

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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SARA DESIGNS, INC.,

Plaintiff,

-v-

No. 16CV03638-LTS

A CLASSIC TIME WATCH CO. INC., and
NEW YORK AND COMPANY, INC.,

Defendants.

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MEMORANDUM ORDER AND OPINION

Plaintiff Sara Designs, Inc. (“Sara Designs”) brings suit against A Classic Time Watch Co. Inc. (“A Classic Time Watch Co.”) and New York and Company, Inc. (“NY & Co.,” together with A Classic Time Watch Co., the “Defendants”), asserting claims for: (1) federal copyright infringement pursuant to Federal Copyright Act of 1976, 17 U.S.C. § 101, et seq. (“Copyright Act”); (2) federal trade dress infringement pursuant to the Federal Trademark Act of 1946, 15 U.S.C. § 1051, et seq. (“Lanham Act”), and 15 U.S.C. § 1125(a); (3) state trademark infringement and dilution under New York General Business Law § 360; (4) unfair trade practices under New York common law; and (5) deceptive practices and false advertising under New York General Business Law §§ 349 and 350.

The Court has jurisdiction of this action pursuant to 28 U.S.C. §§ 1331 and 1367.

Defendants have moved to dismiss the Complaint pursuant to Federal Rule of Civil Procedure 12(b)(6). Plaintiff has cross-moved for a preliminary injunction to prohibit Defendants from manufacturing, importing, and selling via wholesale or retail channels, the

allegedly infringing watch designs at issue. For the following reasons, Defendants' motion is granted and Plaintiff's motion for a preliminary injunction is denied.

BACKGROUND

The following facts are taken from the Complaint, and assumed to be true for the purposes of this motion practice.

Plaintiff is a famous and distinguished jewelry designer, and sells its designs, including a highly successful series of wrap watches, through wholesale orders placed at trade shows, directly to consumers, and through high-end department stores, fashion boutiques and online retailers around the world. (Compl. ¶ 6.) In 2009, Plaintiff created several styles of wrap watches using gradient chains, leather strands, adjustable links that include a lobster claw closure connected to the gradient chains with a ring, and an extension chain with a Sara Designs leaf-shaped logo connected to the watch. (Id. ¶¶ 10-12.)

Plaintiff has promoted its goods at trade shows since before 2012 and has participated in the "ENK" trade show since 2012. (Id. ¶¶ 15-16.) Plaintiff's products, including wrap style watches, have been carried by internet retailers, as well as at physical stores. (Id. ¶¶ 17-22.) Plaintiff participated in two trade shows in 2014. (Id. ¶ 23.) A representative from NY & Co. visited Plaintiff's booth to ask whether Plaintiff would lower prices or produce their product with lower-end materials under the NY & Co. brand. (Id. ¶ 24.) Plaintiff's representative at the trade show declined to work with NY & Co. at the time. (Id. ¶ 25.) Between 2014 and 2015, Plaintiff was made aware of Defendants' watches that allegedly copied Plaintiff's W03, W04, W07, W07C, and the W07L-M Rosegold/RG watches. (Id. ¶¶ 26-29.) NY & Co. contracted with A Classic Time for manufacture of the watches. (Id. ¶¶ 32-34.)

Plaintiff's Complaint, filed in May 2016, was accompanied by several exhibits, including the registration for the "SARA DESIGNS" trademark (Ex. A), certificates of copyright registration for several watches (Ex. B), and numerous images of what appear to be internet screenshots of various iterations of Plaintiff's watches and Defendants' allegedly infringing watches. (Exs. C-E.) Among the certificates of registration submitted are certificates for: Registration Number VA 1-876-624 for a work titled "W04 All Chain Wrap Watch" completed in 2009 with effective date of registration March 15, 2013; Registration Number VA 1-876-642 for a work titled "W07 Leather and Chain Wrap Watch" completed in 2009 with effective date of registration March 13, 2013; Registration Number VA 1-876-647 for work titled "W06 Second Strand Studded Wrap Watch" completed in 2009 with effective dated of registration March 21, 2013. (See id.) Each of the submitted certificates consists of a single page of text, and none is accompanied by any corresponding images of the work it purports to cover nor any specific descriptions of the work, other than the title of the work as referenced above. The internet images of the allegedly infringed watches are not specifically labeled or alleged to correspond to any particular registration number.

