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DENISE COTE, District Judge:

This is a copyright infringement case in which Klauber Brothers, Inc. ("Klauber") claims that The Dress Barn, Inc. ("Dress Barn") and Protrend, Ltd. ("Protrend") infringed its copyrights for lace designs. This Opinion grants partial motions to dismiss brought by Dress Barn and Protrend for failure to state a claim pursuant to Fed. R. Civ. P. 12(b)(6).

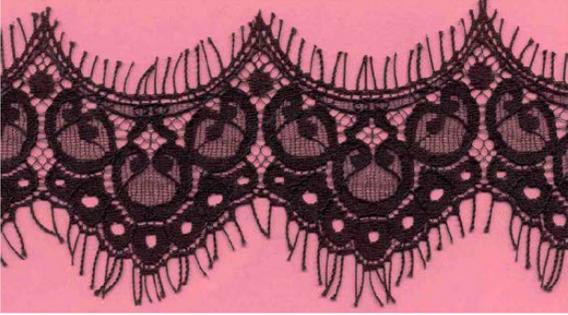
### **Background**

Dress Barn filed this action seeking a declaration that it had not sold garments that infringed two copyrights held by Klauber and that those two copyrights are invalid. Klauber answered and filed counterclaims. The following facts are taken from the amended counterclaims filed by Klauber asserting infringement claims against both Dress Barn and Protrend.

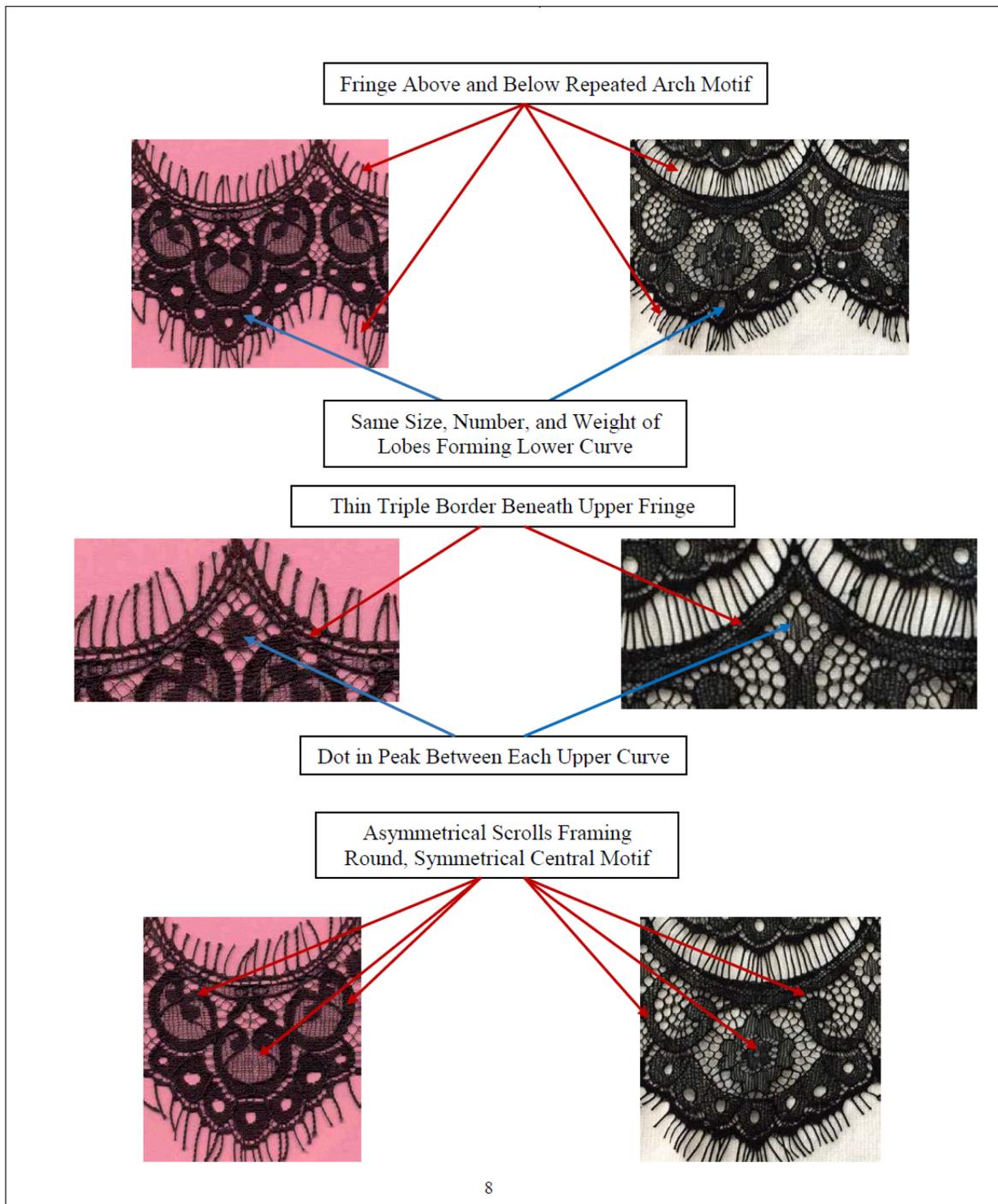
Klauber created three lace designs and applied for copyright registration for each with the United States Copyright Office prior to the commencement of this action. Klauber

