

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

-----X	:	
JAQUAN FRANKLIN,	:	
	:	<u>REPORT AND</u>
Plaintiff,	:	<u>RECOMMENDATION</u>
	:	
-v.-	:	17 Civ. 6452 (GBD) (GWG)
	:	
X GEAR 101, LLC, et al.,	:	
	:	
Defendants.	:	
-----X	:	

GABRIEL W. GORENSTEIN, United States Magistrate Judge

Plaintiff Jaquan Franklin brings this action pro se alleging defendants Joshua Tydlacka and X Gear 101, LLC (“X Gear”), GoDaddy, Inc. and GoDaddy.com, LLC (collectively, “GoDaddy”), and Instagram, LLC (“Instagram”), infringed on a copyright and trademark Franklin owns in a certain logo by selling goods bearing the identical logo or publishing images bearing the identical logo without Franklin’s authorization or consent. See Complaint for Copyright Infringement, Trademark Infringement, Unfair Competition and Related Claims, filed Aug. 24, 2017 (Docket # 1) (“Compl.”), ¶¶ 1-2. He seeks relief under the Lanham Act, 15 U.S.C. §§ 1051-1127; the Copyright Act, 17 U.S.C. § 101 et seq.; and under state law for claims of trademark infringement, unfair competition, conversion, and unjust enrichment. Compl. ¶¶ 36-62. X Gear, Tydlacka, GoDaddy, and Instagram now move to dismiss Franklin’s complaint for lack of personal jurisdiction and for failure to state a claim. See Fed. R. Civ. P. 12(b)(2), 12(b)(6).¹ For the following reasons, Instagram and GoDaddy’s motions should be

¹ Notice of Motion to Dismiss, filed Nov. 28, 2017 (Docket # 15) (“Instagram Not. Mot.”); Defendant Instagram, LLC’s Memorandum of Law in Support of its Motion to Dismiss

granted, and X Gear and Tydlacka's motion should be granted in part and denied in part.

I. BACKGROUND

For purposes of deciding the motion to dismiss for failure to state a claim, we assume all facts alleged by Franklin to be true.

A. Parties

Franklin resides in New York, New York. Compl. ¶ 8. Since at least 2013, he has sold clothing items and other goods bearing his "ORIGINAL WORK" label at sneaker expos and trade shows around the country, as well as through various social media platforms including defendant Instagram's photo-sharing platform and through a website, <http://www.owmxn.com>. Id. ¶¶ 14, 16-18. He also sells clothing and other goods bearing the ORIGINAL WORK label at a retail location in New York. Id. ¶ 21.

X Gear is a Texas-based retail clothing business with an online store and social media presence. Id. ¶¶ 9, 22. Tydlacka resides in Texas at the same address as X Gear, presumably a business address. Id. ¶ 10. He is the sole owner of X Gear, having organized the company under

Plaintiff's Complaint, filed Nov. 28, 2017 (Docket # 16) ("Instagram Mem."); Declaration of Mark S. Pincus, filed Nov. 28, 2017 (Docket # 17); Defendants GoDaddy Inc. and GoDaddy.com, LLC's Notice of Motion and Motion to Dismiss, filed Dec. 8, 2017 (Docket # 34) ("GoDaddy Not. Mot."); Memorandum of Law in Support of Defendants GoDaddy Inc. and GoDaddy.com, LLC's Motion to Dismiss Plaintiff Jaquan Franklin's Complaint, filed Dec. 8, 2017 (Docket # 35) ("GoDaddy Mem."); Letter from Mark S. Pincus, filed Jan. 12, 2018 (Docket # 42); Defendants X Gear 101, LLC and Joshua Tydlacka's Notice of Motion to Dismiss, filed Jan. 19, 2018 (Docket # 44) ("X Gear Not. Mot."); Memorandum of Law in Support of Defendants X Gear 101, LLC and Joshua Tydlacka's Motion to Dismiss, filed Jan. 19, 2018 (Docket # 45) ("X Gear Mem."); Reply in Support of Defendants GoDaddy Inc. and GoDaddy.com, LLC's Motion to Dismiss Plaintiff Jaquan Franklin's Complaint, filed Jan. 26, 2018 (Docket # 47); Plaintiff's Answer to Defendants X Gear 101, LLC and Joshua Tydlacka's Motion to Dismiss, filed Feb. 16, 2018 (Docket # 49) ("Pl. Mem."); Reply Memorandum of Law in Support of Defendants X Gear 101, LLC and Joshua Tydlacka's Motion to Dismiss, filed Mar. 9, 2018 (Docket # 50) ("X Gear Reply Mem."); Letter from Mark S. Pincus, filed Apr. 13, 2018 (Docket # 52); Letter from Jeffrey M. Monhait, filed June 19, 2018 (Docket # 54).

Texas law. Pl. Mem. at 2.

The GoDaddy defendants are Delaware companies with their principal places of business in Scottsdale, Arizona. Compl. ¶¶ 11-12. They provide web hosting services, including to X Gear. Id. ¶¶ 33-34.

Instagram is also a Delaware company with its principal place of business in Menlo Park, California. Id. ¶ 13. Instagram is “a photo sharing . . . application” on which both Franklin and X Gear market their products. Id. ¶¶ 18, 35.

B. Allegations and Causes of Action in Complaint

Franklin alleges that he owns a federally registered copyright (Registration No. 2-060-393) and registered trademark² in a logo entitled “ORIGINAL WORK,” which depicts a cartoon bear face with two bandages crisscrossing its mouth and differently hued and stylized eyes. See id. ¶¶ 1, 20, 37; Certificate of Registration, dated Aug. 3, 2016 (annexed as Ex. B. to the Compl.) (“Copyright Reg.”). Since 2013, he has “sold t-shirts, caps and other clothing items” carrying the ORIGINAL WORK logo to consumers at sneaker expos, at his retail store in New York City, and through his online store. Pl. Mem. at 1-2; Compl. ¶ 18. The Complaint alleges that, sometime after seeing Franklin’s products at a sneaker expo in Houston, Texas, Pl. Mem. at 2, X Gear and Tydlacka “introduced and began marketing, selling, [and] offering for sale clothing under [Franklin’s] ORIGINAL WORK logo at various sneaker expo events,” without Franklin’s consent or permission, Compl. ¶¶ 23, 32. The Complaint alleges that the Tydlacka and X Gear design “is a substantial[ly] identical replica[] and copy” of Franklin’s logo, id. ¶ 31, and that their use of the logo has “already caused instances of actual confusion in the marketplace,” id. ¶ 32. The

² Although the Complaint alleges that the logo is a registered trademark, the Complaint does not provide a registration number or supply a copy of the certification.

infringing design is a cartoon bear face with an open mouth showing sharp-looking teeth and oval-shaped eyes with crosses over the iris in each. Id. ¶ 31.



[Plaintiff's design on left; alleged infringing design on right]

The Complaint alleges that Tydlacka and X Gear have violated Franklin's trademark and copyright, and brings various common law claims against them for these violations. Id. ¶¶ 36-62. Franklin seeks an injunction against further sale of clothing merchandise bearing the infringing logo and also seeks ill-gotten profits, statutory damages, and punitive damages. Id. ad damnum ¶¶ 1-7

The Complaint's only allegations that explicitly reference Instagram and GoDaddy are that GoDaddy provides web hosting services to X Gear and Tydlacka, id. ¶¶ 33-34, and that Instagram provides an application on which X Gear and Tydlacka publish images of the infringing logo, id. ¶ 35; see also baws.clothing, Instagram Profile, dated Aug. 22, 2017 (annexed as Ex. D to Compl.) ("BAWS Instagram Profile"). We thus construe the Complaint to allege that Instagram and GoDaddy are contributorily liable for trademark and copyright infringement because they induced X Gear and Tydlacka's actions. Compl. ¶¶ 33-35. Because pro se pleadings "must be construed liberally and interpreted to raise the strongest arguments that they suggest," Sykes v. Bank of Am., 723 F.3d 399, 403 (2d Cir. 2013) (citation and internal quotation marks omitted), we also address the claims as if the Complaint sought to hold them directly liable.

C. Procedural History

Franklin filed his Complaint on August 24, 2017. Although all the defendants moved to dismiss the Complaint, Franklin filed an opposition only to the motion filed by X Gear and Tydlacka. The Court sua sponte extended Franklin's deadline to file a response to the GoDaddy defendants and Instagram's motions. See Order, filed Mar. 16, 2018 (Docket # 51). Franklin never responded to these motions, however. The Court had warned Franklin that if he failed to make the filing, the Court would assume that he was "not contesting these motions and his claims against GoDaddy, Inc., GoDaddy.com, LLC, and Instagram, LLC will be dismissed under Federal Rule of Civil Procedure 41(b)." Id. While we might view Franklin as having abandoned his claims, we will nonetheless address them in light of Franklin's pro se status.

II. GOVERNING LAW

A. Standard of Review Under Rule 12(b)(2)

On a defendant's motion to dismiss for lack of personal jurisdiction under Fed. R. Civ. P. 12(b)(2), the plaintiff "bears the burden of showing that the court has jurisdiction over the defendant." In re Magnetic Audiotape Antitrust Litig., 334 F.3d 204, 206 (2d Cir. 2003) (per curiam); accord DiStefano v. Carozzi N. Am., Inc., 286 F.3d 81, 84 (2d Cir. 2001) (per curiam) (citation omitted); Bank Brussels Lambert v. Fiddler Gonzalez & Rodriguez, 171 F.3d 779, 784 (2d Cir. 1999). If a court does not conduct an evidentiary hearing on the issue of personal jurisdiction, as is the case here, "the plaintiff need only make a prima facie showing that the court possesses personal jurisdiction over the defendant." DiStefano, 286 F.3d at 84 (citing Bank Brussels Lambert, 171 F.3d at 784); accord Dorchester Fin. Sec., Inc. v. Banco BRJ, S.A., 722 F.3d 81, 84-85 (2d Cir. 2013) (per curiam) ("Prior to discovery, a plaintiff challenged by a jurisdiction testing motion may defeat the motion by pleading in good faith, legally sufficient

allegations of jurisdiction. At that preliminary stage, the plaintiff's prima facie showing may be established solely by allegations.") (citation and internal quotation marks omitted). "This prima facie showing 'must include an averment of facts that, if credited by the ultimate trier of fact, would suffice to establish jurisdiction over the defendant.'" In re Terrorist Attacks on Sept. 11, 2001, 714 F.3d 659, 673 (2d Cir. 2013) (quoting Chloé v. Queen Bee of Beverly Hills, LLC, 616 F.3d 158, 163 (2d Cir. 2010)). Plaintiff can also "make this showing through his own affidavits and supporting materials." Whitaker v. Am. Telecasting, Inc., 261 F.3d 196, 208 (2d Cir. 2001) (citation and internal quotation marks omitted). In deciding whether the plaintiff has met this burden, a court must view the pleadings and affidavits in the light most favorable to the plaintiff, with all doubts resolved in his favor. See, e.g., Dorchester Fin. Sec., Inc., 722 F.3d at 85; DiStefano, 286 F.3d at 84. Conclusory allegations do not satisfy a plaintiff's burden. See In re Terrorist Attacks, 714 F.3d at 676; Megna v. Biocomp Labs. Inc., 166 F. Supp. 3d 493, 496 (S.D.N.Y. 2016). Rather, "the prima facie showing must be factually supported." Beeney v. InSightec, Inc., 2014 WL 3610941, at *2 (S.D.N.Y. July 7, 2014) (citation and internal quotation marks omitted).

