Spicy Clothing Co. LLC v Say What Inc.
2008 NY Slip Op 31192(U)
April 24, 2008
Supreme Court, New York County
Docket Number: 0103456/2008
Judge: Walter Tolub
Republished from New York State Unified Court System's E-Courts Service. Search E-Courts (http://www.nycourts.gov/ecourts) for any additional information on this case.
This opinion is uncorrected and not selected for official publication.

SCANNED ON 4/24/2008

[* 1]

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

PRESENT: TOLUB, Justice — PART 15

SPICY CLOTHING COMPANY

- v -

SAY WHAT INC

INDEX NO. 103456/08

MOTION DATE

MOTION SEQ. NO. 001

MOTION 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	

Cross-Motion: ☐ Yes ☐ No

Upon the foregoing papers, it is ordered that this motion

IS DECIDED

IN ACCORDANCE WITH ACCOMPANYING MEMORANDUM DECISION

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

Dated: 4/24/08

WALTER B. TOLUB, J.S.C.

Check one: ☐ FINAL DISPOSITION ☒ NON-FINAL DISPOSITION

☐ DO NOT POST ☐ REFERENCE

[* 2]

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK: IAS PART 15

---------------------------------------x

SPICY CLOTHING COMPANY LLC

Plaintiff,

-against-

SAY WHAT INC., et al,

Defendants.

---------------------------------------x

Index No. 103456/08
Mtn Seq. 001

WALTER B. TOLUB, J.:

This is a case which not only reaffirms New York's standing as the fashion capitol of the world, but demonstrates that the spirit of Seventh Avenue endures. By this application, Plaintiff seeks a preliminary injunction enjoining and restraining the Defendant from using Plaintiff's sweater design.

Facts

The essential facts are not disputed. In June of 2005, the Plaintiff, Spicy Clothing Company, entered into an agreement with Takeout, Inc. ("Takeout"). Takeout was engaged to design, manufacture and market women's sweaters for the Plaintiff.

In February of this year, Takeout created a sweater-jacket and sent a sample to Macy's for its consideration. The sample was sent on February 13, 2008 and Macy's agreed to return the sample by February 19th. When the sample was not received on the 19th, Takeout contacted Macy's and discovered that Macy's had

apparently erroneously shipped the sample to Plaintiff's competitor, the Defendant, Say What Inc. Takeout, on February 20, 2008, sent a representative to retrieve the sample from the Defendant. Defendant turned over the sample but only after photographing it. A day later, Takeout was informed by a senior buyer at J.C. Penny that in an attempt to solicit orders, the Defendant had submitted photos of the very same sweater-jacket to JCPenney. This action ensued.

Defendant admits that it "mistakenly" solicited orders for the sweater, and agrees not to manufacture or solicit orders, but will not stipulate to an injunction because, among other reasons, if the sweater-jacket enters the public domain, it does not want to be precluded from any future manufacturing.

Discussion

A preliminary injunction is a provisional remedy designed to maintain the status quo between the parties until litigation is concluded. (Barr, Atlman, Lipshie, Gerstman, *New York Civil Practice Before Trial*, [James Publishing 2006] §17:03 *citing* Uniformed Firefighters Ass'n v. City of New York, 79 NY2d 236 [1992]). It prevents Defendant from violating Plaintiff's rights with respect to the subject of the underlying action. (Id., *citing* Berger v. Raab, 161 AD2d 865 [3d Dept 1990]). A preliminary injunction may not issue without notice to the

opposing party and a hearing (CPLR 6311[1]), and remains in effect until the final judgment is entered or the injunction is vacated. (Id., *citing* Heisler v. Gringras, 238 AD2d 702 [3d Dept 1997]).

In order to obtain a preliminary injunction, Plaintiff must demonstrate: "(1) the likelihood of success on the merits; (2)irreparable injury absent the granting of the preliminary injunction; and (3) a balance of the equities to effect substantial justice and preserve the status quo." (W.T. Grant Co. v. Scrogi, 52 NY2d 496 [1981]; *see also* Rosenfeld v. W.B. Saunders, F. Supp. 236 at 240 [SDNY 1990]).

