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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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PEARSON EDUCATION, INC. and
JOHN WILEY & SONS, INC.,

Plaintiffs,

-v-

ALLEN AIR CONDITIONING CO., et al.,

Defendants.

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KATHERINE B. FORREST, District Judge:

08 Civ. 6152 (KBF)

MEMORANDUM
DECISION & ORDER

Before this Court is defendants' motion to dismiss plaintiffs' Amended Complaint ("Am. Compl.") asserting a Lanham Act violation, pursuant to 15 U.S.C. 1125(a)(1)(B). (ECF No. 125.) For the reasons set forth below, that motion is DENIED.

The standard applicable to a motion to dismiss is well known: this Court accepts as true all well-pleaded allegations and construes all inferences in favor of plaintiffs. Bell Atl. Corp. v. Twombly, 550 U.S. 544, 598 (2007); Chambers v. Time Warner, Inc., 282 F.3d 147, 152 (2d Cir. 2002).

The Amended Complaint is the latest battlefield in a long-running dispute between plaintiff-publishers and the defendants, Internet sellers of foreign editions of plaintiffs' publications. The case was originally brought in 2008, asserting both copyright infringement and Lanham Act violations. After a long and twisting

journey which involved a sortie to the Supreme Court, it was dismissed.¹ Plaintiffs then pursued their alternative claim for a Lanham violation. After motion practice and oral argument, plaintiffs moved to amend that Complaint; the Court allowed that amendment and this motion followed.² The motion was fully briefed as of February 21, 2014.

The Lanham Act makes actionable the deceptive and misleading use of marks. 15 U.S.C. § 1127. “While much of the Lanham Act addresses the registration, use, and infringement of trademarks and related marks, § 43(a), 15 U.S.C. § 1125(a) is one of the few provisions that goes beyond trademark protection.” Dastar Corp. v. Twentieth Century Fox Film Corp., 539 U.S. 23, 29 (2003). This provision provides for a broader remedy, one that encompasses a “false designation of origin, or any false description or representation.” Id. (internal quotation marks and citation omitted).

Plaintiffs’ original Complaint included allegations solely directed at copyright and trademark violations pursuant to 17 U.S.C. § 501 and 15 U.S.C. § 1114(a), respectively;³ because defendants were not alleged to have infringed any trademarks, those claims were dismissed. The Amended Complaint now seeks

¹ This case was stayed pending the Supreme Court’s decision in Kirtsaeng v. John Wiley & Sons, Inc., – U.S. –, 133 S.Ct. 1351 (2013). That case raised copyright issues similar to those plaintiffs raised in this case. In Kirtsaeng, the Court held that the first sale doctrine applied to purchases of publications outside of the United States. As a result, defendants’ sales in the United States of foreign editions of plaintiffs’ publications sold outside of the United States did not constitute a copyright violation.

² The motion for reconsideration also pending was thus rendered moot.

³ Plaintiffs also asserted a claim for unfair competition pursuant to state law.

relief only in connection with 15 U.S.C. § 1125(a)(B)(1), for a false representation or description. The allegations in the Amended Complaint are supportive of such a theory and the action may proceed.

The allegations in the Amended Complaint provide specificity as to how defendants are alleged to have mislead purchasers of foreign editions of publications. In short, plaintiffs assert that defendant has used the International Standard Book Number (“ISBN”) for English language editions of publications, as well as images of the covers of English language editions, in a manner that conveys a “net impression” that the buyer will receive an English language edition of the publication. Defendants in fact sell foreign editions. Because foreign editions may have different content and publication quality, plaintiffs are concerned that sales of one masquerading as the other will result in harm to their goodwill and reputation. The Lanham Act prohibits actions which deceive consumers and impair a producer’s goodwill. *Id.* at 32.

In support of their motion to dismiss, defendants spend significant time on the procedural history of the case and contend that plaintiffs’ Amended Complaint comes too late. It is certainly true that this action has been pending for almost six years. (It bears noting that a large portion of that time was spent on the trip to and from the Supreme Court). With that said, for a numbers of years, the focus of the litigation has been the copyright claim – though a Lanham Act claim was included in the original proceeding. Plaintiffs never dismissed the Lanham Act claim. Defendants have shown no prejudice from now litigating a claim that relates back

to the originally-pled Complaint apart from the passage of time. The Court declines to dismiss the action on such a basis.

Defendants also contend that reference to the actual advertisements demonstrates that defendants used both a foreign language and an English edition ISBN number. Similarly, defendants allege that they also show both foreign and domestic covers. This certainly appears to be true – but does not necessitate dismissal or indeed weaken plaintiffs’ case. The factual determination of whether the presence of the foreign ISBN number or foreign covers eliminates any confusion as to origin (or increases it) is a task for the fact finder at a later date – it is not for this Court to decide on a motion to dismiss.

Defendants also argue that ISBN numbers are not an “identifying trademark.” Of course, that is not what an action pursuant to 15 U.S.C. 1125(a)(B)(1) requires. Such an action encompasses false descriptions or representations. It is plausible that a unique mark associated with a good – such as an ISBN number – would represent or describe origin.

Additionally, defendants contend that the First Amendment bars the claim. That is not so. There is no First Amendment protection for false descriptions or representations of origin.

Finally, defendants argue that plaintiffs will never be able to prove injury based on this theory. This too is a question for another day. At present, the Court concerns itself with whether the allegations in the Amended Complaint state a

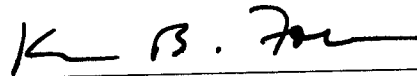
plausible claim – including a plausible claim for injury. They do. Whether plaintiffs will ultimately prevail constitutes what one calls “litigation risk.”

Plaintiffs’ allegations are sufficient to plead a claim pursuant to 15 U.S.C. § 1125(a)(B)(1). The motion to dismiss is DENIED.

The Clerk of Court is hereby directed to terminate the open motions at ECF Nos. 104 and 125.

SO ORDERED.

Dated: New York, New York
May 5, 2014



KATHERINE B. FORREST
United States District Judge