B. Standard of Review Under Rule 12(b)(6)

A defendant may move to dismiss pursuant to Fed. R. Civ. P. 12(b)(6) where the plaintiff "fail[s] to state a claim upon which relief can be granted." To survive such a motion, 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 omitted) (quoting Bell Atl. Corp. v. Twombly, 550 U.S. 544, 570 (2007)). As the Supreme Court noted in Iqbal,

[a] claim has facial plausibility when the plaintiff pleads factual content that

allows the court to draw the reasonable inference that the defendant is liable for the misconduct alleged. The plausibility standard is not akin to a “probability requirement,” but it asks for more than a sheer possibility that a defendant has acted unlawfully. Where a complaint pleads facts that are “merely consistent with” a defendant’s liability, it “stops short of the line between possibility and plausibility of entitlement to relief.”

Id. (citations omitted). “[A] plaintiff’s obligation to provide the grounds of his entitlement to relief requires more than labels and conclusions, and a formulaic recitation of the elements of a cause of action will not do.” Twombly, 550 U.S. at 555. Thus, “[w]hile legal conclusions can provide the framework of a complaint, they must be supported by factual allegations.” Iqbal, 556 U.S. at 679. “[W]here the well-pleaded facts do not permit the court to infer more than the mere possibility of misconduct,” a complaint is insufficient under Federal Rule of Civil Procedure 8(a)(2) because it has merely “alleged — but it has not shown — that the pleader is entitled to relief.” Id. at 679 (alteration and internal quotation marks omitted) (quoting Fed. R. Civ. P. 8(a)(2)).

C. Standard of Review for Pro Se Pleadings

Pro se plaintiff filings are liberally construed, and “a pro se complaint, however inartfully pleaded, must be held to less stringent standards than formal pleadings drafted by lawyers.” Erickson v. Pardus, 551 U.S. 89, 94 (2007) (per curiam) (citations and internal quotation marks omitted); accord Littlejohn v. City of New York, 795 F.3d 297, 322 (2d Cir. 2015); see also Hill v. Curcione, 657 F.3d 116, 122 (2d Cir. 2011) (review of pro se complaint for sufficiency requires “special solicitude, interpreting the complaint to raise the strongest claims that it suggests”) (citation, brackets, and internal quotation marks omitted). However, even the pleadings of pro se plaintiffs “must contain factual allegations sufficient to raise a right to relief above the speculative level.” Dawkins v. Gonyea, 646 F. Supp. 2d 594, 603 (S.D.N.Y. 2009) (internal quotation marks

omitted) (quoting Twombly, 550 U.S. at 555); accord Ford v. Rodriguez, 2016 WL 6776345, at *2 (S.D.N.Y. Nov. 16, 2016).

On a motion to dismiss for failure to state a claim, a court's

consideration is limited to the factual allegations in [the complaint], which are accepted as true, to documents attached to the complaint as an exhibit or incorporated in it by reference, to matters of which judicial notice may be taken, or to documents either in plaintiff[s] possession or of which plaintiff[] had knowledge and relied on in bringing suit.

Brass v. Am. Film Techs., Inc., 987 F.2d 142, 150 (2d Cir. 1993); accord Halebian v. Berv, 644 F.3d 122, 130 n.7 (2d Cir. 2011); Portillo v. Webb, 2017 WL 4570374, at *1 (S.D.N.Y. Oct. 11, 2017).

In light of Franklin's pro se status, the Court also has considered factual allegations contained in his submissions opposing the X Gear and Tydlacka motion. See, e.g., Portillo, 2017 WL 4570374, at *1 (considering factual allegations from pro se plaintiff's opposition submissions when deciding motion to dismiss); London v. N.Y. State Dep't of Homeless Servs., 2014 WL 3720401, at *1 (S.D.N.Y. July 29, 2014) (same); Woods v. Goord, 2002 WL 731691, at *1 n.2 (S.D.N.Y. Apr. 23, 2002) (considering pro se prisoner's factual allegations in briefs as supplementing complaint); Burgess v. Goord, 1999 WL 33458, at *1 n.1 (S.D.N.Y. Jan. 26, 1999) ("In general, a court may not look outside the pleadings when reviewing a Rule 12(b)(6) motion to dismiss. However, the mandate to read the papers of pro se litigants generously makes it appropriate to consider plaintiff's additional materials, such as his opposition memorandum.") (citations and internal quotation marks omitted) (quoting Gadson v. Goord, 1997 WL 714878, at *1 n.2 (S.D.N.Y. Nov. 17, 1997)).

III. DISCUSSION

The defendants move to dismiss the instant Complaint on the following grounds: (1) lack

of personal jurisdiction over X Gear and Tydlacka under Rule 12(b)(2), see X Gear Mem. at 5; (2) failure to state a claim of trademark infringement on which relief may be granted under Rule 12(b)(6), see id. at 12; Instagram Mem. at 5; GoDaddy Mem. at 11; (3) failure to state a claim of copyright infringement on which relief may be granted under Rule 12(b)(6), see X Gear Mem. at 17; Instagram Mem. at 8; GoDaddy Mem. at 6; and (4) failure to state claims of conversion and unjust enrichment on which relief may be granted under Rule 12(b)(6), see X Gear Mem. at 19; Instagram Mem. at 12; GoDaddy Mem. at 16. We start with X Gear and Tydlacka's motion to dismiss for lack of personal jurisdiction.

A. Personal Jurisdiction Over X Gear and Tydlacka

X Gear and Tydlacka argue that Franklin has failed to make a prima facie showing that the Court possesses personal jurisdiction over each of them. X Gear Mem. at 5. Specifically, X Gear and Tydlacka contend that the Complaint merely restates the elements of New York's long-arm statute without adding any supporting factual allegations — not even an allegation that they had any contacts with New York — and that the allegations contained in Franklin's opposition brief do not connect X Gear or Tydlacka's business activities with the claims of copyright and trademark infringement. Id. at 7-8; X Gear Reply Mem. at 4-5.

1. Facts Relating to Jurisdiction

We begin our analysis with a review of the facts relating to personal jurisdiction over X Gear and Tydlacka. The facts are those alleged in the Complaint and Franklin's opposition memorandum. X Gear and Tydlacka declined to contest the accuracy of the jurisdictional allegations contained in Franklin's papers, resting their case on the insufficiency of those allegations. X Gear Reply Mem. at 4-5.

Tydlacka is the sole owner of X Gear 101 and he shares the same address as X Gear 101

in Richmond, Texas. See Compl. ¶¶ 9-10; Pl. Mem. at 2. X Gear 101 has an “online clothing store” at www.xgear101.com, which Tydlacka runs. Compl. ¶ 22. Through the website, X Gear advertises and sells clothing. Id. ¶ 22. The website contains “an extensive catalogue of clothing items bearing an almost identical logo” to Franklin’s ORIGINAL WORK logo. Pl. Mem. at 2; see also Compl. ¶ 31. According to Franklin, X Gear and Tydlacka “promote, offer for sale and sell” the clothing items at issue, and they “ship clothing items purchased from the www.xgear101.com website to New York City consumers.” Pl. Mem. at 2. As a result of those purchases, X Gear and Tydlacka “collect recurring revenue and fees from customers in New York.” Id. at 3.

The Complaint and Franklin’s opposition memorandum refer to both Tydlacka and X Gear when making the allegations of copyright and trademark infringement, see Compl. ¶¶ 22-32; Pl. Mem. at 2-3. Thus, we do not find relevant to our analysis Tydlacka’s assertion that “X Gear is the only entity that owns, uses, and markets the BAWS logo — and that Tydlacka is a separate individual residing in Texas.” X Gear Mem. at 22. Accordingly, from the record before us, we conclude that Tydlacka either shipped or was responsible for shipping clothing items that infringed Franklin’s copyright and trademark purchased from the X Gear website to New York purchasers, and was responsible for collecting payments on behalf of X Gear.

2. Long-Arm Jurisdiction Under New York Law

In a federal question case, a court determines whether it has personal jurisdiction over a defendant based on the long-arm statute of the state in which it sits. See, e.g., Eades v. Kennedy, PC Law Offices, 799 F.3d 161, 168 (2d Cir. 2015) (citation omitted); accord Megna, 166 F. Supp. 3d at 497 (citations omitted). Franklin avers that “[t]his Court has personal jurisdiction over the defendants because defendants are engaged in business activities in, and directed to the State of

New York within this judicial district, and because defendants[] have committed tortious acts aimed at and causing harm within the State of New York and this judicial district.” Compl. ¶ 6.

We will assume, based on these allegations, that Franklin intends to rely on N.Y. C.P.L.R. § 302(a)(1), which provides jurisdiction over a non-domiciliary who “transacts any business within the state,” and *id.* § 302(a)(3), which provides jurisdiction over a non-domiciliary who “commits a tortious act without the state causing injury to person or property within the state . . . if [it] . . . regularly does or solicits business . . . in the state.”³

Under N.Y. C.P.L.R. § 302(a)(1), “long-arm jurisdiction over a nondomiciliary exists where (I) a defendant transacted business within the state and (ii) the cause of action arose from that transaction of business.” *Johnson v. Ward*, 4 N.Y.3d 516, 519 (2005). “A suit will be deemed to have arisen out of a party’s activities in New York if there is an articulable nexus, or a substantial relationship, between the claim asserted and the actions that occurred in New York.” *Licci ex rel. Licci v. Lebanese Canadian Bank, SAL*, 673 F.3d 50, 66 (2d Cir. 2012) (alterations, internal quotation marks, and citation omitted). “If either prong of the statute is not met, jurisdiction cannot be conferred” *Johnson*, 4 N.Y.3d at 519; accord *Sole Resort, S.A. de C.V. v. Allure Resorts Mgmt., LLC*, 450 F.3d 100, 103 (2d Cir. 2006) (citing *McGowan v. Smith*, 52 N.Y.2d 268, 273 (1981)).

With regard to the transacting business prong, “the overriding criterion necessary to establish a transaction of business is some act by which the defendant purposefully avails itself of the privilege of conducting activities within New York,” *Ehrenfeld [v. Bin Mahfouz]*, 9 N.Y.3d

³ Franklin has made no allegations supporting a claim that this Court could exercise general jurisdiction over X Gear or Tydlacka, nor does he advance such a theory in his opposition papers.

501, 508 (2007)] (brackets and internal quotation marks omitted), thereby ‘invoking the benefits and protections of its laws,’ Fischbarg v. Doucet, 9 N.Y.3d 375, 380 . . . (2007).” Licci, 673 F.3d at 61. Section 302(a)(1) is a “single-act statute requiring but one transaction — albeit a purposeful transaction — to confer jurisdiction in New York.” Grand River Enters. Six Nations, Ltd. v. Pryor, 425 F.3d 158, 166 (2d Cir. 2005) (internal quotation marks omitted) (quoting Parke-Bernet Galleries, Inc. v. Franklyn, 26 N.Y.2d 13, 17 (1970)). In fact, a “single act of shipping a [good] might well be sufficient, by itself to subject [a nondomiciliary] to the jurisdiction of a New York court under section 302(a)(1).” Chloé, 616 F.3d at 170; see also Hypnotic Hats, Ltd. v. Wintermantel Enters., LLC, 2016 WL 7451306, at *2 (S.D.N.Y. Dec. 27, 2016) (shipment of goods to New York consumers suffices for jurisdiction in New York under § 302(a)(1)).

