

**Sontag v Cook**

2005 NY Slip Op 30520(U)

February 8, 2005

Sup Ct, New York County

Docket Number: 600102/04

Judge: Herman Cahn

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SUPREME COURT OF THE STATE OF NEW YORK — NEW YORK COUNTY

PRESENT: Hon. HERMAN CAHN PART 49

*Justice*

ALBERT SONTAG, as Receiver of Three Mo' Partnership,

Plaintiff,

- v -

VICTOR TRENT COOK, et al.,

Defendants.

INDEX NO. 600102/04  
MOTION DATE  
MOTION SEQ. No. 5001  
MOTION CAL. NO.

The following papers, numbered 1 to \_\_\_\_\_ were read on this motion to \_\_\_\_\_

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

Answering Affidavits — Exhibits \_\_\_\_\_

Replying Affidavits \_\_\_\_\_

PAPERS NUMBERED	

Cross-Motion:  Yes  No

Plaintiff's motion, and defendants' cross-motion, for preliminary injunctive relief are decided in accordance with the accompanying memorandum decision in motion sequence no. 1.

**FILED**

**MAY 23 2005**

NEW YORK  
COUNTY CLERK'S OFFICE

Dated: 2/8/05

*Herman Cahn*  
J.S.C.

Check one:  FINAL DISPOSITION

NON-FINAL DISPOSITION

SUPREME COURT OF THE STATE OF NEW YORK  
COUNTY OF NEW YORK: IAS PART 49

-----X

ALBERT SONTAG, as Receiver of Three Mo'  
Partnership, :

Plaintiff, :

Index No. 600102/04

- against - :

VICTOR TRENT COOK; LI'L TRENT'S  
MUSIC INC.; RODRICK E. DIXON;  
THOMAS J. YOUNG; COOK, DIXON &  
YOUNG TENORS, LTD.; and  
CD ENTERPRISES INC., :

Defendants. :

-----X

Herman Cahn, J.

Plaintiff moves for a preliminary injunction to enjoin defendants' use of the trade name, "Three Mo' Tenors," and to enjoin them from interfering with efforts by the Three Mo' Partnership (the "Partnership") to make commercial use of that name (CPLR 6301, 6311).

Defendants cross move for a preliminary injunction to enjoin plaintiff and the Partnership from using their names and likenesses for commercial purposes, and from interfering with their efforts to promote their musical talents (*id.*).

An evidentiary hearing was conducted before the undersigned, without a jury (CPLR 2218, 6312 [c]).

By decision and order in a related action (*BT Productions, Inc. v Edgework Productions, Inc.*, index No. 603931/02), dated April 15, 2003, plaintiff was appointed temporary receiver for the Partnership.

The Partnership was organized to promote the dream of assisting African-

American classically trained singers to break into a variety of musical genre markets, including opera, blues, theatrical, and gospel. The Partnership expended substantial sums of money to arrange bookings, publicity, etc., for the group it organized for the purpose of promoting the acceptance of African-American tenors on the American musical scene. The Partnership promoted its performances under the name "Three Mo' Tenors," drawing on the analogous concept of the widely successful operatic performances of three other artists, generally known as "The Three Tenors."

The individual defendants, Victor Trent Cook, Rodrick E. Dixon, and Thomas J. Young (the "defendants"), are talented, classically trained vocalists. They are very talented, and were hired by the Partnership as members of the group. They entered into contracts of employment with the Partnership, each of which contained restrictive covenants among other points.

***The April 2001 Agreements:***

By three separate letter agreements entered into in April 2001, defendants were hired by the Partnership as performers (Exs. 3-5).<sup>1</sup> The agreements refer to "Three Mo' Tenors" as a "concert series and related projects" and also as a "Show" "conceived and directed by Marion J. Caffey and produced by the Partnership." Paragraph 1 of the agreements expressly provides as follows, in pertinent part:

1. **Rights.** Producer<sup>[2]</sup> hereby engages [defendant] to furnish such services . . . . Producer shall be the sole and exclusive owner of all results and proceeds of Artist's performance services hereunder . . . as a work-for-hire within the meaning of the U.S.

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<sup>1</sup> References to "Ex." are to hearing exhibits admitted in evidence.

