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United States District Court,
S.D. New York.

MOYNA LLC, Plaintiff,
v.
VICTORIA'S SECRET DIRECT NEW YORK, LLC,
Victoria's Secret Direct, LLC,
Victoria's Secret Direct Holdings, LLC and Intimate
Brands, Inc ., Defendants.

No. 01 Civ.9625 JFK.

Aug. 19, 2003.

Claugus & Mitchell, New York, New York, for
Plaintiff, Bruce A. Claugus, of counsel.

Colucci & Umans, Manhattan Tower, New York,
New York, for Defendants, Frank J. Colucci,
Courtney Wilson, of counsel.

OPINION AND ORDER

[KEENAN, J.](#)

Preliminary Statement

*1 Plaintiff moves pursuant to [Rule 56\(c\) of the Federal Rules of Civil Procedure](#) for summary judgment on two counts of the Amended Complaint: liability for copyright infringement and breach of the Settlement Agreement between the parties. [\[FN1\]](#) For the reasons set forth below, the Court grants plaintiff's motion.

[FN1.](#) Plaintiff is not moving for damages at this time or moving on its claims of reverse passing off or implied passing off. The Settlement Agreement arose out of an earlier filed case, No. 00 Civ. 4482, which was assigned to Judge Lawrence M. McKenna. This present case was assigned to me.

Background

Since June of 1998, MOYNA LLC ("MOYNA"), a design company, has been specializing in production and marketing of various women's apparel and accessory items including handbags, evening bags,

tote bags, purses, change purses, waist purses and similar goods. *See* Pl.'s Mem. of Law at 2. MOYNA sells its products under the trademark "MOYNA" which it displays on all goods with a distinctive label. *Id.* In April of 1999, MOYNA created a beaded mirror and embroidery work entitled Pinwheel Mirror and Embroidery Design (the "Pinwheel Design"). *Id.* at 3. Plaintiff registered this work with the U.S. Copyright Office and it now bears the United States Copyright Registration No. VA-985- 874, dated February 25, 2000. *Id.* . The copyrighted design has been used on various handbags and other items.

Defendant Victoria's Secret ("VS") is also engaged in the business of selling handbags. VS sells a large percentage of its handbags through its publications "Victoria's Secret--The Accessory Book" ("Accessory Book") and "Victoria's Secret Special Clearance Catalogue" ("Clearance Catalogue"). *Id.* In or about February 2000, Tricia Tirado, the exclusive sales representative of MOYNA in New York, claims she discovered a MOYNA handbag advertised in the Accessory Book. *Id.* The item was marked with the letter "C" and identified by VS as Item No. J7-139-238. *Id.* Upon discovery, Moyna Singh ("Singh"), owner of MOYNA, immediately ordered item C. *Id.* MOYNA received a handbag from VS which bore a hangtag with the legend "Another Y & S Original." *Id.* Y & S Handbags ("Y & S") is a bag manufacturer from whom VS purchased the bag pictured in their catalogues. Defs.' Local Civil R. 56.1 Stat. ¶¶ 1, 4. MOYNA claims this bag is of inferior quality and with the resale value of \$32.00. Pl.'s Mem. of Law at 4. A MOYNA custom designed handbag of similar design and size resold at \$110.00. *Id.*

MOYNA argues that, as a result of VS's act, its ability to market the Pinwheel Design as a custom original was detrimentally affected. *Id.* On June 19, 2000, MOYNA filed an action in this district (No. 00 Civ. 4482(LMM)) against what is now Victoria's Secret Direct ("VSD"). *Id.* That case was assigned to Judge Lawrence M. McKenna of this Court. MOYNA's complaint against VSD alleged willful copyright infringement, false designation of origin and misrepresentation under the Trademark Act of 1946, and common law trademark infringement, unfair competition, and misappropriation. *Id.* Defendants filed a third-party complaint against Y & S. Defs. ' Local Civil R. 56.1 Stat. ¶ 5.

On or about September 28, 2000, the case was directed by Hon. Lawrence M. McKenna to a mediation program. *See* Pl.'s Mem. of Law at 5. The

parties engaged in Court directed mediation on December 15, 2000, and again on January 17, 2001. During mediation, "Victoria's Secret was represented and was presented with: (i) a sample of MOYNA's designer handbag bearing the Pinwheel Mirror Design, (ii) a photograph of a MOYNA handbag, displayed as Item C on page 6 of the Accessory Book, (iii) a sample of the infringing Victoria's Secret handbag, (iv) and certificates of registration showing that MOYNA is the rightful owner of the Pinwheel Mirror Design." *Id.* On January 17, 2001, the parties entered into a Settlement Agreement under which MOYNA was compensated with \$45,000 from Y & S. *Id.*

*2 The Settlement Agreement states that Victoria's Secret and its agents are enjoined from "directly or indirectly reproducing, developing, manufacturing, importing, distributing, selling, promoting, advertising or in any way using any work derived or copied from the [Pinwheel Mirror Design]." *Id.* at 10.