A defendant may also be subject to personal jurisdiction in New York under C.P.L.R. § 302(a)(1) if it operates “[a] website that does more than provide information about a product and allows customers to purchases goods online, [i.e.,] a ‘highly interactive website.’” Hypnotic Hats, Ltd., 2016 WL 7451306, at *2 (citation and internal quotation marks omitted). Here, X Gear and Tydlacka operate a website where New York consumers may place orders from “an extensive catalogue of clothing items bearing an almost identical logo” to the ORIGINAL WORK logo, Pl. Mem. at 2, and defendants in turn have allegedly sold and shipped clothing items violating Franklin’s copyrighted logo and trademark to New York consumers, id. Because X Gear and Tydlacka benefitted from New York law through advertising products to New York consumers and chose to engage in consumer transactions with New York consumers — establishing more than a mere coincidental or negligible connection to the State — they have transacted business within New York. See, e.g., Hypnotic Hats, Ltd., 2016 WL 7451306, at *3

(maintaining website through which goods are sold to NY consumers sufficient for jurisdiction); New Angle Pet Prods., Inc. v. MacWillie's Golf Prods., Inc., 2007 WL 1871345, at *3 (E.D.N.Y. June 28, 2007) (“[T]he Court finds that Defendant’s internet sales of its Handi-Drink product to consumers in New York provide a sufficient basis for the exercise of long-arm jurisdiction over Defendant pursuant to N.Y. C.P.L.R. § 302(a)(1).”); accord Rubin v. City of New York, 2007 WL 950088, at *2-3 (S.D.N.Y. Mar. 29, 2007); Citigroup Inc. v. City Holding Co., 97 F. Supp. 2d 549, 566 (S.D.N.Y. 2000). Thus, Franklin has set forth a prima facie case for the first prong for jurisdiction under C.P.L.R. § 302(a)(1).

With regard to the second prong — a connection between the business transaction and the claim — the Second Circuit has explained “that ‘[a] suit will be deemed to have arisen out of a party’s activities in New York if there is an articulable nexus, or a substantial relationship, between the claim asserted and the actions that occurred in New York.’” Licci, 673 F.3d at 66 (citation omitted). But “where the relationship between the claim and transaction is too attenuated” or “a connection . . . is merely coincidental,” jurisdiction is not justified. Id. (quoting Johnson, 4 N.Y.3d at 520, and Sole Resort, 450 F.3d at 103). The Second Circuit has warned district courts against narrowly construing this nexus requirement, “which merely requires the cause of action to ‘relate to’ defendant’s minimum contacts with the forum.” Chloé, 616 F.3d at 167; accord Bank Brussels Lambert, 305 F.3d at 127-28.

Here, the claims asserted against X Gear and Tydlacka arise from their activity of selling infringing clothing online to New York consumers and shipping infringing clothing into the state. Defendants contend that Franklin “nowhere alleges that any of these business activities relate to the harms he has alleged in his briefs — or that they even involve the BAWS logo,” X Gear Reply Mem. at 4, but Franklin in fact has alleged that defendants “sell clothing items that violate

plaintiff's copyright to consumers in New York City," Pl. Mem. at 2. Additionally, Franklin alleges that the "defendants were selling and offering for sale an extensive catalogue of clothing items bearing an almost identical logo that violates plaintiff's copyright from the website www.xgear101.com." *Id.* Taking these allegations together, Franklin has alleged that X Gear and Tydlacka sell infringing merchandise to New York consumers through the X Gear website. In light of the Second Circuit's admonition that courts not narrowly construe the nexus requirement, Franklin has supplied sufficient allegations to meet the second prong for jurisdiction under C.P.L.R. § 302(a)(1). Indeed, these allegations make this case essentially indistinguishable from the many cases in which personal jurisdiction was found over internet sellers of merchandise to New York customers that infringed trademarks or copyrights. *See, e.g., Chloé*, 616 F.3d at 167; *McGraw-Hill Glob. Educ. Holdings, LLC v. Mathrani*, 295 F. Supp. 3d 404, 412 (S.D.N.Y. 2017); *Verragio, Ltd. v. S K Diamonds*, 2017 WL 1750451, at *4 (S.D.N.Y. May 4, 2017); *Hypnotic Hats, Ltd.*, 2016 WL 7451306, at *3; *Leroi, Inc. v. Csc3c, Inc.*, 2016 WL 4997228, at *5 (N.D.N.Y. Sept. 19, 2016); *Lifeguard Licensing Corp. v. Ann Arbor T-Shirt Co., LLC*, 2016 WL 34748480, at *3 (S.D.N.Y. July 8, 2016); *New Angle Pet Prods., Inc.*, 2007 WL 1871345, at *3. Because there is personal jurisdiction over X Gear and Tydlacka under C.P.L.R. § 302(a)(1), we need not determine whether the Court may exercise jurisdiction under *id.* § 302(a)(3).

3. Due Process

Even if a state law permits personal jurisdiction, a Court must nonetheless evaluate whether exercising jurisdiction would violate the Due Process Clause. *Chloé*, 616 F.3d at 165. Doing so requires analysis of the two components of the due process inquiry: "(1) the minimum contacts inquiry and (2) the reasonableness inquiry." *Id.* at 171.

The minimum contacts inquiry is satisfied where the defendant has “purposefully availed himself of the privilege of conducting activities within the forum State, thus invoking the benefits and protections of its law.” Id. (alterations and internal quotation marks omitted) (quoting Burger King Corp. v. Rudzewicz, 471 U.S. 462, 474-75 (1985)). The connection with New York must be such that “[the defendant] could reasonably anticipate being haled into court there.” Burger King Corp., 471 U.S. at 474-75 (citation and internal quotation marks omitted). Here, as already discussed, X Gear and Tydlacka operated a highly interactive website on which they advertised clothing bearing Franklin’s copyrighted logo and trademark, and sold the clothing via the website to New York customers as well as consumers around the country. Pl. Mem. at 2. These allegations show that defendants acted voluntarily in targeting their products to New York consumers. Thus, defendants’ conduct was “purposefully directed toward the forum state,” Asahi Metal Indus. Co., Ltd. v. Superior Ct. of Cal., 480 U.S. 102, 112 (1987), and defendants could reasonably anticipate being haled into court in New York, see, e.g., Chloé, 616 F.3d at 171 (finding minimum contacts inquiry met “by offering bags for sale to New York consumers on the Queen Bee website and by selling bags — including at least one counterfeit Chloé bag — to New York consumers”); Hypnotic Hats, 2016 WL 7451306, at *4 (minimum contacts established on allegations that “Defendants marketed and sold their products nationwide through their websites; on multiple occasions received orders from New York and shipped products to New York; and, in the case of Hype Socks and WE before it, directly solicited New York customers via email.”); Pearson Educ., Inc. v. Kumar, 721 F. Supp. 2d 166, 184 (S.D.N.Y. 2010) (defendant purposefully availed himself of “privilege[] of . . . conducting sales to residents of New York”).⁴ We thus

⁴ Defendants point to the case of Lopez v. Shopify, Inc., 2017 WL 2229868 (S.D.N.Y. May 23, 2017), as support for their argument that X Gear and Tydlacka have no minimum

reject defendants' argument that they never "expressly aimed" their conduct at New York, X Gear Reply Mem. at 5-6, and conclude that the minimum contacts inquiry is met.

As for whether exercising personal jurisdiction "comports with traditional notions of fair play and substantial justice," five factors inform the reasonableness inquiry:

(1) the burden that the exercise of jurisdiction will impose on the defendant; (2) the interests of the forum state in adjudicating the case; (3) the plaintiff's interest in obtaining convenient and effective relief; (4) the interstate judicial system's interest in obtaining the most efficient resolution of the controversy; and (5) the shared interest of the states in furthering substantive social policies.

Chloé, 616 F.3d at 164.

The first factor favors X Gear and Tydlacka, as the defendants reside in Texas and it would be burdensome for them to defend this suit from there. See X Gear Mem. at 11-12; X Gear Reply Mem. at 5-6. However, "the conveniences of modern communication and transportation ease what would have been a serious burden only a few decades ago." Bank Brussels Lambert, 305 F.3d at 127. Thus, while litigating in New York will certainly impose a financial burden on defendants, it is ameliorated by modern communication and transportation technologies. See, e.g., Hypnotic Hats, 2016 WL 7451306, at *4 (finding any burden due to travel was "light"); see also Pearson Educ., 721 F. Supp. 2d at 185 (same). Finally, as noted by the Second Circuit, "generalized complaints of inconvenience arising from having to defend from suit in New York do not add up to a compelling case that . . . would render jurisdiction unreasonable." Chloé, 616 F.3d at 173 (citation and internal quotation marks omitted).

The second factor favors Franklin because "New York has a manifest interest in providing

contacts with New York. See X Gear Mem. at 11-12. In that case, however, the contacts with New York were found not to "relate to" the claims made by the plaintiff. Lopez, 2017 WL 2229868, at *8. Thus, Lopez is not relevant.

effective means of redress for its residents.” Eades, 799 F.3d at 169; accord Chloé, 616 F.3d at 173. The third factor also favors Franklin because he “ha[s] an interest in adjudicating [his] case in the state where [he] reside[s].” Eades, 799 F.3d at 169. The fourth factor is neutral here as the judicial system is capable of efficiently resolving the controversy here or in Texas. The fifth factor is either neutral because there is no recognized shared interest in having certain jurisdictions litigate trademark and copyright suits over others, see Chloé, 616 F.3d at 173 (finding in a trademark infringement suit against an out-of-state online business that the last factor is neutral), or arguably favors plaintiff, see Eades, 799 F.3d at 169 (“the States share an interest in enabling plaintiffs to litigate [Fair Debt Collection Practices Act] claims in their states of residence.”). Thus, the balance of the factors favor Franklin. Accordingly, it is reasonable in this case for the Court to exercise personal jurisdiction over X Gear and Tydlacka, and such exercise will not offend due process.

B. Trademark Infringement Causes of Action

Having determined that we may properly exercise jurisdiction over X Gear and Tydlacka, we turn to the merits of Franklin’s trademark claims. Count One of the Complaint makes a claim under the Lanham Act, 15 U.S.C. § 1114. Compl. ¶¶ 36-37. Count Two makes claims of unfair competition and false designation of origin in violation of the Lanham Act, 15 U.S.C. § 1125. Compl. ¶¶ 38-42. Count Three makes claims of common law trademark infringement and unfair competition. Id. ¶¶ 43-47.⁵

Instagram, GoDaddy, X Gear, and Tydlacka argue that Count One should be dismissed

⁵ Although the Complaint also lists 15 U.S.C. §§ 1115 and 1116 as causes of action, see Compl. ¶¶ 36-37, those sections of the Lanham Act do not provide rights of action. Section 1115 provides for the entry into evidence of a party’s federally registered trademark, while § 1116 authorizes courts to provide injunctive relief for claims arising under § 1114 or § 1125.

because Franklin does not own a federally registered trademark. Instagram Mem. at 5; GoDaddy Mem. at 12; X Gear Mem. at 12. They also argue all the trademark claims fail because they are duplicative of Franklin’s copyright claims and that the Copyright Act preempts the common law claims in Count Three. Instagram Mem. at 7; GoDaddy Mem. at 14-15; X Gear Mem. at 13, 16. Instagram and GoDaddy argue, separate from X Gear and Tydlacka, that all the Counts should be dismissed because the Complaint does not allege they used Franklin’s trademark in commerce, as required for a trademark claim. Instagram Mem. at 6; GoDaddy Mem. at 13. X Gear and Tydlacka contend that all the Counts against them fail to state a claim under either the Lanham Act or the common law. X Gear Mem. at 13-16. We address each ground for dismissal in turn.