<sup>2</sup> The term "Producer" is defined as the Partnership.

copyright law, for all purposes . . . . [Defendant] acknowledge[s] and agree[s] that, to the extent applicable, Producer will be the sole and exclusive owner of all rights in the role or character portrayed by Artist, including name, likeness and distinctive characterizations thereof, and the right to merchandise and exploit such role or character, and the right, with [defendant's] approval, not to be unreasonably withheld, to use [defendant's] name and likeness in connection therewith, and neither Lender nor Artist<sup>3</sup>] shall have any right at any time to portray, exploit, merchandise or make use of such role or character portrayed by [defendant]. Producer shall have the right to use and permit others to use [defendant's] name, photograph, likeness, voice (or simulation thereof) and biography in connection with advertising, publicizing and exploiting the Show or any part thereof . . . .

Paragraph 2 vests exclusive artistic discretion in the Partnership, providing that "Artist shall render services as the employee of Producer and as instructed by Producer in all matters, including those involving artistic taste and judgment, whenever and wherever Producer may reasonably require . . . ." Paragraph 8 provides, in pertinent part:

8. **Non-Competition.** During the Term<sup>4</sup>] and continuing in perpetuity thereafter, you shall make no use of the title "Three Mo' Tenors" or perform in any show making use of such title and you shall not perform in any show which makes any reference to the Show in any of its advertisements or other publicity, and you shall not perform in any show whose repertoire in the aggregate is substantially similar to that used by the Show. . . .

The term "Show" is explicitly defined as "the concert series and related projects currently entitled 'Three Mo' Tenors' . . . and produced by the Partnership" (Exs. 3-5 at 1; *see, id.*, ¶ 9 [identifying defendants as "the three originating performers in the Show . . . ."]).

Paragraph 22 provides:

22. **Formal Agreement.** It is the intent of the parties to enter into a more

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<sup>3</sup> The terms "Lender or Artist" refer to defendants Lil Trent's Music Inc. and Victor Trent Cook, respectively, as set forth in his agreement (Ex. 3). The term "Artist" alone is used in the agreements of defendants Rodrick E. Dixon and Thomas J. Young (Exs. 4, 5). Paragraph 1 of all three agreements is otherwise identical.

<sup>4</sup> The term of the agreements is comprised of an Initial Period commencing April 24, 2001, through April 30, 2002, with various options to extend through April 30, 2004 (Exs. 3-5 ¶ 3).

formal agreement, which shall incorporate the terms and conditions hereof as well as other customary terms and conditions for agreements of this type. Unless and until the parties enter into such a more formal agreement, this Agreement shall remain the binding and effective agreement between them with respect to the subject matter hereof and shall supersede all prior agreements, negotiations and understandings relating to the Show.

The Partnership is wholly owned, in equal shares of 50%, by two corporations: BT Productions, Inc., owned principally by Brenda Trawick; and Edgework Productions, Inc., owned principally by Willette Klausner. The agreements were executed on the Partnership's behalf by Trawick, with the assent of Klausner.

***The September 1, 2002 Agreement:***

Defendants profess the validity of a document purporting to be an agreement dated September 1, 2002, executed by Trawick supposedly on behalf of the Partnership, wherein she describes herself as "Duly Authorized Partner" (Ex. 8). The 2002 Agreement deviates from the 2001 Agreements in at least one substantial, highly relevant, respect. Paragraphs 1.5 and 1.6 provide, in pertinent part:

1.5 The Partnership agrees that upon expiration of the Term or termination of this Agreement . . . , subject only to payment of the name licensing royalty . . . , the Tenors are hereby irrevocably authorized and licensed to utilize the name "Three Mo' Tenors" for reference purposes. By way of example, the Tenors shall have the right to make reference to themselves as "formerly known as" or "originally known as" the Three Mo' Tenors. Any substantially similar references shall be deemed acceptable to the Partnership, and any materially altered references by the Tenors shall be subject to the approval of the Partnership, which approval shall not be unreasonably withheld. There shall be no limitation as to media or context for any and all such references; however, the Tenors agree to use best efforts to present the reference in a manner that will not intentionally mislead or confuse the public (i.e., the Tenors will use best efforts to ensure the type font and size do not unduly emphasize the name or suggest that Cook, Dixon and Young are then performing as the Three Mo' Tenors). . . .

1.6 For the avoidance of doubt, and notwithstanding anything to the contrary, express or implied, the Partnership expressly acknowledges and agrees that upon expiration of the Term or termination of this Agreement . . . (a) the Tenors' right to use the name as a reference point is vested and irrevocable; and (b) there shall be no so-called 'non-competit'

restriction or similar limitations affecting the Tenors' right to perform together.