In April 2001, within three months of the execution and delivery of the Settlement Agreement, Singh discovered that the 2001 Victoria's Secret Clearance Catalogue contained a photograph of her copyrighted handbag. *Id.* This image was identical to the photograph at issue in the Settlement Agreement and identical to the image used in the Spring 2000 Accessory Book. The only difference between the picture appearing in the Accessory Book and the one appearing in the Clearance Catalogue was the absence of an item indicator. When a customer inquired about the item, they were informed that Victoria's Secret had sold out the bag and were invited to purchase other products displayed on the same page. *Id.* at 6.

MOYNA alleges that the reproduction of the Pinwheel Design in the Clearance Catalogue has caused irreparable injury to MOYNA's business reputation because MOYNA has been marketing its goods as designer products. MOYNA contends customers are now under the supposition that Victoria's Secret owns the Pinwheel Mirror Design. In addition, Singh states that she can no longer sell her bags at their original price since people believe they can now get those bags from Victoria's Secret at a tremendous discount. *Id.* at 5.

DISCUSSION

A motion for summary judgment may be granted under [Rule 56 of the Federal Rules of Civil Procedure](#) if the entire record demonstrates that "there is no genuine issue as to any material fact and the moving party is entitled to judgment as a matter

of law." [Anderson v. Liberty Lobby, Inc.](#), 477 U.S. 242, 250 (1986). The moving party bears the burden of proving that no material facts are in dispute. *Donahue v. Windsor Locks Bd. of Fire Comm'rs*, 834 F.3d 54, 57 (2d Cir.1987). When viewing the evidence, the Court must "assess the record in the light most favorable to the non-movant and ... draw all reasonable inferences in its favor." [Delaware & Hudson Ry. Co. v. Consol. Rail Corp.](#), 902 F.2d 174, 177 (2d Cir.1990); [McLee v. Chrysler Corp.](#), 109 F.3d 130, 134 (2d Cir.1997); see also [Anderson](#), 477 U.S. at 255. Courts should "take care not to abort a genuine factual dispute prematurely and thus deprive a litigant of his day in court." *Donahue*, 834 F.3d at 55. If the court finds that there are factual disputes regarding material issues, summary judgment is not appropriate. See [Anderson](#), 477 U.S. at 249; see also [Repp & K & R Music, Inc. v. Webber](#), 132 F.3d 882, 890 (2d Cir.1997) ("[O]n a motion for summary judgment ... the court's task is issue identification, not issue resolution."). Summary judgment is "improper if there is any evidence in the record from any source from which a reasonable inference could be drawn in favor of the nonmoving party." [Chambers v. TRM Copy Ctrs. Corp.](#), 43 F.3d 29, 37 (2d Cir.1994).

*3 To determine whether the moving party has met its burden, the Court must focus on both the materiality and the genuineness of the factual issues raised by the nonmovant. As to materiality, "it is the substantive law's identification of which facts are critical and which facts are irrelevant that governs." [Anderson](#), 477 U.S. at 248. A dispute over irrelevant or unnecessary facts will not preclude summary judgment, *id.*, but the presence of unresolved factual issues that are material to the outcome of the litigation mandates a denial of summary judgment. [Drutman Realty Co. Ltd. Partnership v. Jindo Corp.](#), 865 F.Supp. 1093, 1098-99 (S.D.N.Y.1994). Plaintiff moves for summary judgment on copyright infringement and breach of the Settlement Agreement. The Court will address each claim separately.

I. Copyright Infringement

To establish a claim for copyright infringement, plaintiff must show (1) ownership of a valid copyright and (2) unauthorized copying of a material portion of the original work. [Feist Publ'ns, Inc. v. Rural Tel. Serv. Co.](#), 499 U.S. 340, 361 (1991); [Fonar Corp. v. Domenick](#), 105 F.3d 99, 104 (2d Cir.1997); [Recycled Paper Prods.](#), 731 F.Supp. 624, 625-26 (S.D.N.Y.1990).

