

Intellectual Property - USA

'Famous Marks' Doctrine not Recognized by New York Appeals Court

Contributed by **Kenyon & Kenyon**

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On December 13 2007 the New York Court of Appeals refused to recognize the 'famous marks' doctrine as defined by other courts in the closely watched case of *ITC Limited v Punchgini, Inc*, handing Punchgini, Inc - the owner of Bukhara Grill - a major victory.

In March 2007 the US Court of Appeals for the Second Circuit had dismissed all federal claims against Punchgini, but asked New York's highest court to resolve two questions regarding New York common law claims for state unfair competition, based on whether New York recognizes the famous marks doctrine (for more details please see "[Second Circuit Rejects Foreign 'Famous Marks Doctrine'](#)").

The New York Court of Appeals held that "New York recognizes common law unfair competition claims, but not the 'famous' or 'well-known' marks doctrine". The ruling further stated that under New York unfair competition law, "if a foreign plaintiff has no goodwill in [New York] to appropriate, there can be no viable claim for unfair competition under a theory of misappropriation".

The case began in 2005 when plaintiff ITC sued Punchgini, Bukhara Grill II, Inc and certain additionally named individuals associated with the businesses in the US District Court for the Southern District of New York, asserting that the defendants' use of the BUKHARA mark and related trade dress constituted trademark infringement, unfair competition and false advertising in violation of federal and state law (for more details please see "[District Court Decision Sparks Debate over 'Famous Marks' Doctrine'](#)").

The decision should finally bring some clarity to the famous marks issue for companies that operate in New York State. It establishes a stringent two-part test for bringing an action under a misappropriation theory of New York unfair competition law: the plaintiff must (i) prove deliberate copying as a prerequisite to any claim, and (ii) establish that there is goodwill in the state by demonstrating that the public "primarily associates" the mark at issue with the plaintiff.

The district court found that ITC Limited had failed to make any showing that its mark had secondary meaning (public association with the plaintiff) in New York.

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