(Ex. 8 ¶¶ 1.5, 1.6.)

Defendants assert that the 2002 Agreement supplanted the 2001 Agreements, and, thereby, effectively terminated the 2001 restrictive covenants as well, by virtue of Trawick's authority as the principal of one of the corporate partners of the Partnership. In contrast, the complaint refers to the 2002 Agreement as "The Secret September 2002 Agreement Between Defendants and Trawick," and assails its validity by alleging that "Trawick executed it without the knowledge, authority or authorization of the other 50% partner of TMP [i.e., Three Mo' Partnership], Edgework Productions, Inc. ('Edgework') as required by the partnership agreement" (Complaint ¶¶ 21, 22).

The referenced Three Mo' Tenors Partnership agreement between BT Productions and Edgework, as amended October 27, 2000, vests sole decision-making authority in the partner owning the largest percentage interest (Ex. 1 ¶ 3). At the time of its execution, BT Productions owned 50%, with Edgework Productions and two unrelated corporations owning fractions of the remainder. However, due to a subsequent buy-out by Edgework of those two entities in the summer of 2002, Edgework ended up owning 50% of the Partnership. Plaintiff asserts that BT Productions was thus divested of sole decision-making authority.

In addition to their foregoing reliance on the 2002 Agreement, defendants assert that the Partnership breached the 2001 Agreements, by failing to pay them monies to which they were entitled. Further, they argue that a trademark for the name "Three Mo' Tenors" was denied by the U.S. Trademark Office, thereby indicating that the Partnership cannot have an exclusive right to the name, as it attempted to achieve through the 2001 Agreements.

***The Action:***

Defendants severed their relationship with the Partnership, and commenced performing independently as a group, prompting this lawsuit for, *inter alia*, breach of the restrictive covenants contained in the 2001 Agreements. Plaintiff's assignee hired three other African-American tenors to perform under the Three Mo' Tenors name. Plaintiff alleges that defendants, in violation of the rights of plaintiff and his assignees, have held themselves out as the tenors who are the Three Mo' Tenors. It is alleged that defendants, by their activities, have caused the assignee substantial, irreparable damage, by this holding out. Further, it is alleged that the presenters and other agents of defendants have printed concert tickets for their performances under the name "Three Mo' Tenors," and have otherwise promoted their performance as that of the "Three Mo' Tenors," thus causing, at the least, serious misunderstanding among potential concert goers. In addition, someone associated with defendants is alleged to have telephoned presenters in locales where the Partnership's Three Mo' Tenors group was either scheduled to perform, or where it was negotiating to book a performance, to threaten legal action because, it was alleged, defendants were the real "Three Mo' Tenors."

Defendants have made similar complaint of actions on behalf of the assignee to disrupt their concerts and their ability to book concerts.

The court initially held one day of hearing on the motion for an injunction and scheduled an additional hearing date. At that time, the court imposed a temporary restraining order limiting the manner in which the defendants can hold themselves out. However, there were continuing allegations of breach of said order.

***The Interim Order:***

The court held conferences with the parties in efforts to resolve the issue.

Notwithstanding these efforts, no settlement was achieved. Accordingly, the court issued an interim order, dated May 4, 2004, setting forth the following directions:

1. Defendants, in materials promoting any concert, or in programs, playbills, etc., may refer to the fact that they were "formerly of the Three Mo' Tenors." However, such legend must be in print which is not larger than 60% of the print size used to set forth defendants' names on the same program, promotion, etc.

2. Defendants may not advertise or hold themselves out in any material disseminated in connection with a performance, or in any other way, to be the Three Mo' Tenors (i.e., the current or only or original Three Mo' Tenors).

3. Defendants may not, in any interviews or written material of any type, assert that any other tenors or performers operating under the aegis of the Partnership, are not the Three Mo' Tenors.

4. Neither plaintiff, his assignee or defendants may take any steps, to prevent the other (or in the case of the assignee, any troupe or group operating under the aegis of the assignee) from peacefully booking, and performing its concerts, other than to seek sanctions from this court for violation of its order, or other than to appeal this or any other order of this court.

5. If any of the above directives are violated by the promoter, or producers of a concert or public relations personnel or other such personnel acting on behalf of a party, the court may sanction the party on account thereof. Such sanction may include cancellation of a concert or performance. In order to avoid any misunderstanding or unnecessary further litigation, the court advises that a copy of this interim order be furnished to such producers, promoters, public relations personnel, etc.