alleges that, without its authorization, Dress Barn caused fabric and/or garments bearing designs that are substantially similar to these three designs to be manufactured, sold, imported, and/or distributed. Klauber also alleges that fabric or garments that infringed one of those three designs was manufactured by or for Protrend and sold to Dress Barn. Two of these three designs are at issue in these partial motions to dismiss: Design Numbers 688 and 845.

Klauber asserts an infringement claim against Dress Barn in connection with Design Number 688. Design Number 688 depicts lace with scalloping on the bottom and fringe on both the top and bottom edges. Klauber sampled and sold over 230,000 yards of lace bearing Design Number 688 to numerous parties in the fashion and apparel industries. An image of Design Number 688 and the allegedly infringing product sold by Dress Barn is reproduced below.

Klauber Design 688 – Subject Design B	Infringing Product B Exemplar
	<p data-bbox="1166 239 1243 264">Detail:</p>  <p data-bbox="1154 569 1255 594">Garment:</p> 

Klauber supports its allegations of infringement of Design Number 688 with a series of close-up photos, labelled to identify similar elements in the two designs. This visual aid is reproduced below.

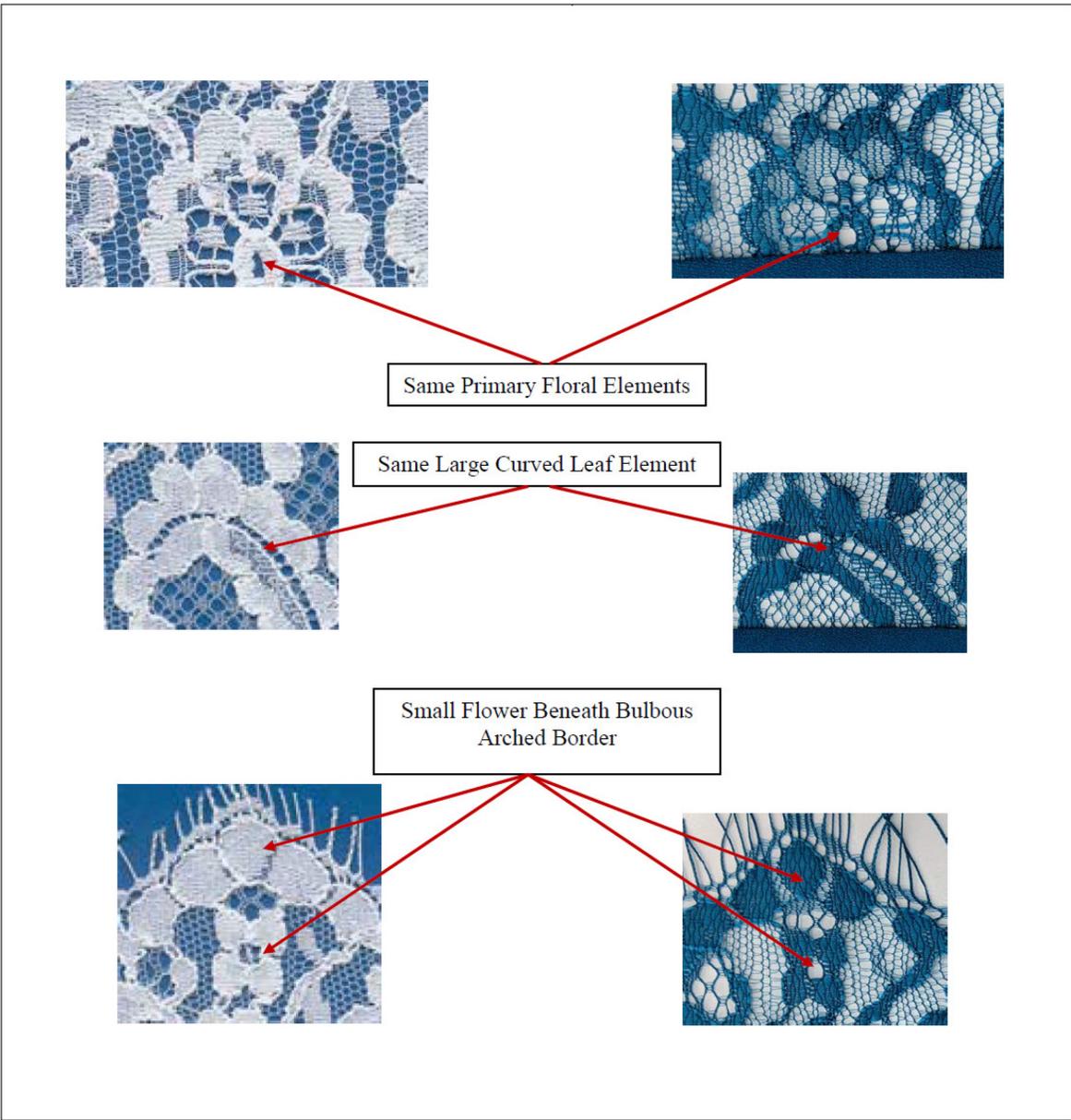


The second design at issue in this motion is Design Number

845. This Infringement claim is brought against both Dress Barn and Protrend. Design Number 845 depicts a lace pattern with scalloping and fringe on the top and bottom edges and floral motifs. Klauber sampled and sold over 330,000 yards of lace bearing Design Number 845 to numerous parties in the fashion and apparel industries. An image of Design Number 845 and the allegedly infringing product sold by Dress Barn is reproduced below.



Klauber supports its allegations of infringement of Design Number 845 with a series of close-up photos, labelled to identify similar elements in the two designs. This visual aid is reproduced below.