1. Failure to Plead that Trademark is Federally Registered

Section 32(1) of the Lanham Act, 15 U.S.C. § 1114, “protects only registered trademarks.” Fed. Treasury Enter. Sojuzplodoimport v. SPI Spirits Ltd., 726 F.3d 62, 72 (2d Cir. 2013); see also Wal-Mart Stores, Inc. v. Samara Bros., Inc., 529 U.S. 205, 209 (2000) (“Registration of a mark under § 2 of the Lanham Act, 15 U.S.C. § 1052, enables the owner to sue an infringer under § 32, 15 U.S.C. § 1114 . . .”). Accordingly, as a threshold issue, Franklin’s Complaint must “allege[] facts plausibly showing that it falls within the statute’s definition of ‘registrant.’” Fed. Treasury Enter. Sojuzplodoimport, 726 F.3d at 72. A registrant is the person who owns a mark registered with the United States Patent and Trademark Office. 15 U.S.C. § 1057 (“A certificate of registration of a mark upon the principal register provided by this chapter shall be prima facie evidence of . . . the owner’s ownership of the mark . . .”).⁶

Here, the Complaint alleges that Franklin possesses a “registered trademark” or

⁶ The Act defines “registrant” to also embrace “the legal representatives, predecessors, successors and assigns of such applicant or registrant.” 15 U.S.C. § 1127.

“registered trademarks,” see Compl. ¶ 37 (emphasis added), but without providing any facts as to where the trademark (or trademarks) is registered, when the trademark was first registered, and what the trademark consists of. The allegations are insufficient to demonstrate registration in compliance with the Lanham Act, 15 U.S.C. § 1052, because of the failure to allege that the trademark was federally registered. See, e.g., Lopez v. BigCommerce, Inc., 2017 WL 3278932, at *3 (S.D.N.Y. Aug. 1, 2017) (dismissing cause of action under section 32(1) of the Lanham Act because the complaint alleged registration in New York State only and not federally). It is also unclear whether the logo at issue is in fact the particular trademark that Franklin registered or whether any trademark was registered prior to the alleged infringement. Moreover, several factors suggest that the logo at issue is not federally registered. First, in contrast with the trademark allegations, when the Complaint refers to Franklin’s copyright registration, which it does repeatedly, see id. ¶¶ 1, 2, 4, 20, it does so with descriptors such as the registration number and a description of the copyright, id. ¶¶ 2, 20, and it even attaches a “Certificate of Registration,” see Copyright Reg. Second, in his opposition brief, Franklin distinguishes between his logo and his brand — asserting that he “owns the federal trademark for the ORIGINAL WORK brand and also owns a copyright for the ORIGINAL WORK Logo described above,” Pl. Mem. at 1, which suggests to us that his brand name, ORIGINAL WORK, is registered, but the logo at issue is not. Because the Complaint fails to plausibly show that Franklin registered a trademark as required by the Lanham Act, Count One of the Complaint should be dismissed.

2. Stating a Lanham Act Claim for Unregistered Trademark

Count Two of the Complaint alleges infringement of Franklin’s unregistered trademark in the ORIGINAL WORK logo under 15 U.S.C. § 1125. See Compl. ¶¶ 38-42. Section 1125 of the Lanham Act provides a cause of action for infringement against “[a]ny person who, on or in

connection with any goods . . . uses in commerce any . . . symbol . . . or any false designation of origin . . . which . . . is likely to cause confusion.” 15 U.S.C. § 1125; accord Fed. Treasury Enter. Sojuzplodoimport, 726 F.3d at 72. Instagram and GoDaddy contend that Count Two must be dismissed because the complaint does not allege that either of them “has used [Franklin’s] mark in commerce.” Instagram Mem. at 6; see GoDaddy Mem. at 13. X Gear and Tydlacka contend that the claim fails because Franklin does not allege ownership of a trademark entitled to protection or show any likelihood of confusion. X Gear Mem. at 14-16.

To make out a claim for trademark infringement under 15 U.S.C. § 1125, a plaintiff must plausibly allege “that (1) [he] has a valid mark that is entitled to protection under the Lanham Act; and that (2) the defendant used the mark, (3) in commerce, (4) ‘in connection with the sale . . . or advertising of goods or services, (5) without the plaintiff’s consent.’” 1-800 Contacts, Inc. v. Whenu.Com, Inc., 414 F.3d 400, 407 (2d Cir. 2005) (citation omitted). A plaintiff must also establish that the defendant’s use of the mark is “likely to ‘cause confusion . . . as to the affiliation, connection, or association of [defendant] with [plaintiff], or as to the origin, sponsorship, or approval of the [defendant’s] goods, services, or commercial activities by [plaintiff].” Id. (quoting 15 U.S.C. § 1125(a)(1)(A)).

We turn first to Instagram and GoDaddy’s motion to dismiss this claim for failure to allege they “used” Franklin’s logo “in commerce.” The Second Circuit has explained that “‘use’ must be decided as a threshold matter because, while any number of activities may be ‘in commerce’ or create a likelihood of confusion, no such activity is actionable under the Lanham Act absent the ‘use’ of a trademark.” Id. at 412. To show “use,” a plaintiff must show with respect to the sale of goods that the defendant (1) “placed [the mark] in any manner on the goods . . . and (2) the goods are sold or transported in commerce.” 15 U.S.C. § 1127. With respect to

the sale of services, a plaintiff must show that the defendant “used or displayed [the mark] in the sale or advertising of services and the services are rendered in commerce.” Id.

Here, the Complaint makes only two allegations regarding Instagram and GoDaddy’s conduct: (1) Instagram “is a photo sharing computer and/or mobile phone application that is publishing and exploiting images in conjunction with defendants X Gear and Joshua Tydlacka that violate plaintiff’s exclusive rights in his ORIGINAL WORK logo copyright”; and (2) GoDaddy “provides web hosting services to X Gear and Joshua Tydlacka in the furtherance of them running and operating www.xgear101.com website which is exploiting and publishing images that violate plaintiff’s copyright and brand identity image.” Compl. ¶¶ 33-35. Putting aside the problem that these allegations expressly refer only to Franklin’s copyright, rather than his trademark, they plainly do not allege “use in commerce.” As for Instagram, the Complaint does not contend that it placed the ORIGINAL WORK logo on any clothing or other goods that it sold or that Instagram sold its photo sharing services by use of the ORIGINAL WORK logo. Rather, it alleges only that Instagram published — or “exploit[ed]” — images “in conjunction with X Gear and Joshua Tydlacka” on its application, with no further explanation. Similarly, the Complaint contends that GoDaddy provided “web hosting services to X Gear 101 and Joshua Tydlacka,” but not that GoDaddy used the mark in connection with selling or advertising its web hosting services. Moreover, it is apparent from the other allegations of the Complaint that it is X Gear and Tydlacka who allegedly “used” Franklin’s trademark in connection with the sale of goods — not GoDaddy or Instagram. Accordingly, Count Two should be dismissed as to GoDaddy and Instagram because it does not make a threshold showing that either “used”

Franklin’s ORIGINAL WORK mark.⁷ They also may not be held contributorily liable because such a claim requires an allegation that they “intentionally induce[d] another to infringe a trademark” or that they “continue[d] to supply [their] products to one whom [they] know is engaging in trademark infringement.” Inwood Labs., Inc. v. Ives Labs., Inc., 456 U.S. 844, 854 (1982); accord Tiffany (NJ) Inc. v. eBay Inc., 600 F.3d 93, 104 (2d Cir. 2010). Plaintiff makes no factual allegations to support such claims.

Turning to X Gear and Tydlacka’s motion to dismiss this claim, we first address the protectability of Franklin’s alleged mark. With regard to what trademarks are “entitled to protection,” the Second Circuit has explained that “where, as here, the mark is not registered . . . the burden is on plaintiff to prove that its mark is a valid trademark.” Reese Publ’g Co. v. Hampton Int’l Commc’ns, Inc., 620 F.2d 7, 11 (2d Cir. 1980). Trademarks “are often classified in categories of generally increasing distinctiveness; following the classic formulation set out by Judge Friendly, they may be (1) generic; (2) descriptive; (3) suggestive; (4) arbitrary; or (5) fanciful.” Two Pesos, Inc. v. Taco Cabana, Inc., 505 U.S. 763, 768 (1992) (citing Abercrombie & Fitch Co. v. Hunting World, Inc., 537 F.2d 4, 9 (2d Cir. 1976)). Marks that are suggestive, arbitrary or fanciful, “because their intrinsic nature serves to identify a particular source of a product, are deemed inherently distinctive and are entitled to protection.” Id.; accord Time, Inc. v. Petersen Publ’g Co. L.L.C., 173 F.3d 113, 117 (2d Cir. 1999) (“A mark is entitled to protection when it is inherently distinctive.”). On the other end of the spectrum of distinctiveness, a generic

⁷ Because false designation and “unfair competition [claims] under Section 43(a) of the Lanham Act [, 15 U.S.C. § 1125], . . . require[] an identical test to that for infringement” under § 1114(1), Richemont N. Am., Inc. v. Huang, 2013 WL 5345814, at *5 n.15 (S.D.N.Y. Sept. 24, 2013); accord Louis Vuitton Malletier v. Dooney & Bourke, Inc., 454 F.3d 108, 114 (2d Cir. 2006), our conclusions as to “use in commerce” would have applied equally to Count One of the Complaint were it not being dismissed on other grounds.

mark — “those that ‘refer to the genus of which the particular product is a species,’” Two Pesos, 505 U.S. at 768 (quoting Park ‘N Fly, Inc. v. Dollar Park & Fly, Inc., 469 U.S. 189, 194 (1985)), is not entitled to protection as a trademark. A descriptive mark is entitled to protection only if it acquires distinctiveness “by achieving ‘secondary meaning’ among the relevant consumer market.” LVL XIII Brands, Inc. v. Louis Vuitton Malletier, S.A., 209 F. Supp. 3d 612, 650 (S.D.N.Y. 2016) (quoting Two Pesos, 505 U.S. at 769); accord Star Indus., Inc. v. Bacardi & Co. Ltd., 412 F.3d 373, 381 (2d Cir. 2005). A mark achieves secondary meaning once “consumers associate [it] with a single source, even though the source itself may be unknown.” Gruner + Jahr USA Publ’g v. Meredith Corp., 991 F.2d 1072, 1076 (2d Cir. 1993).