(Interim Order at 7-8.) The Interim Order concluded:

The intention of the undersigned, is that this interim order will enable both parties to carry on their worthwhile and artistic efforts, without hindrance or harassment from the other. Such a result will be to the parties' great benefit as well as to the benefit of the community which all of them seek to serve.

(*Id.* at 8.) Unfortunately, there were continuing allegations of breaches of the foregoing

directions, and ongoing discord among the parties, to their detriment. The court found it

necessary to continue the interlocutory hearing, and issue a final order on the instant motion.

Defendants moved to dismiss at the close of the hearing (CPLR 4401).

***Authority to Bind the Partnership:***

A preliminary injunction is appropriate where movant demonstrates a likelihood of success on the merits; irreparable harm absent an injunction; and the balancing of equities in its favor (*St. Paul Fire & Marine Ins. Co. v York Claims Serv., Inc.*, 308 AD2d 347 [1<sup>st</sup> Dept 2003]).

One of the basic issues to be decided is whether the 2002 Agreement is valid and binding. If it is binding, then it presumably overrides the 2001 Agreements, and there is effectively no non-competition agreement. If it is not valid, it would be of no effect, and the 2001 Agreements would control.

Plaintiff argues that the 2002 Agreement is of no validity, because it was executed by Trawick, over Klausner's objection, and that defendants, through their agents, were aware of this invalidity.

Plaintiff has shown a likelihood of success on the merits of its assertion that Trawick was without authority to enter into the 2002 Agreement, and that defendants were aware of the lack of authority when they entered into the Agreement, but entered into it anyway.

The partnership agreement between BT Productions and Edgework, as amended October 27, 2000, vests sole decision-making authority in the partner owning the largest percentage interest (Ex. 1 ¶ 3). At the time of its execution, BT Productions owned 50%, with Edgework Productions and two unrelated corporations owning fractions of the remainder. However, due to a subsequent buy-out by Edgework of those two entities in the summer of 2002,

both BT Productions and Edgework owned equal interests in the Partnership, divesting BT Productions of sole decision-making authority, and, by implication of the partnership agreement, requiring the unanimous consent of BT Productions and Edgework “regarding business decisions” (*id.*; see, *W.W.W. Assoc., Inc. v Giancontieri*, 77 NY2d 157 [1990] [the parties’ unambiguous contract must be enforced according to its terms]).

The foregoing implication is clear. The partnership agreement took pains to extract the parties from the strictures of the general rule, promulgated at the outset of section 20, Partnership Law, that any one partner can bind the entire partnership (*see, Dawson v White & Case*, 88 NY2d 666 [1996] [partners may except themselves from general provisions of the Partnership Law, by agreement]; *Ellenberg Morgan Corp. v Hard Rock Café Assoc.*, 116 AD2d 266 [1<sup>st</sup> Dept 1986] [same]).<sup>5</sup> The partnership agreement did so by manifesting the parties’ desire that the only partner vested with such power is “the producer with the largest percentage in the production . . . .” (Ex. 1 ¶ 3).<sup>6</sup> Now that both BT Productions and Edgework wholly owned equal shares of the Partnership, the unanimous assent of both of them is required for any “business decisions,” under the contractual scheme (*id.*). To interpret the contract otherwise would be contrary to their clear intent to limit partnership power, not expand it, as manifested by their inclusion of the “largest percentage” clause of the contract (*Muzak Corp. v Hotel Taft Corp.*, 1 NY2d 42, 46 [1956] [“The rules of construction of contracts require us to adopt an

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<sup>5</sup> Indeed, the latter part of section 20 (1), Partnership Law, recognizes the inherent power of partners to define the scope of their own authority (“Every partner is an agent of the partnership . . . unless the partner so acting has in fact no authority to act for the partnership in a particular matter . . .”).

<sup>6</sup> The term “producer” is clearly understood to refer to any one of the partners, as among BT Productions, Edgework, and the other two former partners (*see*, Ex. 1 ¶¶ 1, 3).

interpretation which gives meaning to every provision of a contract or, in the negative, no provision of a contract should be left without force and effect. . . .”] [citations omitted]).