A. Ownership of a valid copyright

Ownership of a valid copyright will normally be presumed if the claimant produces a certificate of registration from the United States Copyright Office. See [17 U.S.C. § 410\(c\)](#); [Boisson v. Banian, Ltd.](#), [273 F.3d 262, 269 \(2d Cir.2001\)](#); [Hamil Am., Inc. v. GFL](#), [193 F.3d 92, 98 \(2d Cir.1999\)](#). Such certificate is *prima facie* evidence of a valid copyright. If plaintiff successfully establishes the *prima facie* element of copyright ownership, the burden then shifts to defendant to refute this evidence. In [Design v. Lauren Knitwear Corp.](#), [782 F.Supp. 824, 829 n. 11 \(S.D.N.Y.1991\)](#). Defendant can rebut this presumption by providing evidence of a material issue of fact concerning the copyright. [Lipton v. Nature Co.](#), [71 F.3d 464, 469 \(2d Cir.1995\)](#). If the presumption of validity is overcome, the burden of proof shifts back to the plaintiff to prove it has original and copyrightable subject matter and owns the same. [Tufenkian Import/Export Ventures, Inc. v. Einstein Moomjy, Inc.](#), [237 F.Supp.2d 376, 381 \(S.D.N.Y.2002\)](#).

MOYNA obtained a copyright certificate on February 25, 2000, from the United States Copyright Office. See Affidavit of Moyna Singh ("Singh Aff."), Ex A. The copyright was granted for MOYNA's Pinwheel Mirror and Embroidery design. With the certificate is a photograph of the copyrighted design. A fraudulently induced copyright will invalidate a copyright. [TVT Records v. Island Def Jam Music Group](#), [244 F.Supp.2d 263, 268 \(S.D.N.Y.2003\)](#). Because this Court has no reason to believe the Certificate of Registration is fraudulent, the Court concludes that MOYNA has satisfied its burden of demonstrating ownership.

Defendant has not successfully refuted the evidence presented by MOYNA. VSD alleges they have not had an opportunity to conduct discovery regarding plaintiff's copyright, either to their ownership or to whether it is copyrightable subject matter. See Defs.' Mem. of Law at 6. VSD knew of the copyright infringement accusation on June 19, 2000. VSD only now requests discovery regarding its claim that Y & S created an original design. That request should have been made in the prior case before Judge McKenna.

*4 Under [Rule 56\(f\)](#), the Court "may refuse the application for [summary] judgment or may order a continuance to permit affidavits to be obtained or depositions to be taken or discovery to be had." See [Fed.R.Civ.P. 56\(f\)](#). This relief will only be granted if the party seeking relief files an affidavit explaining the absence of evidence and the relevance of that information in precluding summary judgment. [Cramer v. Devon Group, Inc.](#), [774 F.Supp. 176, 180](#)

[\(S.D.N.Y.1991\)](#). VSD never submitted affidavits requesting discovery; instead they now merely speculate as to the value of such discovery. Under [Rule 56\(f\)](#), defendant's procedural failure in submitting timely affidavits requesting discovery precludes discovery. VSD failed to follow proper procedure.

Additionally, VSD never specified what the improperly requested discovery would uncover. A request for discovery must be based on a belief that such effort will produce evidence to support applicant's claim. A "party's mere hope that further evidence may develop prior to trial is an insufficient basis upon which to justify the denial of a summary judgment motion." [Gray v. Town of Darien](#), [927 F.2d 69, 74 \(2d Cir.1991 \(citations omitted\)\)](#). Relying on speculation and failing to follow proper procedure, VSD has not provided the Court with justifiable reasons to grant their request.

Additionally, VSD's request is untimely. Defendants failed to seek discovery during the pendency of this motion or in the prior motion filed in this case. To grant discovery now, based on a November 12, 2002, request, regarding a material element raised in a previous case now concluded is inappropriate. VSD should have requested discovery in 2000 during the previous case because that case addressed the same copyright allegation and involved the same issue of ownership. Even were this overlooked, defendants could have requested discovery months earlier in this action. In accordance with 56(g), any attempt to have this motion delayed pending future discovery, is denied.

Additionally, while they assert that Y & S should have an opportunity to offer evidence on originality, see Defs.' Mem. of Law at 8, Y & S is not a party to this action nor have defendants filed a third-party complaint against Y & S as they did in the prior action before Judge McKenna. Any ability Y & S has to prove its original design has not been properly addressed before this court. Because defendants have unreasonably delayed asking for discovery or producing sufficient evidence to establish that Y & S created the bag, this court finds that MOYNA established ownership of a valid copyright and VSD failed to refute it.