Klauber alleges that products infringing Design Number 845 were manufactured by or for Protrend for Dress Barn's benefit and ultimate retail sale.

Dress Barn commenced this action on September 5, 2018. Its

complaint, filed that day, seeks declarations of copyright registration invalidity and non-infringement of Klauber's Design Number 7010, which is not addressed in this Opinion, and Design Number 688. Klauber filed amended counterclaims on December 28. Klauber alleges that Dress Barn has infringed three lace designs: Design Numbers 688, 845, and 7010. It alleges that Protrend has infringed only one of these designs: Design Number 845.

On January 10, 2019, Dress Barn filed a partial motion to dismiss the amended counterclaims concerning Design Number 688. On February 7, Protrend filed a motion to dismiss the sole amended counterclaim brought against it. These motions became fully submitted on March 11, 2019.

### **Discussion**

"A motion to dismiss counterclaims under Rule 12(b)(6) is decided under the same standard applied to a motion to dismiss the claims of a complaint." Crye Precision LLC v. Duro Textiles, LLC, No. 15cv1681(DLC), 2015 WL 6509143, at \*4 (S.D.N.Y. Oct. 28, 2015) (citation omitted). "To survive a motion to dismiss, a complaint must contain sufficient factual matter, accepted as true, to state a claim to relief that is

plausible on its face.” Sierra Club v. Con-Strux, LLC, 911 F.3d 85, 88 (2d Cir. 2018) (citation omitted). A claim to relief is plausible when the factual allegations in a complaint “allow[] the court to draw the reasonable inference that the defendant is liable for the misconduct alleged.” Progressive Credit Union v. City of New York, 889 F.3d 40, 48 (2d Cir. 2018) (citation omitted). “[T]hreadbare recitals of the elements of a cause of action, supported by mere conclusory statements, do not suffice.” Carlin v. Davidson Fink LLP, 852 F.3d 207, 212 (2d Cir. 2017). The plaintiff must plead enough facts to “nudge[] [his] claims across the line from conceivable to plausible . . . .” Bell Atlantic Corp. v. Twombly, 550 U.S. 544, 570 (2007).