The credible evidence adduced at the hearing demonstrates that Trawick violated the foregoing joint power provision of the BT Productions/Edgework partnership agreement by acting alone, in entering into the 2002 Agreement with defendants. The evidence shows that Klausner expressly objected to that agreement, insisting on the 2001 restrictive covenants; and, most notably, informed defendants’ agent, Carol Kirkendall, of that fact, in writing. On August 21, 2002, Klausner e-mailed Trawick, Kirkendall, and the attorneys representing the parties, as follows, in part:

. . . . [Since you are aware that no deal can be reached without the consent of Brenda and me, I wanted to confirm, in writing, my objections to signing any agreement with the Tenors that does not include the existing noncompete clause and otherwise meet the concerns that I raised in our meeting.

(Ex. 9 at 1; *see also, id., passim*; Ex. 9A.)

In fact, the issue of the non-competition requirements to be agreed to by the defendants was a considerable matter of contention between the parties, even when the 2001 Agreements were negotiated. Defendants insisted that they would not enter into any subsequent agreement with the Partnership, if it contained such provisions. The Partnership insisted that no agreement was possible without it. For Trawick to suddenly agree to remove the con-compete provisions was a major change in position. Defendants, through their agent, Kirkendall, were well aware of Klausner’s claim that Trawick did not have the authority to enter into such an agreement.

As a consequence of the foregoing, and similar credible evidence adduced at trial,

any reliance by defendants on Trawick's unilateral acts purportedly on behalf of the Partnership, could not be deemed reasonable (*Ford v Unity Hosp.*, 32 NY2d 464 [1973]; *Meade v Finger Lakes - Seneca Coop. Ins. Co.*, 184 AD2d 952 [3d Dept 1992]). Indeed, their ill advised reliance on Trawick's supposed power to bind the Partnership to the 2002 Agreement ignores the latter portion of section 20 of the Partnership Law, which recognizes that a partner does not hold such power if "the partner so acting has in fact no authority to act for the partnership in the particular matter, and the person with whom he is dealing has knowledge of the fact that he has no such authority" (Partnership Law § 20 [1]).<sup>7</sup> Defendants possessed, or, at a minimum, are deemed possessed of, knowledge of Trawick's lack of authority to unilaterally bind the Partnership, by virtue of Klausner's written objections to their production agent and counsel (*Center v Hampton Affiliates, Inc.*, 66 NY2d 782 [1985]).

Defendants alternatively claim that they are not bound by the 2001 Agreements due to the Partnership's alleged material breach of non-payment in a sum of \$500,000.00. To

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<sup>7</sup> Defendants overstate the significance of the court's February 13, 2003 appointment of BT Productions as the winding-up partner pending dissolution. There is no dispute that BT Productions is a 50% partner of the Partnership, along with Edgework. It is, thus, statutorily qualified to serve in the temporary capacity of winding-up partner (Partnership Law § 75), although counsel, in response to the court's inquiry at closing argument, advised that BT Productions has not posted the undertaking ordered in the February 13<sup>th</sup> decision (at 9). Regardless, BT Productions' appointment does not detract from its contractual duty, which came into being prior thereto, to act only in conjunction with Edgework. BT Productions breached that duty by unilaterally entering into the 2002 Agreement, through Trawick, over Edgework's objection, as expressed by Klausner.

Indeed, while the February 13, 2003, decision acknowledged Trawick's significant capital contribution as a ground for its appointment, it explicitly cautioned (at 7) that Trawick's prior decision-making right on behalf of the Partnership may have been "nullified" due to Edgework's ascent to 50% ownership status. Based on the hearing evidence, the court now finds that it was.

sustain this defense, they must demonstrate that they declared a *bona fide* notice of intention to rescind the contract on account of the alleged material breach (*Taylor v Goelet*, 208 NY 253 [1913]; *John F. Trainor Co. v G. Amsinck & Co., Inc.*, 199 AD 693 [1<sup>st</sup> Dept 1922]). While defendants point to a series of purported rescission notices post-dating the invalid 2002 Agreement (Exs. 33, 35, 36), the governing 2001 Agreements expressly limit defendants' breach of contract remedies to an action *on the contract*, for damages (Exs. 3-5 ¶ 18 [a]). Equitable remedies, which include rescission (*Luo v Main St. Assoc.*, 212 AD2d 675 [2d Dept 1995]), were explicitly waived, as follows:

**18. Remedies.**

(a) Your rights and remedies in the event of a breach of this Agreement shall be limited to the rights, if any, to recover damages in an action at law, and you shall not be entitled to and hereby waive the right in such event to equitable or injunctive relief.<sup>8</sup>