B. Copying

Copying may be inferred upon a showing that (1) defendant had access, *i.e.*, an opportunity to copy plaintiff's work and (2) there is a sufficient level of similarity between the works to prove that defendant engaged in copying rather than creating the work

independently. *Castle Rock Entm't, Inc. v. Carol Pub. Group, Inc.*, 150 F.3d 130, 137 (2d Cir.1998); *Laureyssens v. Idea Group, Inc.*, 964 F.2d 131, 140 (2d Cir.1992).

1. Access

*5 Plaintiff must show that defendants had access either to the copyrighted work directly, or that the work was widely disseminated. *Jorgensen v. Epic/Sony Records*, No. 00 Civ. 9181, 2002 WL 31119377, at *3 (S.D.N.Y. Sept. 24, 2002); *ABKCO Music, Inc. v. Harrisongs, Ltd.*, 722 F.2d 988, 998 (2d Cir.1983). "Access means ... having reasonable opportunity to [see] the plaintiff's work, in other words having the opportunity to copy." *Jorgensen*, 2002 WL 31119377, at *3. MOYNA asserts that beginning in May of 1999, "MOYNA handbags bearing the Pinwheel Design were widely disseminated and available at a New York accessories show, stores including Bergdorf Goodman, Barney's, Saks Fifth Avenue, Macy's and other specialty boutiques in New York as well as throughout the United States and Overseas." Pl.'s Reply Mem. of Law at 6. Plaintiff cannot and need not prove that VSD physically possessed a handbag displaying the Pinwheel Design. Because the bags were widely disseminated, access has been established.

2. Similarity Between the Works

Here the access element is strong in plaintiff's favor. Even if plaintiff could not establish access, or if the access element of the case were weak, the motion for summary judgment does not fail automatically. Plaintiff could prevail by "showing a striking similarity strong enough to preclude the possibility of independent creation between the two works at issue." *Jorgensen*, 2002 WL 31119377, at *4 (citation omitted); *Gaste v. Kaiserman*, 863 F.2d 1061, 1067-68 (2d Cir.1988).

"Striking similarity" is established by the existence of such similarities between the works that would render the making of two independent creations unlikely. *Laureyssens*, 964 F.2d at 140. Similarity is determined if an ordinary person could aesthetically recognize the copy as the appropriated work. *Hamil*, 193 F.3d at 100. The Court finds that the bags depicted here were strikingly similar, and in fact, almost identical.

3. Infringement

Infringement will be established if the copying was improper and unlawful. Copying is unlawful if plaintiff demonstrates that the second work is

"substantially similar" to the protected expression in the copyrighted work. See *Knitwaves, Inc. v. Lollytogs, Ltd.*, 71 F.3d 996, 1002 (2d Cir.1995); *Fisher-Price, Inc. v. Well-Made Toys Mfg. Corp.*, 25 F.3d 119, 122-23 (2d Cir.1994). The test for substantial similarity is the "ordinary observer test." *Streetwise Maps, Inc. v. Vandam, Inc.*, 159 F.3d 739, 747 (2d Cir.1998). The "ordinary observer test" is satisfied if "an average lay observer would recognize the alleged copy as having been appropriated from the copyrighted work." In *Design v. Lauren Knitwear Corp.*, 782 F.Supp. 824 (S.D.N.Y.1991) (quoting *Ideal Toy Corp. v. Fab-Lu Ltd.*, 360 F.2d 1021, 1022 (2d Cir.1966)).

A "more discerning" ordinary observer standard may apply to a work that deals with both protectible and unprotectible elements. *Hamil*, 193 F.3d at 92 (citing *Folio Impressions, Inc. v. Byer Cal.*, 937 F.2d 759 (2d Cir.1991)). This test requires the court to eliminate the unprotected elements from its consideration and ask whether the protectible elements, standing alone, are substantially similar. *Hamil*, 193 F.3d at 14; *Folio Impressions*, 937 F.2d at 756-66. Focusing specifically on the Pinwheel Design, the protected element here, this Court determines that the photographed handbag appearing in the VSD Clearance Catalogue is substantially similar to MOYNA's copyrighted handbag.

*6 Applying either the standard ordinary observer test or the more discerning ordinary observer test, VSD has published a photograph of a handbag, which if not identical, is substantially similar to the bag MOYNA has copyrighted. The photographed handbag and MOYNA's handbag both bear curved fronds or feathers meeting to form curving "V's". These V's are in exactly the same place on both bags. Pl.'s Reply Mem. of Law; Singh Aff., Ex. A, Ex. E (2001 Clearance Catalogue). Both bags also contain the copyrighted Pinwheel Mirror Design. See Singh Aff., Ex. E. The Pinwheels are located in identical positions on both bags. The possibility of mere coincidental likeness is not only highly unlikely, it is also implausible. Because a reasonable inference can be drawn from the April 2001 Clearance Catalogue that VSD was created this bag and sold this bag which displays the copyright protected Pinwheel Design, it is proper to find that there is infringement of MOYNA's copyright.