Here, the ORIGINAL WORK logo is a stylized depiction of a bear’s head, which is either arbitrary or fanciful. The defendants do not contend that it is anything other than inherently distinctive. X Gear and Tydlacka contend that the Complaint does not provide allegations to support a claim that “consumers associate his bear-head logo with his company alone,” i.e., a secondary meaning, X Gear Mem. at 15, but Franklin, who has an inherently distinctive trademark, need not plead such facts to state a claim under section 1125. See, e.g., Rolex Watch U.S.A., Inc. v. Rolex Deli Corp., 2012 WL 5177517, at *3 n. 7 (S.D.N.Y. Oct. 18, 2012) (“Because the Court concludes that the [trademark at issue] is inherently distinctive, . . . it need not address the issue of secondary meaning.”). We thus reject X Gear and Tydlacka’s challenge to the protectability of the ORIGINAL WORK logo.

Even if the logo is protectible, Franklin must plead a likelihood of confusion in the marketplace by the sale or distribution of defendant’s mark. See Gruner + Jahr USA Publ’g, 991 F.2d at 1075. This second prong of the test for trademark infringement “turns [on] whether ‘numerous ordinary prudent purchasers are likely to be misled or confused as to the source of the

product in question because of the entrance in the marketplace of defendant's mark.” Cadbury Beverages, Inc. v. Cott Corp., 73 F.3d 474, 477-78 (2d Cir. 1996) (citation and internal quotation marks omitted). Satisfying the likelihood-of-confusion standard “requires a ‘probability of confusion, not a mere possibility.’” Guthrie Healthcare Sys. v. ContextMedia, Inc., 826 F.3d 27, 37 (2d Cir. 2016) (quoting Playtex Prods., Inc. v. Georgia-Pac. Corp., 390 F.3d 158, 161 (2d Cir. 2004)). “To evaluate the likelihood of consumer confusion, [courts] apply the multi-factor test set forth by Judge Friendly in Polaroid Corp. v. Polarad Elecs. Corp., 287 F.2d 492, 495 (2d Cir. 1961).” Brennan's, Inc. v. Brennan's Rest., L.L.C., 360 F.3d 125, 130 (2d Cir. 2004). These factors are:

- (1) the strength of the mark, (2) the degree of similarity between the two marks, (3) the competitive proximity of the products, (4) actual confusion, (5) the likelihood the plaintiff will bridge the gap, (6) the defendant's good faith in adopting its mark, (7) the quality of the defendant's products, and (8) the sophistication of the purchasers.

Id. “The pertinence of individual factors varies with the facts of the particular case. Courts should not treat any one factor as dispositive, nor apply a ‘mechanical process’ awarding judgment to ‘the party with the greatest number of factors weighing in its favor.’” Guthrie Healthcare Sys., 826 F.3d at 37 (citation omitted). Generally, “the likelihood of confusion is a fact-intensive analysis that ordinarily does not lend itself to a motion to dismiss.” World Trade Ctrs. Ass'n, Inc. v. Port Auth. of N.Y. & N.J., 2016 WL 8292208, at *2 (S.D.N.Y. Dec. 15, 2016) (citation and internal quotation marks omitted). At the motion to dismiss stage, “courts have not required all factors to be addressed in order to find adequate pleading of a likelihood of confusion,” so long as a complaint adequately pleads facts concerning some of the Polaroid factors. Id. X Gear and Tydlacka contend that the Complaint offers only conclusory allegations of likelihood of confusion. See X Gear Mem. at 15-16. We disagree.

First, the strength of the marks factor is defined as the “tendency to identify the goods as coming from a particular source.” Lang v. Ret. Living Pub. Co., 949 F.2d 576, 581 (2d Cir. 1991) (citation and internal quotation marks omitted). “When determining a mark’s strength, courts consider both the mark’s inherent distinctiveness, based on the characteristics of the mark itself, and its acquired distinctiveness, based on associations the mark has gained through use in commerce.” Akiro LLC v. House of Cheatham, Inc., 946 F. Supp. 2d 324, 333 (S.D.N.Y. 2013) (citation omitted). Here, we have already found that the mark is inherently distinctive. Additionally, the Complaint alleges that the ORIGINAL WORK logo “ha[s] been worn by musical recording artists and actors and ha[s] appeared in music[] videos,” Compl. ¶ 19, and that Franklin has been selling clothing bearing the logo “since at least February of 2013,” at sneaker expos across the United States and through social media platforms such as Instagram, id. ¶¶ 14-17. Thus, Franklin has plausibly pled the existence of a strong mark.

Other factors also support a finding of likelihood of confusion. As to the second Polaroid factor, the Complaint alleges that the defendants’ mark “is a substantial identical replication and copy of plaintiff’s ORIGINAL WORK Logo.” Id. ¶ 31. Our examination of the two marks shows many similar features: they are both cartoon bears with gum drop-shaped heads, large oval eyes, small round ears with similar styling and coloring, and small guitar pick-shaped noses. See id. Thus, the Complaint establishes a significant degree of similarity between the marks. As to the third factor, the Complaint alleges Franklin has encountered defendants’ clothing at “various sneaker expo events” where he also sells clothing bearing the ORIGINAL WORK logo, id. ¶ 23, and that both X Gear and Franklin market their clothing online and through Instagram, id. ¶¶ 18, 22, 35. Franklin has therefore adequately pled competitive proximity. For the fourth factor, the complaint alleges that “[p]laintiff has already experienced ‘actual confusion’ in connection with

this matter,” id. ¶ 4, and that “[d]efendants’ use of plaintiff’s copyright and brand identity image has already caused instances of actual confusion in the marketplace,” id. ¶ 32.

Given the strong showing to satisfy factors one, two, three, and four, plaintiff has sufficiently shown “actual confusion” at the motion to dismiss stage. See Ferring B.V. v. Fera Pharms., LLC, 2015 WL 4623507, at *11 (E.D.N.Y. July 6, 2015) (pleading that trademarks are “confusingly similar” and that defendant’s sale of mark in commerce will “likely cause confusion” sufficient at pleading stage); Ritani, LLC v. Aghjayan, 880 F. Supp. 2d 425, 446 (S.D.N.Y. 2012) (plaintiff adequately pled Lanham Act claim with allegations that “th[e] marks are identical and therefore likely to cause consumer confusion in the jewelry industry” where both parties operate); The Name LLC v. Arias, 2010 WL 4642456, at *5 (S.D.N.Y. Nov. 16, 2010) (allegations as to strength of mark, degree of similarity, actual confusion, and bad faith sufficient to state Lanham Act claim).

Tydlacka argues that the trademark claims may not be brought against him because the Complaint fails to allege facts specific to him to support a claim of personal liability for direct trademark infringement. X Gear Mem. at 22.⁸ To hold Tydlacka personally liable for trademark infringement, the Complaint must plausibly allege that he was “a moving, active, conscious force behind [X Gear’s] infringement.” Innovation Ventures, LLC v. Ultimate One Distrib. Corp., 176 F. Supp. 3d 137, 155 (E.D.N.Y. 2016) (alterations and internal quotation marks omitted) (quoting KatiRoll Co. v. Kati Junction, Inc., 33 F. Supp. 3d 359, 367 (S.D.N.Y. 2014)) (noting that this law is “well-established” in the Second Circuit). An individual is deemed a “moving, active,

⁸ Tydlacka also contends that he could not be held vicariously liable. X Gear Mem. at 22-23. Because we find the Complaint adequately alleges personal liability for direct infringement, we do not address this issue.

conscious force” behind a company’s infringement when he or she “was either the sole shareholder and employee, and therefore must have approved of the infringing act, or a direct participant in the infringing activity.” Id. (internal quotation marks omitted) (quoting Chloé v. Queen Bee of Beverly Hills, LLC, 2011 WL 3678802, at *4 (S.D.N.Y. Aug. 19, 2011)).

Here, Franklin alleges that it was Tydlacka who “became aware of plaintiff’s clothing products and had an opportunity to see plaintiff’s products that were available for sale,” and that he thereafter “incorporated [X Gear] and began selling and offering for sale clothing items under an almost identical image and design.” Pl. Mem. at 2. Tydlacka also shares a business address with X Gear, Compl. ¶¶ 9-10; is the sole owner of X Gear, Pl. Mem. at 2; and attends sneaker expos where he promotes X Gear clothing and offers that clothing for sale, Compl. ¶¶ 22-23. From these allegations, we can reasonably infer that Tydlacka was a direct participant in the infringing activity.

We thus find that Count Two states a claim as to X Gear and Tydlacka.

3. Franklin’s Common Law Unfair Competition Claim and Trademark Infringement Claim

Count Three alleges that “defendant[s’] conduct constitutes deception by which defendant[s’] goods will be palmed off as those of plaintiff” resulting in “further confusion to the public as to the clothing goods of the respective parties.” Compl. ¶¶ 44-45. This conduct allegedly constitutes unfair competition and trademark infringement under New York common law. Id. ¶¶ 43-47.

a. Unfair Competition

“To establish unfair competition under New York common law, the plaintiff must prove (1) either actual confusion or a likelihood of confusion [as to the origin of the good]; and (2) bad

faith on the part of the defendant.” LaChapelle v. Fenty, 812 F. Supp. 2d 434, 444 (S.D.N.Y. 2011) (quoting Sly Magazine, LLC v. Weider Publ’ns L.L.C., 529 F. Supp. 2d 425, 443 (S.D.N.Y. 2007), aff’d, 346 F. App’x 721 (2d Cir. 2009)); see also Camelot Assocs. Corp. v. Camelot Design & Dev. LLC, 298 A.D.2d 799, 800 (3d Dep’t 2002) (“causes of action alleging unfair competition or trademark infringement both require a demonstration ‘that the public is likely to confuse the defendant’s product or service with that of the plaintiff[.]’” plus bad faith, while a trademark infringement claim must “also show that the trade name has acquired a secondary meaning.”) (citing cases); accord Apogee Handcraft, Inc. v. Verragio, Ltd., 155 A.D.3d 494, 496 (1st Dep’t 2017). These elements are “virtually identical” to those of a claim under the Lanham Act, “except that [an unfair competition claim under New York common law] requires an additional showing of bad faith.” TechnoMarine SA v. Jacob Time, Inc., 2012 WL 2497276, at *5 (S.D.N.Y. June 22, 2012); accord Tiffany (NJ) Inc., 600 F.3d at 101 n.6 (“the Lanham Act and New York State common law . . . are composed of the same elements. We therefore analyze them together.”); Lopez, 2017 WL 3278932, at *4; Gluco Perfect, LLC v. Perfect Gluco Prods., Inc., 2014 WL 4966102, at *19 (E.D.N.Y. Oct. 3, 2014) (citing cases); LaChapelle, 812 F. Supp. 2d at 444 (citing cases). One exception, however, is that “unfair competition claims under New York common law that otherwise resemble Lanham Act claims do not require that the allegedly infringing mark be ‘used in commerce’ as defined by 18 U.S.C. §1127.” Can’t Live Without It, LLC v. ETS Express, Inc., 287 F. Supp. 3d 400, 417 (S.D.N.Y. 2018).

Bad faith under New York law “is presumed where the defendant intentionally copied the plaintiff’s mark.” Gluco Perfect, LLC, 2014 WL 4966102, at *19 (alterations, internal quotation marks, and citation omitted); accord Warner Bros., Inc. v. Am. Broad. Cos., 720 F.2d 231, 246-47 (2d Cir. 1983) (“evidence of intentional copying raises a presumption that a second comer

intended to create a confusing similarity of appearance and succeeded.”). Here, the allegations do not show that Instagram or GoDaddy acted in bad faith in providing web hosting services or photo-sharing services to X Gear and Tydlacka. Thus, as to Instagram and GoDaddy, the Complaint fails to state a claim of common law unfair competition.