In addition, the evidence supports the fact that defendants and their representatives affirmed the viability of the 2001 Agreements prior to entering into the 2002 Agreement, asserting simply, during attempts at re-negotiation, that defendants would no longer agree to a non-competition clause once the natural, contractual, term of the 2001 Agreements "was over" (Ex. 9 at 3).<sup>9</sup>

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<sup>8</sup> By contrast, the parties agreed that the Partnership "shall be entitled to equitable relief by way of injunction or otherwise" in the event of a breach by defendants "which cannot be reasonably or adequately compensated in damages in an action at law" (Exs. 3-5 ¶ 18 [b]).

<sup>9</sup> Parenthetically, defendants' counsel's insistence that the restriction not extend past the contract term was, in and of itself, untenable. A restrictive covenant in an employment agreement, where enforceable, may extend, by its terms, to post-employment conduct (*see, Reed, Roberts Assocs., Inc. v Strauman*, 40 NY2d 303, *rearg denied* 40 NY2d 918 [1976]; *Chemfab Corp. v Integrated Linear Technologies Inc.*, 263 AD2d 788 [3d Dept 1999]). The 2001 covenant extends to post-employment conduct (Exs. 3-5 ¶ 8). The breadth of its enforceability is discussed, *infra*.

Accordingly, plaintiff has shown a likelihood of success on the merits of its assertion that the 2002 Agreement was *ultra vires* and a nullity. This leaves the 2001 Agreements as the only manifestation of mutual assent as between the Partnership and the defendants.<sup>10</sup>

***The Non-Competition Clause:***

The 2001 non-competition clause provides, in full:

8. **Non-Competition.** During the Term and continuing in perpetuity thereafter, you shall make no use of the title “Three Mo’ Tenors” or perform in any show making use of such title and you shall not perform in any show which makes any reference to the Show in any of its advertisements or other publicity, and you shall not perform in any show whose repertoire in the aggregate is substantially similar to that used by the Show. Additionally, Artist shall not perform with any other tenor who has performed in the Show until the date which is three (3) years from the end of your engagement hereunder and Artist shall not perform with any two or more tenors from the Show until the date which is five (5) years from the end of your engagement hereunder; provided, however, that in the event Producer exercises both of the options set forth in Paragraphs 3 (b) and 3 (c) above,<sup>[11]</sup> the three (3) and five (5) year periods referred to in the previous sentence shall instead each be ten (10) years. Notwithstanding the foregoing, the restriction set forth in the preceding sentence shall not apply to performances in previously existing book musicals, operas, oratorio (c.g. Handel’s Messiah) or cantata. For the avoidance of doubt, Artist may make reference to the fact that he is or was a participant in “Three Mo’ Tenors” in his biography or in interviews.

(Exs. 3-5 ¶ 8.)

Defendants assail the restriction against use of the name “Three Mo’ Tenors” on

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<sup>10</sup> The 2001 Agreements only allow for subsequent formal modifications to the extent that they are consistent with the terms of the 2001 Agreements (Exs. 3-5 ¶ 22 [“It is the intent of the parties to enter into a more formal agreement, *which shall incorporate the terms and conditions hereof*. . . .”] [emphasis added]). Trawick’s 2002 attempt to abolish the 2001 restrictive covenants clearly violates that condition. Thus, neither she, nor defendants, are able to divine the contractual authority they seek, from anything derivative of the 2001 Agreements.

<sup>11</sup> The referenced paragraphs provide the Partnership with two successive options to renew; first to April 30, 2003, and afterward, to April 30, 2004 (Exs. 3-5 ¶¶ 3 [b], [c]). The options were not exercised.

the ground that the Partnership did not succeed in obtaining federal trademark protection for it. The argument is misguided. Section 133 of the General Business Law expressly affords any “person, firm or corporation,” regardless of federal registration, the right to enjoin another’s use of its trade name if such use “may deceive or mislead the public as to the identity of such person, firm or corporation or as to the connection of such person, firm or corporation with any other person, firm or corporation” (GBL 133; *see also*, 5 McCarthy on Trademark & Unfair Competition § 19.3 at 19-13 [4<sup>th</sup> ed 2003] [“non-registration does not impact on existing state or federal common law rights in a mark”]). Thus, nothing inhibited the parties from limiting defendants’ use of the “Three Mo’ Tenor” name by mutual agreement supported by adequate consideration, which they did in 2001.

