UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF NEW YORK

CAR-FRESHNER CORP.; and
JULIUS SAMANN, LTD.,

Plaintiffs,

7:09-CV-1252
(GTS/GHL)

v.

GETTY IMAGES, INC.; and
GETTY IMAGES (US), INC.,

Defendants,

APPEARANCES:

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HON. GLENN T. SUDDABY, United States District Judge

MEMORANDUM-DECISION and ORDER

Currently before the Court, in this trademark and unfair competition action filed by Car-Freshner Corporation ("CFC") and Julius Sämann Ltd. ("JSL") (collectively "Plaintiffs") against Getty Images, Inc. and Getty Images (U.S.) Inc. ("Defendants"), are the following two motions: (1) Defendants' motion to dismiss Plaintiffs' Amended Complaint for failure to state a claim upon which relief can be granted pursuant to Fed. R. Civ. P. 12(b)(6) or, in the alternative, for summary judgment pursuant to Fed. R. Civ. P. 56 (Dkt. No. 14); and (2) Plaintiffs' cross-motion requesting that the Court reserve its decision on Defendants' motion pending Plaintiffs' receipt of further discovery, and/or their ability to further brief the issues, pursuant to Fed. R. Civ. P. 56(d) (Dkt. No. 16).[1] For the reasons set forth below, Defendants' motion is granted in part and denied in part; and Plaintiffs' cross-motion is granted in part and denied in part.

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[1] Accompanying Plaintiffs' cross-motion for discovery was a motion to add as a Defendant in this action Getty-US. (Dkt. No. 16.) On September 30, 2010, United States Magistrate Judge George H. Lowe issued an Order that (1) granted in part, and otherwise deferred, Plaintiffs' cross-motion for discovery, and (2) granted Plaintiffs' motion to add as a Defendant in this action Getty-US, directing Plaintiffs' to so amend their Complaint. (Dkt. No. 25.) On October 7, 2010, following Plaintiffs' filing of an Amended Complaint, Defendants submitted a letter-brief confirming their understanding that the Court would consider the pending motion to dismiss or for summary judgment (filed by Defendant Getty Images, Inc., against Plaintiffs) to have been filed by both Defendants, and to apply to Plaintiffs' Amended Complaint. (Dkt. No. 30.) Neither Plaintiffs nor Magistrate Judge Lowe filed any document indicating a contrary understanding. Subsequently, Magistrate Judge Lowe issued further rulings on the deferred portion of his Order of September 30, 2010. (*See generally* Docket Sheet.) As a result, the Court deems the motion to dismiss or for summary judgment to have been filed by both Defendants, and to apply to Plaintiffs' Amended Complaint. In addition, the Court considers only that portion of Plaintiffs' cross-motion requesting that the Court reserve its decision on Defendants' motion pending Plaintiffs' receipt of further discovery, and/or their ability to further brief the issues.

I. RELEVANT BACKGROUND

A. Plaintiffs' Claims

Generally, liberally construed, Plaintiffs' Amended Complaint alleges as follows.

Plaintiffs are engaged in the business of manufacturing and marketing products, such as air fresheners, using distinctive Tree designs as trademarks and corporate identifiers. (Dkt. No. 28 at ¶ 14 [Plfs.' Am. Compl.].) In addition to owning federal registrations for the famous Tree design Marks (collectively the "Tree Marks"), Plaintiffs have common law trademark rights to the famous Tree Marks, which are used in commerce in connection with various goods. (*Id*. at ¶¶15-18, 21.)

Defendants are engaged in the business of licensing digital media through their website to customers. (*Id*. at ¶ 9.) Defendants have infringed on Plaintiffs' Tree Marks by "promoting and licensing digital media for commercial use through [their] Web Site(s) that included one or more tree designs which are identical to, virtually indistinguishable from and/or confusingly similar to Plaintiffs' distinctive Tree . . . Marks." (*Id*. at ¶ 23.) In addition, "Defendants engaged in their unauthorized and complained of conduct with full knowledge of the value and fame of the Tree . . . Marks, and long after the Tree . . . Marks had become famous." (*Id*. at ¶ 26.)