With regard to X Gear and Tydlacka, it alleges that these defendants “ha[ve] been and will continue to be willful or willfully blind to plaintiff’s rights, as defendant has reason to know of plaintiff’s rights,” Compl. ¶ 47, and elsewhere that X Gear and Tydlacka sold a t-shirt “bearing plaintiff’s signature logo . . . intentionally as the aforementioned defendants were aware of plaintiff’s logo,” *id.* ¶ 3. Such prior knowledge was allegedly acquired at a Houston sneaker expo where Tydlacka “had an opportunity to see plaintiff’s products.” Pl. Mem. at 2. Taking such allegations as true, the Complaint adequately alleges intentional copying by X Gear and Tydlacka. Because under New York law bad faith is presumed where intentional copying occurred, Glucio Perfect, LLC, 2014 WL 4966102, at *19, the Complaint states a claim for common law unfair competition.

b. Common Law Trademark Infringement

With respect to the claim of trademark infringement under New York common law, “the elements necessary to prevail on causes of action for trademark infringement ‘under New York common law mirror the Lanham Act claims.’” Sara Designs, Inc. v. A Classic Time Watch Co. Inc., 234 F. Supp. 3d 548, 556 (S.D.N.Y. 2017) (quoting ESPN, Inc. v. Quiksilver, Inc., 586 F. Supp. 2d 219, 230 (S.D.N.Y. 2008)). Thus, the common law trademark claims should be dismissed as to Instagram and GoDaddy but survive as to X Gear and Tydlacka.

4. Franklin’s Trademark Claims Do Not Mirror His Copyright Claims

X Gear and Tydlacka contend that Counts Two and Three must be dismissed because they

attempt to convert a copyright claim into a Lanham Act violation. X Gear Mem. at 13. In general, “a false copyright notice alone cannot constitute a false designation of origin within the meaning of § 43(a) of the Lanham Act.” Lipton v. Nature Co., 71 F.3d 464, 473 (2d Cir. 1995). Thus, when a plaintiff bases their Lanham Act claim “on no more than an alleged copyright violation,” the claim “is impermissibly duplicative of his claim for relief under the Copyright Act.” Marvullo v. Gruner & Jahr, 105 F. Supp. 2d 225, 232 (S.D.N.Y. 2000); accord Weber v. Geffen Records, Inc., 63 F. Supp. 2d 458, 463 (S.D.N.Y. 1999) (“the Second Circuit has limited the extent to which a copyright-based claim may support a Lanham Act claim, repeatedly cautioning that ‘we reject . . . attempt[s] to convert all copyright claims into Lanham Act violations.’”) (quoting Lipton, 71 F.3d at 473). While the defendants insist that Franklin “squarely grounds both Lanham Act claims on his copyrighted Original Work logo,” X Gear Mem. at 14, in fact Franklin alleges that X Gear and Tydlacka have unfairly traded on his unregistered trademarked logo irrespective of any copyright claim. See Compl. ¶¶ 38-47; see also Pl. Mem. at 4-5. He contends they did so by selling clothing bearing a replica of Franklin’s logo without Franklin’s prior authorization, which sale “ha[s] confused the public into believing that defendants’ and plaintiff’s clothing goods come from one and the same source.” Compl. ¶¶ 38-47. Thus, we reject defendants’ assertion that Counts Two and Three are duplicative of any copyright claims.

5. Preemption of Common Law Trademark Claims

X Gear and Tydlacka contend that Franklin’s common law trademark infringement and unfair competition claims are based “entirely on the ORIGINAL WORK copyright” and therefore the claims are preempted by the Copyright Act. X Gear Mem. at 17. The Copyright Act preempts state law claims when: “(1) the particular work to which the claim is being applied falls

within the type of works protected by the Copyright Act under 17 U.S.C. §§ 102 and 103, and (2) the claim seeks to vindicate legal or equitable rights that are equivalent to one of the bundle of exclusive rights already protected by copyright law under 17 U.S.C. § 106.” Briarpatch Ltd., L.P. v. Phoenix Pictures, Inc., 373 F.3d 296, 305 (2d Cir. 2004) (citing 17 U.S.C. § 301(a)). Further, to meet this standard, “the state law claim must not include any extra elements that make it qualitatively different from a copyright infringement claim.” Id. “In determining whether a state law claim is ‘qualitatively different’ from a copyright infringement claim, courts should analyze ‘what the plaintiff seeks to protect, the theories in which the matter is thought to be protected and the rights sought to be enforced.’” Wolstenholme v. Hirst, 271 F. Supp. 3d 625, 642 (S.D.N.Y. 2017) (alterations omitted) (quoting Briarpatch, 373 F.3d at 306)).

Common law trademark infringement claims and unfair competition claims may be preempted where the claims are “grounded solely in the copying of a plaintiff’s protected expression.” Kregos v. Associated Press, 3 F.3d 656, 666 (2d Cir. 1993). Put another way, “if the harm arises from the simple fact of copying, the claim falls within the Copyright Act and is preempted.” Wolstenholme, 271 F. Supp. 3d at 642 (quoting Eyal R.D. Corp. v. Jewelex N.Y. Ltd., 784 F. Supp. 2d 441, 448 (S.D.N.Y. 2011)). Acts which will extend a claim beyond the reach of Copyright Act preemption “include the use of the plaintiff’s trademark on the goods or an active deception through words or deeds that the product came from the plaintiff.” Id. Additionally, allegations of “likelihood of confusion” may place a claim beyond the reach of Copyright Act preemption. See Eliya, Inc. v. Kohl’s Dep’t Stores, 2006 WL 2645196, at *6 (S.D.N.Y. Sept. 13, 2006); U-Neek, Inc. v. Wal-Mart Stores, Inc., 147 F. Supp. 2d 158, 174 (S.D.N.Y. 2001); see also Samara Bros., Inc. v. Wal-Mart Stores, Inc., 165 F.3d 120, 130 (2d Cir. 2000) (finding common law unfair competition claim not preempted because it required the

“extra element” of “actual confusion”). In Wolstenholme, for example, the court found that a jewelry designer’s unfair competition and trade dress claims against another jewelry designer and his company were preempted because the Complaint “does not allege that the defendant’s salespersons or the company acted in any way to confuse customers by, for example, using the plaintiff’s trademark,” or “allege that the defendants held out their goods as the plaintiff’s.” 271 F. Supp. 3d at 644. Rather, the designs at issue “incorporate charms that specifically identify the designer as Damien Hirst, . . . evinc[ing] a desire by the defendants to ensure consumers are not confused about the source of the jewelry.” Id. Thus, the court concluded the claims did not allege more than mere copying and were preempted by the Copyright Act. Id.

Here, by contrast, the Complaint alleges that “[d]efendant’s conduct constitutes deception by which defendant’s good will be palmed off as those of plaintiff.” Compl. ¶ 44. It alleges that use of his ORIGINAL WORK mark “is likely to continue to cause further confusion to the public as to the clothing goods of the respective parties.” Id. ¶ 45. By alleging misappropriation of his trademark causing confusion among customers as to which brand sells which clothing, Franklin is not merely alleging “the simple fact of copying.” Wolstenholme, 271 F. Supp. 3d at 642. Franklin’s common law claims are therefore not preempted.

C. Copyright Infringement Causes of Action

Count Four of the Complaint alleges that “defendant,” who we construe to mean both X Gear and Tydlacka, who is alleged to be the principal of X Gear, “has intentionally and willfully copied, distributed, and publicly displayed and sold and/or offered for sale, a t-shirt design that is identical or in the least, substantially similar to the plaintiff’s copyrighted ORIGINAL WORK logo,” in violation of the Copyright Act, 17 U.S.C. § 101 et seq. Compl. ¶¶ 48-55. Tydlacka and X Gear move to dismiss Count Four, claiming that the Complaint fails to show they “actually

copied” his logo, “had access to” the copyrighted logo, or produced a “substantially similar” logo. X Gear Mem. at 17-19.

As to Instagram and GoDaddy, the Complaint appears to allege that they induced X Gear’s copyright violations. Compl. ¶¶ 33-35.⁹ Instagram and GoDaddy move to dismiss this Count on the ground that the Complaint contains no factual allegations to support its claim of inducement. Instagram Mem. at 9; GoDaddy Mem. at 11. We address first GoDaddy and Instagram’s challenge.

1. GoDaddy and Instagram

The Complaint alleges that Instagram and GoDaddy induced X Gear and Tydlacka’s copyright infringement because “they have reason to know of plaintiff’s rights in said copyright since plaintiff has provided [them] with a Notice of Infringement.” Compl. ¶¶ 33-35. “One infringes contributorily by intentionally inducing or encouraging direct infringement, . . . and infringes vicariously by profiting from direct infringement while declining to exercise a right to stop or limit it.” Metro-Goldwyn-Mayer Studios Inc. v. Grokster, Ltd., 545 U.S. 913, 930 (2005) (citations omitted). Here, the Complaint contains only a single allegation to support an inducement claim: namely, that defendants induced X Gear’s copyright violation — assuming it constituted direct infringement — because they received a notice of infringement. Because inducement requires a showing of intent to promote infringing uses, see id. at 931, and the Complaint does not allege that the defendants provided services to X Gear and Tydlacka with the

⁹ The Complaint does not contain these allegations within Count Four, but liberally construing the allegations we infer that Franklin proceeds on a theory of indirect copyright infringement against Instagram and GoDaddy. See id. Count Four refers only to a single “defendant” who sells t-shirts, see id. ¶¶ 51-55, which we construe as X Gear because the Complaint does not allege Instagram or GoDaddy sell t-shirts.

intent to induce copyright infringement, this single allegation is insufficient to support the claim. Accordingly, Count Four should be dismissed as to Instagram and the GoDaddy defendants.

2. X Gear and Tydlacka

To state a claim of direct copyright infringement, “a plaintiff with a valid copyright must demonstrate that: (1) the defendant has actually copied the plaintiff’s work; and (2) the copying is illegal because a substantial similarity exists between the defendant’s work and the protectible elements of plaintiff’s.” Peter F. Gaito Architecture, LLC v. Simone Dev. Corp., 602 F.3d 57, 63 (2d Cir. 2010) (quoting Hamil Am. Inc. v. GFI, 193 F.3d 92, 99 (2d Cir. 1999)). X Gear and Tydlacka contend that the Complaint does not show they “actually copied” the ORIGINAL WORK logo, “had access to” the copyrighted logo, or produced a “substantially similar” logo. X Gear Mem. at 17-19. Defendants do not challenge the validity of Franklin’s copyright.