The Third Circuit case of *Marshak v Treadwell* (240 F3d 184 [3d Cir 2001]), discussed by counsel, does not avail defendants. The plaintiff, Larry Marshak, acquired federal registration for use of the name “The Drifters,” previously used by a musical group managed by defendant, Faye Treadwell. Marshak sued Treadwell for trademark infringement after she published a book claiming herself to be the sole owner of the name. The court affirmed a District Court order cancelling Marshak’s federal registration of the name and permanently enjoining him from its further use. Its analysis was based on a finding that Marshak’s registration was procured through fraud, and, as a consequence of that finding, application of common law principles relating to the extent of either parties’ use of the name. Unlike the parties herein, Marshak and Treadwell were not in privity of contract with each other in connection with the name, or

otherwise.<sup>12</sup>

By contrast, the First Department case of *Glenn Miller Prods., Inc. v DeRosa* (167 AD2d 281 [1<sup>st</sup> Dept 1990]), is much more instructive. The plaintiff, who did not possess federal trademark protection for the “Glenn Miller” name abroad, was, nevertheless, able to contractually restrain the defendant’s use of it abroad, on the principle that “the contractual provisions sought to be enforced are legitimately intended to avoid consumer confusion over the name” (*id.* at 282).

The Partnership has shown that there was considerable confusion among the public, and among presenters of musical performances with whom plaintiff was negotiating, caused by defendants’ use of the words “Three Mo’ Tenors” and “formerly with . . . .” The court specifically notes that on web pages produced by defendants’ agents, the assertion was truthfully made that defendants were formerly with Three Mo’ Tenors. But the words “Three Mo’ Tenors” were highlighted and linked. Someone pressing the link would see a description of an earlier performance of the defendants, when they were still employed by the Partnership. Inevitably, the impression was given that the defendants were the Three Mo’ Tenors.

Other examples of use of the words to, at least, cause confusion, or, at worst, assert that the defendants were the Three Mo’ Tenors, were introduced during the hearing.

It was just to prevent such confusion that the 2001 Agreements barred defendants from continued use of the term “Three Mo’ Tenors.” In fact, in view of the confusion produced

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<sup>12</sup> In fact, the *Marshak* court recognized that former members of the Drifters who did enter into contracts with Treadwell containing restrictive covenants, were prohibited from using the Drifters name after their employ, and, by their terms, “could not even publicize the fact that they had been members” (240 F3d at 197).

in the public, the provision is reasonable and will be enforced.

The time of the prohibition should be limited to a three year term, commencing with the date hereof. After the three year term expires, defendants may use the term “formerly of Three Mo’ Tenors,” in the manner and to the extent set forth in the court’s prior interim order of May 4, 2004.

The restraint against using the term “Three Mo’ Tenors” extends to any use in connection with material used in advertising or promoting any records, CDs, performances, etc., of defendants. It does not extend to biographical or similar material not used to promote or advertise any performances.

Accordingly, the Partnership was within its right to restrain defendants from using the “Three Mo’ Tenors” name.

A restrictive covenant in an employment agreement is reasonable only if it “(1) is *no greater* than is required for the protection of the *legitimate interest* of the employer, (2) does not impose undue hardship on the employee, and (3) is not injurious to the public” (*BDO Seidman v Hirshberg*, 93 NY2d 382, 388-89 [1999] [emphasis in original]). Such covenants must be reasonably limited as to time and geographical scope (*American Para Professional Sys. v Examination Mgmt. Servs., Inc.*, 214 AD2d 413 [1<sup>st</sup> Dept 1995]).

The covenant’s attempt to restrain defendants “in perpetuity” from “perform[ing] in any show whose repertoire in the aggregate is substantially similar to that used by the Show” (Exs. 3-5 ¶ 8) imposes an undue hardship on their ability to “apply to [their] own best advantage the skills and knowledge acquired by the overall experience of [their] previous employment” (*Reed, Roberts Assocs., Inc. v Strauman*, 40 NY2d 303, 307, *rearg denied* 40 NY2d 918 [1976]).

The material which is sought to be protected is basically composed of musical compositions which have been performed by many artists in public for many years. To restrict defendants from performing such material in the same way they have previously performed them, while employed by the Partnership, would restrict their ability to perform as a group, too much. Further, the prohibition would be extremely difficult to enforce, and would lead to continuing and continuous litigation.

