

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF KINGS : PART 9

X

JOYCI BOROVSKY and HOUSE OF KAVA INC.,

Plaintiffs,

-against-

DECISION / ORDER

Index No. 516318/2019

Motion Seq. No. 2

Date Submitted: 10/05/2020

VANESSA LOPEZ,

Defendant.

X

Recitation, as required by CPLR 2219 (a), of the papers considered in the review of defendant's motion to dismiss.

Papers

NYSCEF Doc.

Notice of Motion, Affirmations, Affidavits, and Exhibits Annexed.....	<u>40-42</u>
Affirmation in Opposition and Exhibits Annexed.....	<u>44-45</u>

Upon the foregoing cited papers, the Decision/Order on this application is as follows:

Plaintiff House of Kava Inc. ("HOK") is a New York corporation which operated a bar that served "kava-derived products as a health alternative to alcoholic beverages" in Brooklyn, New York. Plaintiff Borovsky allegedly formed, owned and operated HOK in 2016 with her partner, non-party Grant Roberts. In December 2017, Borovsky and defendant Lopez met at HOK and became friends. In early 2018, defendant invested with plaintiff, purchasing a 20% ownership stake in a new business venture, a kava bar to be opened in Miami ("HOK Miami").¹

¹ According to the Florida Division of Corporations' public website, non-party House of Kava Miami Inc. was established February 6, 2018. Roberts is identified as its president, vice president, and agent; Borovsky is listed as its president and secretary and Lopez is listed as the chairman and secretary.

Shortly thereafter, in April 2018, defendant was hired to serve as the general manager of the Brooklyn HOK. Annexed as Exhibit A to the amended complaint (E-File Doc 33) is a "NON-DISCLOSURE AGREEMENT/Employment Contract" ("NDA"), dated March 27, 2018, which was purportedly executed by defendant Lopez (as the employee), Borovsky (as the "Owner" of HOK and HOK Miami), and Roberts (as the "Witness").

In June 2019, Borovsky allegedly received a phone call from HOK's landlord (Brooklyn) indicating that the City of New York had issued a violation for "the amount of trash and rats discovered" during an inspection. Borovsky then reported this to defendant, who allegedly responded, "that is not my job" and she then asked for a raise, "especially if Borovsky wanted defendant to clean up the garbage." Defendant ultimately "resigned" from her position as manager of HOK [Brooklyn] on Tuesday, July 2, 2019.

When defendant Lopez resigned as general manager of HOK Brooklyn, "Borovsky determined . . . to temporarily close HOK . . . so that [she] could" open HOK Miami before returning to New York. HOK [Brooklyn] then allegedly laid off the entire staff, who Borovsky claims were all defendant's "friends and roommates." Defendant Lopez then allegedly "created a fake business Instagram account, which made a purported parody of Borovsky and HOK," for the "sole purpose of diminishing HOK's customer base and tarnish[ing] [Borovsky's] reputation in the community." Plaintiffs allege that defendant used this fake social media account to "spread lies and derision about Plaintiffs" and to "commit copyright infringement" which was a breach of the NDA.

Plaintiffs assert four causes of action, only the first two of which are at issue in this pre-answer motion for partial dismissal of the amended complaint. The first cause of action, for libel *per se*, asserts that defendant created the fake account, which appears to the public to be an official HOK account, and posted: "If you're Joyci, you . . . fire all your staff and tell the community to [expletive] off". Further, the post, "using a witch-type character to mock [Borovsky], as if [Borovsky] were saying [sic], 'I'm finally free to fire my entire staff and shut down [HOK].' " (E-File Doc 32 [amended complaint]; see also E-File Doc 35 [purported screenshots of defendant's allegedly fake HOK account], and Doc 39 [other allegedly disparaging comments on social media]). Plaintiffs allege their "reputation continues to be harmed by Defendant's false statements because members of community post negative social media posts based on the desultory remarks of Defendant."

In plaintiff's second cause of action, they allege that defendant infringed plaintiff's copyright, pursuant to 17 USC §§ 501 (b) and 106 (5). Plaintiffs argue that they are the legal owner of the exclusive right, under a copyright, of "that certain photograph, which [defendant] has used as part of her profile on social media platforms" in violation of § 106 (5).

Defendant now moves (pre-answer) to dismiss the first and second causes of action in plaintiffs' amended complaint pursuant to CPLR §§ 3211 (a) (2) and (a) (7). Defendant does not move to dismiss the third or fourth causes of action (unfair competition and breach of the NDA) in the amended complaint.