Actual copying “may be established by direct or indirect evidence.” LaChapelle, 812 F. Supp. 2d at 440; accord Laureyssens v. Idea Grp., Inc., 964 F.2d 131, 140 (2d Cir. 1992) (actual copying may be shown “by direct evidence of copying” or “by indirect evidence, including access to the copyrighted work, similarities that are probative of copying between the works, and expert testimony”). To establish actual copying through circumstantial evidence, a complaint must show “(1) the defendant had access to the plaintiff’s copyrighted work and (2) that defendant’s work is substantially similar to the plaintiff’s copyrightable material.” Comp. Assocs. Int’l, Inc. v. Altai, Inc., 982 F.2d 693, 701 (2d Cir. 1992). When evaluating whether a defendant actually copied a copyrighted work, “similarity relates to the entire work, not just the protectible elements, . . . and is often referred to as ‘probative similarity.’” Adams v. Warner Bros. Pictures Network, 2007 WL 1959022, at *3 (E.D.N.Y. June 29, 2007) (quoting Fisher-Price, Inc. v. Well-Made Toy Mfg. Corp., 25 F.3d 119, 123 (2d Cir. 1994)). “Access means that an alleged infringer had a

‘reasonable possibility’ — not simply a ‘bare possibility’ — of hearing [or seeing] the prior work; access cannot be based on mere ‘speculation or conjecture.’” Jorgensen v. Epic/Sony Records, 351 F.3d 46, 51 (2d Cir. 2003) (citation omitted).

Franklin alleges that defendant Tydlacka “had an opportunity to see plaintiff’s products” at a “sneaker trade show in Houston, Texas,” after which Tydlacka allegedly “incorporated and began selling . . . clothing items under an almost identical image and design to that of plaintiff’s ORIGINAL WORK logo.” Pl. Mem. at 2. These allegations suffice at the pleading stage to show access to the copyrighted work. We reject X Gear and Tydlacka’s claim that the allegations are mere “conjecture or speculation,” X Gear Reply Mem. at 12, inasmuch as they provide notice of a place (sneaker trade show in Houston, Texas), surrounding circumstances (attendance at the trade show), and even an approximate time frame (“shortly before” X Gear’s organization under the laws of Texas).

The second part of showing “actual copying” — substantial similarity between the two works — is also met here. For purposes of showing actual copying, we need not separate protectible elements from unprotectible elements; rather, the “similarity relates to the entire work.” Adams, 2007 WL 1959022, at *3. As already discussed, see section III.B.2 above, a side-by-side comparison of the two designs shows numerous similarities, see Compl. ¶ 31. These facts suffice to show “probative similarity.”

Once actual copying is established, a plaintiff must also show that “the copying is illegal because a substantial similarity exists between the defendant’s work and the protectible elements of plaintiff’s [design].” Peter F. Gaito Architecture, 602 F.3d at 63. “The question of substantial similarity is by no means exclusively reserved for resolution by a jury.” Id. The Second Circuit has recognized that “it is entirely appropriate for a district court to resolve that question as a

matter of law, ‘either because the similarity between two works concerns only non-copyrightable elements of the plaintiff’s work, or because no reasonable jury, properly instructed, could find that the two works are substantially similar.’” Id. (quoting Warner Bros. Inc. v. Am. Broad. Cos., 720 F.2d 231, 240 (2d Cir. 1983)).

Here, X Gear and Tydlacka contend that Franklin’s claim founders because he has not identified “which portions of his ORIGINAL WORK logo are protectable.” X Gear Reply Mem. at 12. Franklin is not required to identify such elements, however. As the Second Circuit explained in Peter F. Gaito Architecture, “[t]he standard test for substantial similarity between two items is whether an ordinary observer, unless he set out to detect the disparities, would be disposed to overlook them, and regard [the] aesthetic appeal as the same.” Id. at 66 (citation and internal quotation marks omitted). The case explained the application of this test as follows:

In applying the so-called “ordinary observer test,” we ask whether “an average lay observer would recognize the alleged copy as having been appropriated from the copyrighted work.” Knitwaves, Inc. v. Lollytogs Ltd. (Inc.), 71 F.3d 996, 1002 (2d Cir. 1995) (internal quotation marks omitted). . . . [W]e are principally guided “by comparing the contested design’s ‘total concept and overall feel’ with that of the allegedly infringed work,” Tufenkian Import/Export Ventures, Inc. v. Einstein Moomjy, Inc., 338 F.3d 127, 133 (2d Cir. 2003); see Boisson, 273 F.3d at 272; Knitwaves Inc., 71 F.3d at 1003, as instructed by our “good eyes and common sense,” Hamil Am., 193 F.3d at 102 (alteration omitted). This is so because “the defendant may infringe on the plaintiff’s work not only through literal copying of a portion of it, but also by parroting properties that are apparent only when numerous aesthetic decisions embodied in the plaintiff’s work of art — the excerpting, modifying, and arranging of [unprotectible components] . . . — are considered in relation to one another.” Tufenkian Import/Export Ventures, Inc., 338 F.3d at 134. Thus, in the end, our inquiry necessarily focuses on whether the alleged infringer has misappropriated “the original way in which the author has ‘selected, coordinated, and arranged’ the elements of his or her work.” Knitwaves Inc., 71 F.3d at 1004 (quoting Feist Publ’ns, Inc. v. Rural Tel. Serv. Co., 499 U.S. 340, 358, 111 S.Ct. 1282, 113 L.Ed.2d 358 (1991)).

Id. at 66.

While we view it as a close question, our comparison of the two works does not allow us

to conclude that as a matter of law “no reasonable jury, properly instructed, could find that the two works are substantially similar.” Id. To start with, both designs are dark-shaded cartoon bear faces with nearly-identical face shapes.¹⁰ Each is outlined in black, with small similarly-shaped ears that protrude from the face at similar locations. Each ear has rounded earlobes in a lighter shade than the rest of the ear. The eyes in both are large ovals with large oval irises, the left one in a light shade, the right one with black elements. Both designs have guitar pick noses, though they are placed in different places on the face. The most obvious difference is in the mouth: defendant’s design has a large, gaping mouth with two sets of jagged teeth and a view of the inside of mouth. Franklin’s design has two bandages crossed over a small mouth. Notwithstanding the difference in the mouth, judging the “total concept and overall feel” of the two designs, we cannot conclude as defendants urge, X Gear Reply Mem. at 12, that “vast differences” predominate in a comparison of the two designs. Rather, we conclude that a reasonable jury might find that “an average lay observer would recognize the alleged copy as having been appropriated from the copyrighted work.” Peter F. Gaito Architecture, 602 F.3d at 67 (citation and internal quotation marks omitted). Given the substantial similarity, X Gear’s motion to dismiss Count Four of the Complaint should be denied.

D. Unjust Enrichment and Conversion Causes of Action

Franklin’s Fifth and Sixth Counts allege that defendants are liable for conversion and unjust enrichment because (1) they have “unjustly retained profits from the sale of clothing goods and accessories bearing plaintiff’s ORIGINAL WORK logo,” Compl. ¶ 57; and (2) they “have

¹⁰ Our description of the images is based on a comparison of the two works set forth in ¶ 31 of the Complaint. Because the Complaint does not provide color images, the colors of the images do not form part of our analysis.

continued and [are] presently using plaintiff’s ORIGINAL WORK logo . . . [and] have continuously introduced, sold and/or offered for sale products bearing plaintiff’s copyright and brand image identity and are continuing to profit off of plaintiff’s intellectual property,” *id.* ¶¶ 60-61. Instagram and GoDaddy contend that these claims are barred under the Communications Decency Act (“CDA”), 47 U.S.C. § 230(c)(1), or alternatively, preempted by the Copyright Act, 17 U.S.C. § 301. Instagram Mem. at 12; GoDaddy Mem. at 16. X Gear and Tydlacka contend the claims are preempted by the Copyright Act. X Gear Mem. at 19.

We agree that the CDA bars the claims against Instagram and GoDaddy, and in any event, conclude that the Copyright Act preempts the claims or the Complaint fails to state the claim for unjust enrichment and conversion. Thus, Counts Five and Six should be dismissed against all defendants.

1. Franklin’s Claims Are Barred by the CDA as to Instagram and GoDaddy

Section 230(c)(1) of the CDA states that “[n]o provider or user of an interactive computer service shall be treated as the publisher or speaker of any information provided by another information content provider,” and that “[n]o cause of action may be brought and no liability may be imposed under any State or local law that is inconsistent with this section. 47 U.S.C. § 230(c)(1), (c)(3). Thus, the CDA provides immunity to defendants from state law claims if that “the defendant (1) is a provider or user of an interactive computer service, (2) the claim is based on information provided by another information content provider and (3) the claim would treat [the defendant] as the publisher or speaker of that information.” FTC v. LeadClick Media, LLC, 838 F.3d 158, 173 (2d Cir. 2016) (quoting Jane Doe No. 1 v. Backpage.com, LLC, 817 F.3d 12, 19 (1st Cir. 2016)) (internal quotation marks omitted). “Section 230 immunity is broad.” LeadClick Media, LLC, 838 F.3d at 173. Where a defendant shows that these elements are met

based on the face of the complaint, a court may dismiss the complaint as to that defendant. See Ricci v. Teamsters Union Local 456, 781 F.3d 25, 28 (2d Cir. 2015).

Instagram and GoDaddy meet the first element of asserting immunity under the CDA. Instagram Mem. at 12-13; GoDaddy Mem. at 16-17. Franklin seeks to hold GoDaddy liable for providing web hosting services to X Gear and Tydlacka, and Instagram for providing “a photo sharing computer and/or mobile phone application” on which X Gear published the allegedly infringing images. Compl. ¶¶ 33-35. A provider of an interactive computer service is defined broadly as “any information service, system, or access software provider that provides or enables computer access by multiples users to a computer server.” 47 U.S.C. § 230(f)(2). “Courts typically have held that internet service providers, website exchange systems, online message boards, and search engines fall within this definition.” LeadClick Media, LLC, 838 F.3d at 174. The Second Circuit has previously held that GoDaddy is “a provider of an interactive computer service.” Ricci, 781 F.3d at 28. As for Instagram, similar platforms have been held to be providers of an interactive computer service, including Facebook, see Cohen v. Facebook, Inc., 252 F. Supp. 3d 140, 156 (E.D.N.Y. 2017), as well as AOL, Craigslist, and Ask.com, see LeadClick Media, LLC, 838 F.3d at 174 (citing cases). Because the Complaint alleges that Instagram is “a photo sharing computer and/or mobile phone application,” Compl. ¶ 35, where users post photos on their profiles that others follow, see BAWS Instagram Profile, and because we see no difference between Instagram and the other platforms held to be providers of an interactive computer service, we conclude that Instagram so qualifies as well.

These defendants have also shown that the other two elements of immunity under the CDA are satisfied. As to the second element, the Complaint rests entirely on allegations that X Gear and Tydlacka published photos of clothing and other goods bearing the infringing logo on a

website hosted on GoDaddy's servers and to a profile hosted on Instagram's servers. See Compl. ¶¶ 33-35. The Complaint nowhere alleges that Instagram or GoDaddy provided the infringing logo or contributed even in part to the development of X Gears' logo, see LeadClick Media, LLC, 848 F.3d at 174 ("This definition cover[s] even those who are responsible for the development of content only in part.") (citation and internal quotation marks omitted). Thus, Instagram and GoDaddy have established that the conversion and unjust enrichment claims are "based on information provided by another information content provider" — that is, X Gear and Tydlacka.