The court is satisfied that the failure to grant a preliminary injunction will result in irreparable harm, inasmuch as it will render damages incalculable. Moreover it is the court's opinion that a balance of the equities preponderates in the Plaintiff's favor. The only issue is whether the Plaintiff is ultimately likely to succeed on the merits.

The gravamen of the within complaint is that Defendant has engaged in "unfair competition". A judicially created tort, which under the circumstances of the instant case, fills the void resulting from the lack of protection afforded by federal copyright law and common law copyright.

At the outset it should be noted that there is no statutory copyright protection of clothing designs. (Galiano v. Hannah's

[* 5]

Operating Co., Inc., 416 F.3d 411 [5th Cir. 2005]; Morris v. Buffalo Chips Bootery, Inc., 160 F.Supp 2d 718 [SDNY 2001]). And although it is clear that the states are not preempted from asserting "common law" copyright protection in this area (H2O Swimwear, Ltd. v. Lomas, 164 AD2d 804 [1st Dept 1990]). There is no protection, at least in this state, against what has come to be known as style piracy. (A.J. Sandy, Inc. v. Junior City, Inc., 17 AD2d 407 [1st Dept 1962]).

As Justice Stevens noted in A.J. Sandy, "[I]n the absence of copyright or design patent, dress designs clearly are not protected by so-called common-law copyright, for design copyrights do not exist at common law. Chas. D. Briddell, Inc., v. Alglobe Trading Corp., 194 F.2d 416; Millinery Creators' Guild, Inc., v. Federal Trade Comm., 109 F.2d 175." (A.J. Sandy Inc. v. Junior City, Inc., 17 AD2d at 407, 409 [1st Dept 1962]; *see also* Jaccard v. R.H. Macy & Co., Inc., 265 AD 15 [1st Dept 1942]; *see also* Montegut v. Hickson 178 AD 94 [1st Dept. 1917]).

The essence of an unfair competition claim, as a learned colleague recently noted, is that one may not act in bad faith to appropriate the skill, expenditures and labor of another. (Bongo Apparel Inc., v. Iconics Brand Group, Inc., 18 Misc.3d 1108(A), 2008 WL 41341, 2008 NY Slip Op 50000(U)). The Pattern Jury Instructions (2 NY PJI3d 3:58 at 525), indicates that there are at least seven basis for a claim of unfair competition, two of

[* 6]

which, palming off and misrepresentation, are relevant to the instant case.

As Judge Read explained in ITC Ltd. v. Punchgini, Inc., 9 NY3d 467 at 476-77 [2007]:

> We have long recognized two theories of common-law unfair competition: palming off and misappropriation (see Electrolux Corp. v. Val Worth, Inc., 6 NY2d 556, 567-568 [1959] "Palming off"--that is, the sale of the goods of one manufacturer as those of another-was the first theory of unfair competition endorsed by New York courts, and "has been extended . . . to situations where the parties are not even in competition" Electrolux, 6 NY2d at 567 citing Elgin Nat. Watch Co. v. Illinois Watch case Co., 179 US 665, 674 [1901] (*citations omitted)*. After the United States Supreme Court sanctioned the misappropriation theory of unfair competition in International News Service v. Associated Press, 248 US 215 [1918], "[t]he principle that one may not misappropriate the results of the skill, expenditures and labors of a competitor has . . . often been implemented in [New York] courts" (Electrolux, 6 NY2d at 567 (*citations omitted*)) Indeed, the New York cases cited by the District Court and the Second Circuit as embodying the famous or well-known marks doctrine in New York common law--*Prunier* and *Vaudable*-were, in fact, decided wholly on misappropriation theories.

(ITC Ltd. v. Punchgini, Inc., 9 NY3d 467 at 476-77 [2007]).

In light of the conceded copying of Plaintiff's creation, accidentally or otherwise, Plaintiff has made a compelling case for its claim of unfair competition. There is no question but that the jacket-sweater was the product of Takeout's labor and that Defendant misappropriated it. Moreover, it is equally

[* 7]

clear, by virtue of the inquiry from the JCPenney buyer, that a product identified with and identical to the Plaintiff's sweater-jacket was palmed off by the Defendant as its creator. Accordingly the application for a preliminary injunction is granted.

Settle Order.

Dated: 4/24/08

WALTER B. TOLUB, J.S.C.