When a party moves to dismiss for failure to state a claim upon which relief can be granted under Rule 12(b)(6), Fed. R. Civ. P., a court must “constru[e] the complaint liberally, accept[] all factual allegations as true, and draw[] all reasonable inferences in the plaintiff’s favor.” Coalition for Competitive Electricity, Dynergy Inc. v. Zibelman, 906 F.3d 41, 48-49 (2d Cir. 2018) (citation omitted). “A complaint is deemed to include any written instrument attached to it as an exhibit or any statements or documents incorporated in it by reference.” Nicosia v. Amazon.com, Inc., 834 F.3d 220, 230 (2d Cir. 2016)

(citation omitted). A court may also consider documents that are "integral to the complaint." Goel v. Bunge, Ltd., 820 F.3d 554, 559 (2d Cir. 2016).

"To state a claim for copyright infringement, a plaintiff must allege both (1) ownership of a valid copyright and (2) infringement of the copyright by the defendant." Spinelli v. Nat'l Football League, 903 F.3d 185, 197 (2d Cir. 2018)

(citation omitted).

A certificate of registration from the United States Register of Copyrights constitutes prima facie evidence of the valid ownership of a copyright. . . . To satisfy the second element of an infringement claim -- the "unauthorized copying" element -- a plaintiff must show both that his work was actually copied and that the portion copied amounts to an improper or unlawful appropriation. Actual copying may be established by direct or indirect evidence. Because direct evidence of copying is seldom available, a plaintiff may establish copying circumstantially by demonstrating that the person who composed the defendant's work had access to the copyrighted material, and that there are similarities between the two works that are probative of copying.

Jorgensen v. Epic/Sony Records, 351 F.3d 46, 51 (2d Cir.

2003) (citation omitted). "Copyright infringement is a strict liability offense in the sense that a plaintiff is not required to prove unlawful intent or culpability." EMI Christian Music Grp., Inc. v. MP3tunes, LLC, 844 F.3d 79, 89 (2d Cir. 2016).

"Access may be established directly or inferred from the

fact that a work was widely disseminated or that a party had a reasonable possibility of viewing the prior work.” Boisson v. Banian, Ltd, 273 F.3d 262, 270 (2d Cir. 2001). But “[i]f the two works are so strikingly similar as to preclude the possibility of independent creation, ‘copying’ may be proved without a showing of access.” Repp v. Webber, 132 F.3d 882, 889 (2d Cir. 1997) (citation omitted).

To show wrongful copying, a plaintiff must show a “substantial similarity” between the infringing and infringed work. Tufenkian Imp./Exp. Ventures, Inc. v. Einstein Moomjy, Inc., 338 F.3d 127, 131 (2d Cir. 2003).

To determine whether two works are substantially similar -- and thus whether any copying was wrongful -- we usually apply the ordinary observer test and ask whether the ordinary observer, unless he set out to detect the disparities, would be disposed to overlook them, and regard their aesthetic appeal as the same.

Zalewski v. Cicero Builder Dev., Inc., 754 F.3d 95, 102 (2d Cir. 2014) (citation omitted). In other words, “we ask whether an average lay observer would recognize the alleged copy as having been appropriated from the copyrighted work.” Peter F. Gaito Architecture, LLC v. Simone Dev. Corp., 602 F.3d 57, 66 (2d Cir. 2010) (citation omitted).

On occasion ... [the Second Circuit has] noted that when faced with works that have both protectable and unprotectable elements, [the] analysis must be more

discerning, and that [a court] instead must attempt to extract the unprotectable elements from ... consideration and ask whether the protectable elements, standing alone, are substantially similar.

Id. (citation omitted).