The third element is satisfied because the Complaint seeks to hold Instagram and GoDaddy liable for conversion and unjust enrichment based on their acts in publishing or disseminating the infringing logo by X Gear and Tydlacka. When evaluating this third element, "courts must ask whether the duty that the plaintiff alleges the defendant violated derives from the defendant's status or conduct as a publisher or speaker." Id. (citation and internal quotation marks omitted). Here, the Complaint seeks to hold Instagram and GoDaddy liable for X Gear's use of the infringing logo. Because the three elements are satisfied, the CDA bars plaintiff's state law claims. See 47 U.S.C. § 230(e)(3); see also Herrick v. Grindr, LLC, 2018 WL 566457, at *4 (S.D.N.Y. Jan. 25, 2018) (finding CDA barred products liability, negligent design, and failure to warn claims against mobile dating application), appeal docketed, No. 18 Civ. 396 (2d Cir. Feb. 9, 2018); Manchanda v. Google, 2016 WL 6806250, at *3 (S.D.N.Y. Nov. 16, 2016) (CDA barred unjust enrichment claim, among other common law claims, against Google). Accordingly, the unjust enrichment and conversion causes of action — Counts Five and Six — should be dismissed as to Instagram and GoDaddy.

2. Counts Five and Six are Preempted or Fail to State a Claim

X Gear and Tydlacka contend that Counts Five and Six should be dismissed because the

Copyright Act preempts Franklin’s state-law claims. X Gear Mem. at 19. As already discussed, the Copyright Act preempts state law claims when: “(1) the particular work to which the claim is being applied falls within the type of works protected by the Copyright Act under 17 U.S.C. §§ 102 and 103, and (2) the claim seeks to vindicate legal or equitable rights that are equivalent to one of the bundle of exclusive rights already protected by copyright law under 17 U.S.C. § 106.” Briarpatch Ltd., 373 F.3d at 305 (citing 17 U.S.C. § 301(a)). “Further, the state law claim must not include any extra elements that make it qualitatively different from a copyright infringement claim.” Id.

The Second Circuit has recognized that the Copyright Act preempts unjust enrichment claims brought under New York law for misappropriation of copyright. Id. at 306. Here, Franklin’s unjust enrichment claim alleges that defendants “unjustly retained profits from the sale of clothing goods and accessories bearing plaintiff’s ORIGINAL WORK Logo mark.” Compl. ¶ 57. Thus, to the extent Franklin advances a claim based on violation of his exclusive rights “to distribute copies . . . of the copyrighted work to the public by sale,” 17 U.S.C. § 106(3), the Copyright Act preempts his claim and it must be dismissed, see Briarpatch Ltd., 373 F.3d at 306; see also Am. Movie Classics Co. v. Turner Entm’t Co., 922 F. Supp. 926, 933-34 (S.D.N.Y. 1996) (claim of unjust enrichment preempted by copyright law to the extent it alleged unauthorized use of copyrighted material).

To the extent Franklin’s claim for unjust enrichment is based on trademark infringement, the claim should be dismissed because the complaint fails to state a claim. Under New York law, “[t]he theory of unjust enrichment lies as a quasi-contract claim,’ and contemplates ‘an obligation imposed by equity to prevent injustice, in the absence of an actual agreement between the parties.’” Georgia Malone & Co., Inc. v. Rieder, 19 N.Y.3d 511, 516 (2012). To make out an

unjust enrichment claim, a plaintiff must show that “(1) the other party was enriched, (2) at [plaintiff’s] expense, and (3) that it is against equity and good conscience to permit the other party to retain what is sought to be recovered.” Mandarin Trading Ltd. v. Wildenstein, 16 N.Y.3d 173, 182 (2011) (alterations, citations, and internal quotation marks omitted). Because such a claim rests on a quasi-contract theory, “there must exist a relationship or connection between the parties that is not ‘too attenuated,’” Georgia Malone & Co., 19 N.Y.3d at 516, or evidence of “a relationship between the parties that could have caused reliance or inducement,” Mandarin Trading Ltd., 16 N.Y.3d at 182; accord Sperry v. Crompton Corp., 8 N.Y.3d 204, 215-16 (2007). Additionally, a plaintiff must establish that he or she conferred a direct benefit on the defendant. Kaplan, Inc. v. Yun, 16 F. Supp. 3d 341, 353 (S.D.N.Y. 2014); accord Kaye v. Grossman, 202 F.3d 611, 616 (2d Cir. 2000); Segal v. Cooper, 944 N.Y.S.2d 65, 67 (1st Dep’t 2012); see also Int’l Diamond Imps., Inc. v. Med Art, Inc., 2017 WL 2839640, at *10 (S.D.N.Y. June 29, 2017) (“a plaintiff must prove that they performed services for the defendant, which caused the defendant’s unjust enrichment.”). Here, Franklin has not alleged any relationship between the parties, let alone a relationship that “could have caused reliance or inducement.” Mandarin Trading Ltd., 16 N.Y.3d at 182. Franklin also does not allege that he conferred any direct benefit on X Gear. Accordingly, Franklin fails to state a claim under New York law for unjust enrichment based on defendants’ trademark infringement. See Lopez, 2017 WL 3278932, at *4 (dismissing unjust enrichment claim against trademark defendant for failure to “allege any connection or relationship . . . that could have caused any reliance or inducement”); Int’l Diamond Imps., Inc., 2017 WL 2839640, at *10 (“Plaintiff does not allege that they performed services for Defendants, nor does Plaintiff show a ‘sufficient relationship’ with Defendants to sustain an unjust enrichment claim”) (quoting Sperry, 8 N.Y.3d at 216); Kaplan, Inc., 16 F. Supp.

3d at 353 (dismissing state law unjust enrichment claim because trademark plaintiff failed to allege conferral of direct benefit on defendants).

A conversion claim “may or may not be preempted depending on the theories under which it is asserted.” Briarpatch Ltd., 373 F.3d at 307. “[I]f unauthorized publication is the gravamen of plaintiff’s claim, then it is clear that the right [he] seeks to protect is coextensive with an exclusive right already safeguarded by the Copyright Act, and thus that state law claim is preempted.” Miller v. Holtzbrinck Publishers, L.L.C., 377 F. App’x 72, 74 (2d Cir. 2010) (summary order) (internal quotation marks and some alterations omitted) (quoting Harper & Row Publishers, Inc. v. Nation Enters., 723 F.2d 195, 201 (2d Cir. 1983)). To the extent Franklin alleges that defendants unlawfully converted his design by printing it on t-shirts and other merchandise and distributing that merchandise online and at sneaker expos without his authorization, see Compl. ¶¶ 60, 61, the Copyright Act preempts his claims against X Gear and Tydlacka. See Miller, 377 F. App’x at 74; see also Baiul v. NBC Sports, 708 F. App’x 710, 712 (2d Cir. 2017) (affirming dismissal of state law conversion claim as preempted by the Copyright Act) (summary order); Gary Friedrich Enters., LLC v. Marvel Enters., Inc., 713 F. Supp. 2d 215, 230-31 (S.D.N.Y. 2010) (conversion claim “rooted in allegations of copying ideas” is preempted by the Copyright Act).

To the extent Franklin’s conversion claim rests on trademark infringement, it should be dismissed for failure to state a claim. Under New York law, conversion is defined as “any unauthorized exercise of dominion or control over property by one who is not the owner of the property which interferes with and is in defiance of a superior possessory right of another in the property.” Atlanta Shipping Corp. v. Chem. Bank, 818 F.2d 240, 249 (2d Cir. 1987) (quoting Meese v. Miller, 436 N.Y.S.2d 496, 500 (4th Dep’t 1981)); accord Thyoff v. Nationwide Mut.

Ins. Co., 460 F.3d 400, 403-04 (2d Cir. 2006) (“[c]onversion is the unauthorized assumption and exercise of the right of ownership over goods belonging to another to the exclusion of the owner’s rights.”) (quoting Vigilant Ins. Co. of Am. v. Hous. Auth., 87 N.Y.2d 36, 44 (1995)). “[A]n action for conversion will not normally lie, when it involves intangible property[,] because there is no physical item that can be misappropriated.” Thyoff v. Nationwide Mut. Ins. Co., 8 N.Y.3d 283, 289 (2007) (citation and internal quotation marks omitted). Although New York law recognizes exceptions to this general rule for certain types of intangible property that in reality manifest tangible forms of property, such as electronic records or stock certificates, see id. at 289, 292; Grgurev v. Licul, 229 F. Supp. 3d 267, 286-87 (S.D.N.Y. 2017) (citing cases), those exceptions do not include the right to use a trademark, Grgurev, 229 F. Supp. 3d at 286-87; In re Signature Apparel Grp. LLC, 2015 WL 1009452, at *13-14 (Bankr. S.D.N.Y. Mar. 4, 2015); Ortega v. Burgos, 2014 WL 2124957, at *1 (E.D.N.Y. May 22, 2014); Harris v. Coleman, 863 F. Supp. 2d 336, 345 (S.D.N.Y. 2012); Liebowitz v. Maxwell, 1994 WL 517456, at *2 (S.D.N.Y. Sept. 21, 1994); Fin. Matters, Inc. v. Pepsico, Inc., 1993 WL 378844, at *4 (S.D.N.Y. Sept. 24, 1993). A trademark, unlike electronic records or stock certificates, “is intangible intellectual property having no existence apart from the good will of the product or service it symbolizes.” Grgurev, 229 F. Supp. 3d at 286-87 (quoting Harris, 863 F. Supp. 2d at 345). Thus, it may not be misappropriated or controlled in defiance of the superior possessory rights of another. See Lopez, 2017 WL 3278932, at *5 (dismissing conversion claim based on trademark infringement); accord Grgurev, 229 F. Supp. 3d at 286-87; In re Signature Apparel Grp. LLC, 2015 WL 1009452, at *13-14. Franklin’s claim for conversion against X Gear and Tydlacka should therefore be dismissed for failure to state a claim.

IV. CONCLUSION

For the foregoing reasons, Instagram's motion to dismiss (Docket # 15) and GoDaddy's motion to dismiss (Docket # 34) should be granted and these defendants should be dismissed from the case. X Gear and Tydlacka's motion to dismiss (Docket # 44) should be granted as to Counts One, Five, and Six of the Complaint, but denied as to Counts Two, Three, and Four.

**PROCEDURE FOR FILING OBJECTIONS TO THIS
REPORT AND RECOMMENDATION**

Pursuant to 28 U.S.C. § 636(b)(1) and Rule 72(b) of the Federal Rules of Civil Procedure, the parties have fourteen (14) days (including weekends and holidays) from service of this Report and Recommendation to file any objections. See also Fed. R. Civ. P. 6(a), (b), (d). A party may respond to any objections within 14 days after being served. Any objections and responses shall be filed with the Clerk of the Court, with copies sent to the Hon. George B. Daniels at 500 Pearl Street, New York, New York 10007. Any request for an extension of time to file objections or responses must be directed to Judge Daniels. If a party fails to file timely objections, that party will not be permitted to raise any objections to this Report and Recommendation on appeal. See 28 U.S.C. § 636(b)(1); Fed. R. Civ. P. 72; Fed. R. Civ. P. 6(a), 6(b), 6(d); Thomas v. Arn, 474 U.S. 140 (1985); Wagner & Wagner, LLP v. Atkinson, Haskins, Nellis, Brittingham, Gladd & Carwile, P.C., 596 F.3d 84, 92 (2d Cir. 2010).

Dated: July 23, 2018
New York, New York



GABRIEL W. CORENSTEIN
United States Magistrate Judge

Copy sent to:

Jaquan Franklin
222 E 104th Street, Suite 901
New York, NY 10029