On December 12, 2016, the Court issued an Order, directing Plaintiff to file a supplemental submission, "clarifying the specific copyrighted watches it claims to have been infringed and any corresponding allegedly infringing watches . . . and documentation clarifying the scope of the copyright application and grant covering the allegedly infringed watches." (Docket entry no. 32.) Plaintiff filed a Supplemental Declaration (docket entry no. 33), which contained images for the following watch titles: "W07 RoseGold.RG," "W07L SilverSnake," "W07 Gold.G," "W03/W04 sm dial gold," "W03/W04 sm dial silver," "W07C," and "W07 BrnSnake." The Supplemental Declaration asserted that "W07 RoseGold.RG," "W07L

SilverSnake,” “W07 Gold.G,” and “W07 BrnSnake,” are all covered by Registration Number VA 1-876-642 for the “W07 Leather and Chain Wrap Watch.” It also asserted that “W07C” was covered by Registration Number VA 1-876-624 for the “W04 All Chain Wrap Watch.” Plaintiff, however, did not provide any further information, pertaining to the application for the certificates of registration or otherwise, that would demonstrate that the certificates of registration corresponded to the images of the various watches submitted with the Complaint.

On February 7, 2017, the Court held an oral argument on the motion to dismiss and the motion for a preliminary injunction, where, among other things, Plaintiff was given a further opportunity to explain precisely which watches it contends are covered by the certificates of registration submitted. Plaintiff’s counsel proffered that Plaintiff was in possession of additional materials that would support its position that the certificates of registration cover the allegedly infringed watches, but acknowledged that Plaintiff’s counsel had neglected to include such materials in Plaintiff’s response to the Court’s December 12, 2016, Order. Plaintiff’s counsel made an oral application for leave to amend the Complaint, which the Court took under advisement.

DISCUSSION

To survive a motion to dismiss under Rule 12(b)(6) of the Federal Rules of Procedure, a complaint “must contain sufficient factual matter, accepted as true, to state a claim to relief that is plausible on its face.” Ashcroft v. Iqbal, 556 U.S. 662, 678 (2009) (internal quotation marks and citations omitted). This requirement is satisfied when the factual content in the complaint “allows the court to draw the reasonable inference that the defendant is liable for the misconduct alleged.” Id. (citing Bell Atlantic Corp. v. Twombly, 550 U.S. 544, 556 (2007)).

A complaint that contains only “naked assertions” or “a formulaic recitation of the elements of a cause of action” does not suffice. Twombly, 550 U.S. at 555. In making its Rule 12(b)(6) determinations, the court “may consider any written instrument attached to the complaint, statements or documents incorporated into the complaint by reference . . . and documents possessed by or known to the plaintiff and upon which [he] relied in bringing the suit.” ATSI Commc’ns, Inc. v. Shaar Fund, Ltd., 493 F.3d 87, 98 (2d Cir. 2007). In deciding a Rule 12(b)(6) motion, a court assumes the truth of the facts asserted in the complaint and draws all reasonable inferences from those facts in favor of the plaintiff. See Harris v. Mills, 572 F.3d 66, 71 (2d Cir. 2009).

1. Federal Copyright Claim

Defendants move to dismiss Plaintiff’s federal copyright claim, arguing that Plaintiff’s copyright registrations are invalid because wrap watches as a concept are not protectable by copyright law, that there is no substantial similarity between the Plaintiff’s watches and those sold by Defendants, and that Plaintiff cannot claim that a single certificate of registration covers multiple styles of watches.

Under the Copyright Act, “no civil action for infringement of the copyright in any United States work shall be instituted until preregistration or registration of the copyright claim has been made in accordance with this title.” 17 U.S.C. § 411(a). Proper registration is a prerequisite to an action for infringement. Palmer/Kane LLC v. Rosen Book Works LLC, No. 15 CV 7406, 2016 WL 4534896, at *3 (S.D.N.Y. Aug. 30, 2016) (citation omitted). Here, Plaintiff has attached several purportedly valid certificates of registration to the Complaint, none of which includes any description or image from which the Court could plausibly infer coverage

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