Times article, he sought counsel to bring on only a copyright infringement action. As there is no merit to the underlying claims, there can be no malpractice for any failure to assert them.

Thus, the motion by Ross & Cohen to dismiss the counterclaim on the merits is granted as to all the allegations except the allegation that the firm failed to timely ensure that the drawings had been registered. I do not find that alleged discovery abuses are such as to warrant the severe sanction of dismissal of that remaining aspect of the counterclaim.

Plaintiff's Motion as to the Main Claims

Now to a discussion of the plaintiff's original motion for summary judgment in its favor on the two claims in its complaint relating to the varied representation from 1993 to 2000 and the separate representation in the federal copyright infringement action.

As noted above, the complaint here is exceedingly sparse. It is also clear, despite the bills attached to the motion, that no cause of action for an account stated has been either properly pled or proved. In fact, as is pointed out by opposing counsel, the invoices submitted are problematic. Neither the work done nor the services provided are spelled out. It is also noteworthy in this regard that on an invoice dated December 31, 1995, an outstanding balance of \$3,956.72 is shown. Yet the final invoice for services shows more

than \$30,000 for that period, without any explanation for this discrepancy. In sum, as to both claims for services rendered, plaintiff must show the reasonable value of their services or expenses. Because this has not been done, plaintiff's request for summary judgment must be denied.

Defendant Attia also argues that the firm is entitled to receive nothing for work done for any period before March 7, 1995; i.e. six years before the complaint was filed. Plaintiff law firm is making a claim dating back to April of 1993, almost two years before then.

In reply, Ross & Cohen argues that Attia, in connection with a real estate transaction, arranged to have his firm receive \$11,000 "to be applied against his outstanding indebtedness," thereby making the claim more current. However, there is no support for that assertion in the exhibits submitted in this regard. The transaction involved a refinancing by Eli and Noa Attia. While it is true that a check for \$11,000 was made out to Ross & Cohen, the legend on the check shows only "For 118 State Street LLC", the premises that were the subject of the mortgage.

It is true that the General Obligations Law §17-107, under certain circumstances, creates a new implied promise to pay a debt otherwise time-barred. But there has to be an explicit acknowledgment by the debtor that those payments are for the earlier outstanding debt. *Petito v. Piffath*, 85 NY2d 1 (1994). Here plaintiff Ross & Cohen, whose burden it is, has failed to show that this \$11,000 payment, part of a mortgage refinancing, was money applied to anything other than that refinancing.

Therefore, I am dismissing all amounts claimed for services provided before March 7, 1995 as barred by the six year statute of limitations.

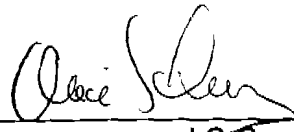
Additionally, plaintiff's motion for summary judgment is denied because the remaining aspect of the counterclaim and the affirmative defense, concerning the \$38,935.76 costs Attia was obliged to pay in connection with the federal litigation, is sufficiently related to the plaintiff's claim for expenses as to act as a set-off, if the defendant should prevail.

Counsel shall report to Court for a status conference on January 26, 2005 at noon.

This decision constitutes the order of the Court.

Dated: January 7, 2005

JAN 07 2005


J.S.C.
ALICE SCHLESINGER

FILED
JAN 21 2005
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