It will not be enforced.

The same is true for the three year proscription against performing "with any other tenor who has performed in the Show," as well as the five year proscription against performing "with any two or more tenors from the Show" (Exs. 3-5 ¶ 8).

Several of the defendants apparently performed together before their association with the Partnership. Further, the defendants, although each is individually talented, have over the past several years evolved into a group. To bar them from singing together, would effectively deprive them of their ability to earn a livelihood.

Further, plaintiff itself has organized two separate groups who are performing at the same time in this country. It is difficult, therefore, to assume that defendants, performing as a group, would make it impossible for plaintiff's groups to perform.

Therefore, although a restriction on the described activity, use of the words Three Mo' Tenors, is appropriate "in safeguarding that which has made [the] business successful" (*Reed, Roberts Assocs., Inc. v Strauman, supra*, 40 NY2d at 308), to the extent discussed herein, the court reforms those portions of the covenant to apply a three-year restraint. The restraint shall commence from the date hereof, in view of defendants' heretofore failure to adhere to the

covenant at all, as evidenced by their advertising materials (e.g., Exs. 8A-8C, 16-22, 30-32, 37, 38).

The unlimited geographical scope of the covenant should be reformed to apply a national scope, given the Partnership's foray into the nationwide market through affiliations with American networks such as PBS (*Business Intelligence Servs., Inc. v Hudson*, 580 F Supp 1068 [SD NY 1984] [equating the reasonableness of the geographical restriction with the scope of plaintiff's business activity]).

In addition to the merit of plaintiff's claims, treated above, a preliminary injunction to restrain defendants' conduct in the foregoing manner is necessary to prevent irreparable harm to the Partnership's goal of promoting the entry of African-American classically trained vocalists into the classical musical market. Were defendants left unfettered to exploit the "Three Mo' Tenors" name, countless other young vocalists seeking the same opportunity which made defendants famous, would be foreclosed, or, at least, impaired, through the confusion caused by a rival group with the same name.

The equities balance in plaintiff's favor. The restrictive covenant, as reformed herein, preserves the Partnership's ability to promote a broad base of talent which has yet to gain public recognition, while allowing defendants, who have already achieved artistic renown, to continue pursuing their successful careers in the music world. The result is just, in light of defendants' proven violations of the court's Interim Order (e.g., Exs. 8A-8C, 16-22, 30-32, 37, 38).

This decision and order does not prevent defendants from performing in a proposed PBS program, or in connection with the issuance of records or CDs, as long as the words "Three

Mo' Tenors" are not used, as herein set forth.

Therefore, the court now sets down the following directions and order, which shall remain in effect, until further order of the court.

1. Defendants, in materials advertising or promoting any concert, or in programs, playbills, etc., may not refer to the fact that they were "formerly of the Three Mo' Tenors," or refer to "Three Mo' Tenors" in any way.
2. Defendants may not, in any interviews or written material of any type, assert that any other tenors or performers operating under the aegis of the Partnership, are not the Three Mo' Tenors.
3. Defendants may perform together as a group.
4. Defendants are not limited in the material, songs or music they may perform.
5. Neither plaintiff, his assignee or defendants may take any steps, to prevent the other (or in the case of the assignee, any troupe or group operating under the aegis of the assignee) from peacefully booking, and performing its concerts, other than to seek sanctions from this court for violation of its order, or other than to appeal this or any other order of this court.
6. If any of the above directives are violated by the promoter, presenter or producers of a concert or public relations personnel or other such personnel acting on behalf of a party, the court may sanction the party on account thereof. Such sanction may include cancellation of a concert or performance. In order to avoid any misunderstanding or unnecessary further litigation, the court advises that a copy of this order be furnished to such producers, promoters, public relations personnel, etc.

The intention of the undersigned, is that this order will enable both parties to carry

on their worthwhile and artistic efforts, without hindrance or harassment from the other. Such a result will be to the parties' great benefit as well as to the benefit of the community which all of them seek to serve.

Accordingly, plaintiff's motion is granted to the extent set forth herein.

Defendants' cross-motion is denied, insofar as it seeks to restrain plaintiff from exercising the Partnership's rights under the 2001 Agreements, as reformed herein. Defendants' post-hearing motion to dismiss is denied for the reasons set forth herein in connection with plaintiff's motion.

This shall constitute the decision and order of the court.

Dated: February 8, 2005

ENTER:

  
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J. S. C.