No matter which test we apply, however, we have disavowed any notion that we are required to dissect the works into their separate components, and compare only those elements which are in themselves copyrightable. Instead, we are principally guided by comparing the contested design's total concept and overall feel with that of the allegedly infringed work as instructed by our good eyes and common sense.

Id. (citation omitted).

A district court in the Second Circuit may resolve a "substantial similarity" challenge on a Rule 12(b)(6) motion to dismiss. "[I]t is entirely appropriate for the district court to consider the similarity between those [relevant] works in connection with a motion to dismiss, because the court has before it all that is necessary in order to make such an evaluation." Id. at 64. "When a court is called upon to consider whether the works are substantially similar, no discovery or fact-finding is typically necessary, because what is required is only a . . . comparison of the works." Id. (citation omitted). "If, in making that evaluation, the district court determines that the two works are not substantially similar as a matter of law, the district court can

properly conclude that the plaintiff's complaint, together with the works incorporated therein, do not plausibly give rise to an entitlement of relief." Id. (citation omitted).

Under common law tort principles, a defendant is liable for contributory infringement if, "with knowledge of the infringing activity, [the defendant] induces, causes or materially contributes to the infringing conduct of another." Artista Records, LLC v. Doe 3, 604 F.3d 110, 117 (2d Cir. 2010) (citation and emphasis omitted). The knowledge standard is objective, and includes persons who "know or have reason to know of the direct infringement." Id. at 118 (citation omitted). A defendant with such knowledge is liable where the defendant "engages in personal conduct that encourages or assists the infringement." Id. (citation omitted). In deciding whether liability should attach for certain contributory conduct, courts look to "the function that the alleged infringer plays in the total reproduction process." Id. (citation omitted).

Design Number 688

Dress Barn argues that Klauber's counterclaim for infringement of Design Number 688 must be dismissed because that design is not substantially similar to Dress Barn's design. It is correct.

An ordinary observer would easily seize on the differences between the two designs. These differences include that the central design element in the Klauber design is three similarly-sized circular scrolls, whereas the central design in the Dress Barn lace is a flower flanked by two open scrolls; that the Klauber design's central elements take up more space than the Dress Barn design, making the overall design less open and substantially reducing the amount of background netting; and that the Klauber design's scalloped edge forms a V-shape, while the Dress Barn design's bottom border is curved. It is implausible that an ordinary observer would find that the overall feel and aesthetic of the two designs is substantially similar and, therefore, Klauber's copyright counterclaim for this design must be dismissed as a matter of law.

Klauber argues that Dress Barn's design features every attribute of its 688 design, which it describes as

scalloped lace trim with a vertical fringe at the top and bottom of the lace trim, wherein two asymmetrical scroll motifs frame a singular round, symmetrical central motif, the top border of the scalloped trim bears three lines, the bottom curve of the scalloped trim is formed by seven contiguous lobes of a particular size and weight, and a small round element rests in the negative space within the peak between each upper curve of the scalloped trim design.<sup>1</sup>

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<sup>1</sup> Given the outcome of this motion, it is unnecessary to examine the extent to which Klauber's list of attributes is addressed to

This description characterizes each element of the design at a level of detail that obscures the most prominent features of the two designs. Those more prominent features are sufficiently different that the ordinary observer would not perceive the designs as substantially similar. "In copyright infringement actions, the works themselves supersede and control contrary descriptions of them, including any contrary allegations, conclusions or descriptions of the works contained in the pleadings." Peter F. Gaito Architecture, 602 F.3d at 64 (citation omitted).

Klauber further argues that any modifications by Dress Barn of its design in fact support a finding of willful infringement. The case it cites in support of this proposition reasoned, in finding that an average observer would find two fabric patterns to be substantially similar, that "a comparison of the samples strongly suggests that defendant copied plaintiff's basic design, making only minor changes in an effort to avoid the appearance of infringement." Concord Fabrics, Inc. v. Marcus Bros. Textile Corp., 409 F.2d 1315, 1316 (2d Cir. 1969). The same cannot be said of Dress Barn's allegedly infringing design,

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protectable elements.

where the overall look is distinct and differences, such as using a flower rather than a circular scrolled shape in the center of the design, cannot be described as minor.

