

**Tao Licensing LLC v Tao Internet Servs. Ltd.**

2023 NY Slip Op 30023(U)

January 4, 2023

Supreme Court, New York County

Docket Number: Index No. 651042/2017

Judge: Melissa Anne Crane

Cases posted with a "30000" identifier, i.e., 2013 NY Slip Op 30001(U), are republished from various New York State and local government sources, including the New York State Unified Court System's eCourts Service.

This opinion is uncorrected and not selected for official publication.

SUPREME COURT OF THE STATE OF NEW YORK
NEW YORK COUNTY

PRESENT: HON. MELISSA A. CRANE PART 60M

Justice

-----X

TAO LICENSING LLC,

Plaintiff,

- v -

TAO INTERNET SERVICES LIMITED, FASHION WEEK
EVENT MANAGEMENT PTY.LTD F/K/A TAO
MANAGEMENT PTY.LTD.

Defendant.

-----X

INDEX NO. 651042/2017

MOTION DATE 11/30/2022

MOTION SEQ. NO. 007

Amended DECISION + ORDER
ON MOTION

The following e-filed documents, listed by NYSCEF document number (Motion 007) 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143

were read on this motion to/for JUDGMENT - DEFAULT

Plaintiff Tao Licensing LLC ("Plaintiff" or "Licensing") commenced this action by a February 28, 2017 complaint, alleging causes of action for breach of contract, trademark infringement, unfair competition, and trademark dilution (Complaint, NYSCEF Doc. No. 1). The court granted Plaintiff's motion for partial summary judgment as to its breach of contract claim on July 16, 2019 (July 16, 2019 Order, NYSCEF Doc. No. 99). Subsequently, counsel for Defendants Tao Internet Services Limited and Fashion Week Event Management Pty. Ltd f/k/a Tao Management Pty. Ltd. ("Defendants") filed a motion to withdraw as counsel, which the court granted on May 3, 2021 (May 3, 2021 Order, NYSCEF Doc. No. 109).

As part of the order granting counsel's motion to withdraw as counsel, the court ordered Defendants to appear by new counsel at a conference on June 16, 2021. The court then issued an order on June 21, 2021 setting a new conference date and stating that "with regard to any named parties that fail to appear . . . a default judgment may be granted against them" (June 21, 2021 Order, NYSCEF Doc. No. 115). After counsel for Defendants failed to appear at a pretrial

conference, the court issued an order on October 18, 2022 finding the Defendants in default pursuant to 22 NYCRR 202.27 and allowing Plaintiff to move for entry of a default judgment by November 1, 2022 (October 18, 2022 Order, NYSCEF Doc. No. 122).

Plaintiff moved for entry of a default judgment in accordance with the October 18, 2022 Order, but the court denied the motion without prejudice because of the failure to include an affidavit of merit by a person with knowledge of the facts constituting the claims (November 14, 2022 Order, NYSCEF Doc. No. 123). Plaintiff now renews the motion for entry of a default judgment. The motion is unopposed.

Plaintiff's motion is granted. A party seeking entry of a default judgment pursuant to CPLR 3215 is required to show proof of service of the summons and complaint, proof of the default, and proof of the facts constituting the complaint (CPLR 3215[f]; *see Nouveau Elevator Industries, Inc. v Tracey Towers Housing Co.*, 95 AD3d 616, 616 [1st Dept 2012]). Additionally, under 22 NYCRR 202.27, where the plaintiff appears for a conference, but the defendant fails to appear, the court may grant default judgment and order an inquest (*see Dr. Lawrence Laboratories, LLC v Bocana, Inc.*, 2022 WL 17958964, \*2 [Sup Ct, NY Cty Dec 22, 2022]). Corporations generally must be represented by counsel (CPLR 321[a]), and a corporate defendant's failure to appear at a conference by new counsel after the previous counsel is relieved merits an order granting default judgment (*see Dr. Lawrence Laboratories, LLC*, 2022 WL 17958964, \*2).

Here, it is undisputed that Plaintiff properly served Defendants with the summons and complaint (Aff. of Service, NYSCEF Doc. No. 10). Plaintiffs also properly served Defendants with five days' notice of the motion for entry of default judgment, as required under CPLR 3215(g) (Aff. of Service, NYSCEF Doc. No. 143). Moreover, Plaintiff's motion papers accurately reflect that Defendants failed to retain new counsel to appear at the October 18, **2022** pretrial conference,

despite prior counsel being relieved in May 2021 (Lugerner Aff., NYSCEF Doc. No. 126, ¶¶ 20-21; October 18, 2022 Order).