VSD, therefore, has the burden to establish independent creation.

3. Defense of Independent Creation

Independent creation is an affirmative defense,

evidence of which may be used to rebut a prima facie case of infringement. See Repp, 132 F.3d at 889. To rebut the inference of copying, VSD must produce credible evidence that Y & S created this bag independently. Novelty Textile Mills, Inc. v. Joan Fabrics Corp., 558 F.2d 1090, n. 2 (2d Cir.1977). VSD, through Y & S, did not provide sufficient evidence to refute the accusation of copying. The possibility that some of the smaller stitching might be different or unique, or that there may be subtle differences between the bags not conveyed in the picture do not suffice.

Applying the most stringent observer test, the degree of similarity is convincing to an overwhelmingly degree. The few slight differences suggested on the photograph only confirm a modification to avoid identical duplication. VSD cannot prevail in the argument that the photograph in the Clearance Catalogue is not substantially similar to the photograph of MOYNA's copyrighted handbag. When VSD published the copyrighted handbag in their Clearance Catalogue, they violated MOYNA's copyright. VSD is liable for copyright infringement and summary judgment is granted on this claim.

II. Breach of the Settlement Agreement

A settlement agreement was signed on January 17, 2001 by and between Moyna LLC and Victoria's Secret Catalogue New York, LLC and Y & S Handbags, Inc. See Kile Aff., Ex. A ("Settlement Agreement and Release"). The Agreement awarded MOYNA \$45,000 from Y & S. In addition to the award, the Agreement stated that "defendants, each of their agents, servants, and employees, and all other parties in concert or privity or participation with them, shall be permanently enjoined from directly or indirectly reproducing, developing, manufacturing, importing, distributing, selling, promoting, advertising or in any way using any work derived or copied from the design which is the subject of Moyna LLC's copyrights as represented in Exhibit A (the Copyright)." *Id.*

*7 In the Agreement, VSD agreed to all the stipulated terms with reference to Exhibit A. Exhibit A is a photograph of the Moyna handbag. When VSD agreed not to reproduce, develop, manufacture, import, distribute, sell, promote, advertise or use in anyway, they agreed with reference to the image presented in Exhibit A.

VSD breached the Agreement. The Court bases its ruling that VSD breached the Settlement Agreement on the fact that VSD used an image identical or substantially similar to an image it agreed not to use.

Such ruling is limited to the terms of the Agreement and is not a finding of liability on any other basis.

VSD claims their acts were unintentional, inadvertent and do not constitute a material breach of the Settlement Agreement. Defs.' Mem. of Law at 13. VSD argues that MOYNA is not entitled to any form of recovery unless VSD's breach was of a material aspect of the Settlement Agreement. VSD asserts that they distributed approximately thirty-five (35) separate editions of the Victoria's Secret Catalogue. Of these thirty-five editions, only one edition, the Victoria's Secret Clearance 2001 Catalogue, included the photograph in question. This catalogue was not widely disseminated and VSD argues that any breach that may have occurred does not rise to the level of a material breach.

The Court concludes this oversight was more than inadvertent and constitutes a material breach of the Settlement Agreement. The inclusion of the photograph was not inadvertent because VSD stated in its submissions on this motion they "featured the photograph ... solely to sell off its remaining inventory of other bags, and not for any other reason." Defs.' Local Civil R. 56.1 Counter Stat. Deliberation regarding why to include the bag reflects reasoning behind the decision. This negates an argument that VSD's actions were inadvertent. The breach was material because the photograph was identical to the one at issue in the previous Judge McKenna case. The Agreement prohibited dissemination in any way and at any level. VSD's argument that the photograph was only included in one catalogue is irrelevant. Dissemination at any level constitutes breach. VSD is a huge national company that has outlets across the land. It distributes voluminous Clearance Catalogues to customers and prospective customers. The dissemination of even one catalogue has serious impact.

While VSD may not have been selling the restricted handbag, actual sales are not relevant to breach. Because they reproduced, promoted, advertised, and used a work derived or copied from the Pinwheel Mirror Design, they breached the Settlement Agreement. Plaintiff's motion on this count is also granted.

CONCLUSION

The Court grants plaintiff's motion for summary judgment on Counts I and II. Counsel are directed to appear at a conference with the Court on August 28, 2003 at 10:00 a.m. to address the remaining claims and damages.

SO ORDERED.

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