Design Number 845

Klauber's counterclaim against Protrend, premised on sales of Design Number 845, must also be dismissed. Klauber has failed to allege that Protrend had access to Design Number 845 when Protrend manufactured the lace and sold it to Dress Barn.

Klauber argues that its allegations that it sampled and sold 330,000 yards of lace bearing Design Number 845 constitutes widespread dissemination sufficient to show access. But, Klauber's amended counterclaims assert no facts regarding where and when this lace was distributed. Moreover, while "[a]ccess may be . . . inferred from the fact that a work was widely disseminated," Klauber pleads no facts to demonstrate that the hundreds of thousands of yards of lace it "sampled or sold" constitute widespread dissemination, Boisson, 273 F.3d at 270, or occurred before Protrend engaged in its allegedly infringing activities.

Klauber also argues that access may be presumed based on the striking similarities between the designs at issue. Here, the design at issue is a fairly generic lace design. While

features of the allegedly infringing design are similar to Klauber's Design Number 845, the two designs are not so "strikingly similar" that the possibility of independent creation is precluded.

Finally, Klauber argues that it need only plead access by one counterdefendant, here Dress Barn, in order to plead access as to all defendants. Even if Klauber has adequately plead access by Dress Barn, its claim against Protrend would fail. In order to be liable for contributory infringement, a party must have knowledge of the infringing activity. While Klauber alleges that "[c]ounterdefendants, and each of them, have committed copyright infringement with actual or constructive knowledge of Klauber's rights, and/or in blatant disregard for Klauber's rights," such a statement is a threadbare recitation of the legal requirement that is inadequate to plausibly allege that Protrend had knowledge of Dress Barn's alleged infringement.<sup>2</sup>

#### Klauber's Request to Amend

Klauber argues that if its counterclaims are dismissed, it

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<sup>2</sup> Protrend also argues that the counterclaim against it should be dismissed because it was not properly joined as a counterdefendant. Protrend was properly joined as a counterdefendant. See Rule 20, Fed. R. Civ. P.

should be granted leave to amend. "A court should freely give leave [to amend] when justice so requires." Fed. R. Civ. P. 15(a)(2); accord Grullon v. City of New Haven, 720 F.3d 133, 139 (2d Cir. 2013). Nevertheless, it remains "within the sound discretion of the court whether to grant leave to amend." John Hancock Mut. Life Ins. Co. v. Amerford Int'l Corp., 22 F.3d 458, 462 (2d Cir. 1994). "Reasons for a proper denial of leave to amend include undue delay, bad faith, futility of amendment, and perhaps most important, the resulting prejudice to the opposing party." AEP Energy Servs. Gas Holding Co. v. Bank of Am., N.A., 626 F.3d 699, 725 (2d Cir. 2010) (citation omitted). "[T]he standard for denying leave to amend based on futility is the same as the standard for granting a motion to dismiss." IBEW Local Union No. 58 Pension Trust Fund & Annuity Fund v. Royal Bank of Scotland Grp., PLC, 783 F.3d 383, 389 (2d Cir. 2015).

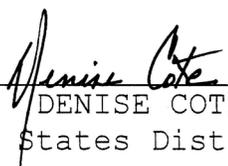
Klauber's request to further amend its counterclaims is denied. In a February 8, 2019 Order, following the filing of Protrend's motion to dismiss, this Court gave Klauber an opportunity to file any further amended counterclaims by March 1 instead of filing an opposition to the Protrend motion, and warned that it was unlikely that it would have a further

opportunity to amend.<sup>3</sup> Faced with this choice, Klauber elected not to further amend its counterclaims. Nor has Klauber provided any indication in its briefing as to how it would amend its counterclaims. Further, as to the counterclaim against Dress Barn for infringement of Design Number 688, any amendment would be futile because the designs at issue are not substantially similar.

**Conclusion**

Dress Barn's January 1, 2019 motion to dismiss and Protrend's February 7, 2019 motions to dismiss are granted.

Dated: New York, New York  
April 22, 2019

  
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DENISE COTE  
United States District Judge

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<sup>3</sup> Klauber had been given the same opportunity in response to Dress Barn's motion to dismiss the original counterclaims. Klauber took advantage of that opportunity and filed the amended counterclaims at issue in this Opinion.