Based on these (and other) factual allegations, Plaintiffs' Amended Complaint asserts the following eight claims: (1) federal trademark infringement; (2) federal false designation of origin; (3) common law trademark infringement; (4) common law unfair competition; (5) contributory trademark infringement, unfair competition and dilution; (6) vicarious trademark infringement, unfair competition and dilution; (7) federal dilution; and (8) dilution under New York State law. (*Id*. at ¶¶ 43-75.)

Familiarity with the remaining factual allegations supporting these claims in Plaintiffs' Amended Complaint is assumed in this Decision and Order, which is intended primarily for review by the parties. (*Id*.)

B. Defendants' Motion and Plaintiffs' Opposition/Cross-Motion

Generally, in support of their motion to dismiss for failure to state a claim or, in the alternative, for summary judgment, Defendants asserts the following three arguments: (1) Plaintiffs have not alleged facts plausibly suggesting, or adduced admissible record evidence establishing, that Defendants have "used" the Tree Marks as trademarks to identify their source or sell their own goods (through their descriptive and expressive fair use of those Tree Marks); (2) even assuming that Plaintiffs have alleged such facts and adduced such evidence, Defendants are protected from liability as a matter of law by the "nominative fair use" doctrine essentially because Defendants are not capitalizing on consumer confusion (through their incidental and purely descriptive use of the Tree Marks); and (3) even assuming that Defendants are not so protected, Plaintiffs' claims of contributory infringement and vicarious liability must be dismissed, because they have not alleged facts plausibly suggesting, or adduced admissible record evidence establishing, a claim for either contributory infringement or vicarious liability. (*See generally* Dkt. No. 14, Attach. 1 [Defs.' Memo. of Law].)

Generally, in opposition to Defendants' motion, and in support of their cross-motion pursuant to Fed. R. Civ. P. 56(d),[2] Plaintiffs argue as follows: (1) Defendants' motion to dismiss for failure to state a claim should be denied, because Plaintiffs have adequately pled each of their

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[2] At the time Plaintiffs' filed their cross-motion on February 23, 2010, the subdivision of Fed. R. Civ. P. 56 that permitted cross-motions for discovery (in opposition to a motion for summary judgment) was subdivision (f). However, Fed. R. Civ. P. 56 was amended on April 28, 2010. Pursuant to the amendments, subdivision (d) carried forward without substantial change the provisions of former subdivision (f).

eight claims; (2) in the alternative, Defendants' motion to dismiss for failure to state a claim should be denied, because each of the factually based defenses asserted by Defendants (i.e., the defenses of non-trademark use, descriptive fair use, expressive fair use, and nominative fair use) rely on record evidence (i.e., facts and materials asserted through Defendants' counsel's affidavit), which may not be considered by the Court without treating Defendants' motion as one for summary judgment; and (3) the Court should reserve its decision on Defendants' alternative motion for summary judgment pending Plaintiffs' receipt of further discovery, and/or their ability to further brief the issues. (*See generally* Dkt. No. 16, Attach. 6 [Plfs.' Response Memo. of Law].)[3]

Generally, in their reply to Plaintiffs' response, in addition to reiterating previously advanced arguments, Defendants argue that the Court may fairly decide (and grant) their alternative motion for summary judgment without affording Plaintiffs an opportunity to conduct discovery, because Plaintiffs have not submitted an affidavit showing (1) what facts are sought to resist the motion and how they are to be obtained, (2) how those facts are reasonably expected to create a genuine issue of material fact, (3) what effort Plaintiffs have made to obtain them, and (4) why Plaintiffs have been unsuccessful in those efforts. (Dkt. No. 17.)[4]

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[3] In their motion, Plaintiffs also requested joinder of Getty Images (US), Inc., as a Defendant pursuant to Fed. R. Civ. P. 19 and 20. As explained above in note 1 of this Decision and Order, that request was granted by Magistrate Judge Lowe on September 30, 2010.

[4] Defendant Getty Images, Inc., also states that it "has no objection to the addition of [Getty-US] as a [D]efendant[,]" but asserts that "Getty Images (US), Inc. should be substituted for [Defendant Getty Images, Inc., because it] has no involvement in the matters at issue." (Dkt. No. 18.)

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