Defendant argues that plaintiffs have not demonstrated a claim for libel/defamation, as a matter of law, because the complaint does not allege statements that a reasonable person would believe are factual, as opposed to opinion, given that

the statements were made in the context of internet/social media communications, and because plaintiffs “fail[] to allege statements which a reasonable person would believe to be fact” because the plaintiffs themselves characterize the Instagram account as a “parody account.”

With regard to the cause of action for copyright infringement, defendant argues that the “exclusive privilege of first publishing any original material product of intellectual labor” terminates on publication, and that plaintiffs published the photograph at issue prior to defendant’s using the same photo “as part of her profile on social media platforms.”

Discussion

1. Defamation

“The elements of a cause of action for defamation are (a) a false statement that tends to expose a person to public contempt, hatred, ridicule, aversion, or disgrace, (b) published without privilege or authorization to a third party, (c) amounting to fault as judged by, at a minimum, a negligence standard, and (d) either causing special harm or constituting defamation *per se*” (*Udell v NYP Holdings, Inc.*, 169 AD3d 954, 955 [2d Dept 2019] [internal quotation marks omitted]). “A libel action will fail even where a substantially true statement contains minor inaccuracies. As only statements alleging facts can be the subject of a defamation action, [a]n expression of pure opinion is not actionable, . . . no matter how vituperative or unreasonable it may be” (*id.* [internal citations and quotation marks omitted]).

“Whether a particular statement constitutes an opinion, or an objective fact is a question of law” (*Kasavana v Vela*, 172 AD3d 1042, 1045 [2d Dept 2019] [internal citations omitted]). “In distinguishing between facts and opinion, the factors the court

must consider are (1) whether the specific language has a precise meaning that is readily understood, (2) whether the statements are capable of being proven true or false, and (3) whether the context in which the statement appears signals to readers [or listeners] that the statement is likely to be opinion, not fact” (*id.* [internal citations and quotation marks omitted]). “The essential task is to decide whether the words complained of, considered in the context of the entire communication and of the circumstances in which they were spoken or written, may be reasonably understood as implying the assertion of undisclosed facts justifying the opinion” (*id.*). “Loose, figurative or hyperbolic statements, even if deprecating the plaintiff, are not actionable” (*Jacobus v Trump*, 55 Misc 3d 470, 475 [Sup Ct 2017], *affd* 156 AD3d 452 [1st Dept 2017]).

In considering defamation claims involving the internet and social media, New York Courts have noted that “[t]he culture of Internet communications[] . . . has been characterized as encouraging a freewheeling, anything-goes writing style” (*id.* [internal quotation marks omitted]; see e.g. *LeBlanc v Skinner*, 103 AD3d 202, 213 [2d Dept 2012]). Therefore, “epithets, fiery rhetoric or hyperbole advanced on social media have been held to warrant an understanding that the statements contained therein are vigorous expressions of personal opinion, rather than the rigorous and comprehensive presentation of factual matter” (*Jacobus*, 55 Misc 3d at 475 [internal quotation marks and citations omitted]). Thus, “New York courts have consistently protected statements made in online forums as statements of opinion rather than fact” (*Bellavia Blatt & Crossett, P.C. v Kel & Partners LLC*, 151 F Supp 3d 287, 295 [ED NY 2015] [citations omitted]; see also *Matter of Woodbridge Structured Funding, LLC v Pissed Consumer*, 125 AD3d 508, 509 [1st Dept 2015] [finding that disgruntled tone and use of statements on consumer grievance website that cannot be definitively proven true or

Explore Litigation Insights

Docket Alarm provides insights to develop a more informed litigation strategy and the peace of mind of knowing you're on top of things.

Real-Time Litigation Alerts



Keep your litigation team up-to-date with **real-time alerts** and advanced team management tools built for the enterprise, all while greatly reducing PACER spend.

Our comprehensive service means we can handle Federal, State, and Administrative courts across the country.

Advanced Docket Research



With over 230 million records, Docket Alarm's cloud-native docket research platform finds what other services can't. Coverage includes Federal, State, plus PTAB, TTAB, ITC and NLRB decisions, all in one place.

Identify arguments that have been successful in the past with full text, pinpoint searching. Link to case law cited within any court document via Fastcase.

Analytics At Your Fingertips



Learn what happened the last time a particular judge, opposing counsel or company faced cases similar to yours.

Advanced out-of-the-box PTAB and TTAB analytics are always at your fingertips.

API

Docket Alarm offers a powerful API (application programming interface) to developers that want to integrate case filings into their apps.

LAW FIRMS

Build custom dashboards for your attorneys and clients with live data direct from the court.

Automate many repetitive legal tasks like conflict checks, document management, and marketing.

FINANCIAL INSTITUTIONS

Litigation and bankruptcy checks for companies and debtors.

E-DISCOVERY AND LEGAL VENDORS

Sync your system to PACER to automate legal marketing.