Additionally, Plaintiff has remedied the defect with its prior motion for default judgment by filing the Affidavit of Merit of Steve Lugerner, Plaintiff's Senior Vice President, General Counsel, and Corporate Secretary. The Lugerner Affidavit sets forth that Defendants "refused to perform any of their obligations" under a Trade Mark Co-Existence Agreement between the parties (Lugerner Aff., ¶ 10) and that Defendants have improperly used "a Tao mark that is identical to plaintiff's Tao mark in the movie and entertainment industry which are closely related to the entertainment-related goods and services offered by the plaintiff under its Tao mark (Lugerner Aff., ¶¶ 11-12).

The Lugerner Affidavit supports the remaining causes of action in this case. Under GBL 360-1 (fifth cause of action), "[l]ikelihood of injury to business reputation or of dilution of the distinctive quality of a mark or trade name shall be a ground for injunctive relief in cases of infringement of a mark" (*see 276-8 Pizza Corp. v Free*, 118 AD3d 591, 592 [1st Dept 2014]). In order to establish a cause of action for trademark infringement under either New York or federal law (second and fourth causes of action), a plaintiff must establish that "defendant's use of the trade-mark is likely to cause confusion, mistake or to deceive" (*see Allied Maintenance Corp. v Allied Mechanical Trades, Inc.*, 42 NY2d 538, 543 [1977]; *George Restauration S.A. v Little Rest Twelve, Inc.*, 58 AD3d 428, 428-429 [1st Dept 2009]; *Ontel Products Corporation v Airbrushpainting Makeup Store*, 2017 WL 1969681, \*1 [SDNY May 12, 2017]). An unfair competition claim under the Lanham Act (third cause of action) requires a showing of "a valid trademark entitled to protection under the Act, and (2) [that] defendant's actions are likely to cause confusion" (*International Diamond Importers, Inc. v Oriental Gemco (N.Y.), Inc.*, 64 F Supp 3d

494, 524 [SDNY 2014]). A cause of action for unfair competition under New York state law (sixth cause of action) requires the additional element that the plaintiff show that the defendant acted in bad faith (*see Ahead Realty LLC v India House, Inc.*, 92 AD3d 424, 425 [1st Dept 2012]; *International Diamond Importers, Inc.*, 64 F Supp 3d at 525).


Here, the Lugerner Affidavit establishes that Plaintiff possesses a trademark and that Defendants' "identical" trademark used in "closely related" industries would be likely to cause confusion. As such, Plaintiff is entitled to entry of a default judgment as to the second and fourth causes of action (trademark infringement) and the third cause of action (unfair competition under the Lanham Act). However, Plaintiff's motion for entry of a default judgment is denied as to the fifth cause of action for trademark dilution due to Plaintiff's failure to provide facts to show a "[l]ikelihood of injury to business reputation or of dilution of the distinctive quality of a mark or trade name" (*see 276-8 Pizza Corp. v Free*, 118 AD3d 591, 592 [1st Dept 2014]). Plaintiff's motion is also denied as to its sixth cause of action for unfair competition under New York state law for its failure to provide facts showing that Defendants acted in bad faith.

Accordingly, it is

**ORDERED** that Plaintiff's motion for entry of a default judgment pursuant to CPLR 3215 is granted with respect to the second, third, and fourth causes of action in the complaint against Defendants; and it is further

**ORDERED** that Plaintiff's motion for entry of a default judgment pursuant to CPLR 3215 is denied with respect to the fifth and sixth causes of action in the complaint and that these causes of action are dismissed; and it is further

**ORDERED** that plaintiff is directed to efile submissions in support of an inquest pursuant to part rule 9 and shall also email the part with the same submissions to [SFC-Part60@nycourts.gov](mailto:SFC-Part60@nycourts.gov), cc'd to all sides.

  
20230104150520MACRANE8C99E593F0C24775ACD1F229713E6E47

1/4/2023  
DATE

\_\_\_\_\_  
MELISSA ANNE CRANE, J.S.C.

CHECK ONE:	<input type="checkbox"/> CASE DISPOSED	<input checked="" type="checkbox"/> NON-FINAL DISPOSITION
	<input checked="" type="checkbox"/> GRANTED	<input type="checkbox"/> DENIED
APPLICATION:	<input type="checkbox"/> SETTLE ORDER	<input type="checkbox"/> GRANTED IN PART
CHECK IF APPROPRIATE:	<input type="checkbox"/> INCLUDES TRANSFER/REASSIGN	<input type="checkbox"/> SUBMIT ORDER
		<input type="checkbox"/> FIDUCIARY APPOINTMENT
		<input type="checkbox"/> OTHER
		<input type="checkbox"/> REFERENCE