

LEXSEE

[*1] **ITC Limited and ITC Hotels Limited, Appellants, v Punchgini, Inc., Raja Jhanjee, Paragnesh Desai, Vicky Vij, Dhandu Ram, Mahendra Singh, Bachan Rawat, Bukhara Grill II, Inc., Respondents.**

No. 165

COURT OF APPEALS OF NEW YORK

2007 NY Slip Op 9813; 9 N.Y.3d 467; 880 N.E.2d 851; 850 N.Y.S.2d 366; 2007 N.Y. LEXIS 3709

December 13, 2007, Decided

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PRIOR HISTORY: *ITC Ltd. v. Punchgini, Inc.*, 482 F.3d 135, 2007 U.S. App. LEXIS 7215 (2d Cir., 2007)

DISPOSITION: The court answered the first certified question in the affirmative, holding that New York common law permitted the owner of a famous mark or trade dress to assert property rights but refused to provide a specific answer on the second question as to how famous a foreign mark or trade dress must be to permit its owner to sue for unfair competition.

LexisNexis(R) Headnotes

*Antitrust & Trade Law > Consumer Protection > Deceptive Acts & Practices > State Regulation
Torts > Business Torts > Unfair Business Practices > Elements*

Trademark Law > Dilution of Famous Marks > General Overview

[HN1] The State of New York recognizes common law unfair competition claims, but not the famous or well-known marks doctrine.

Antitrust & Trade Law > Consumer Protection > Deceptive Acts & Practices > State Regulation

Torts > Business Torts > Unfair Business Practices > Elements

[HN2] The State of New York has long recognized two theories of common law unfair competition: palming off and misappropriation. Palming off, that is, the sale of the goods of one manufacturer as those of another, is the first theory of unfair competition endorsed by New York courts and has been extended to situations where the parties are not even in competition. One of the most obvious forms of palming off occurs when the copier of an article overtly and explicitly misrepresents its source, for example, where a defendant substitutes its product for plaintiff's when customers specifically asked for the plaintiff's product.

*Antitrust & Trade Law > Consumer Protection > Deceptive Acts & Practices > State Regulation
Torts > Business Torts > Unfair Business Practices > Elements*

[HN3] Under State of New York law, an unfair competition claim involving misappropriation usually concerns the taking and use of the plaintiff's property to compete against plaintiff's own use of the same property. The term commercial advantage has been used interchangeably with property within the meaning of the misappropriation theory. When a business, through renown in New York, possesses goodwill constituting property or a commercial advantage in the State, that goodwill is protected from misappropriation under New York unfair competition law. That is so whether the business is domestic or foreign.

Torts > Business Torts > Unfair Business Practices > Elements

Trademark Law > Dilution of Famous Marks > Factors

[HN4] Protection from misappropriation of a famous foreign mark presupposes the existence of actual goodwill in the State of New York. Misappropriation under New York law usually requires use in the state of the plaintiff's property or commercial advantage to compete against the plaintiff. If a foreign plaintiff has no goodwill in the state to appropriate, there can be no viable claim for unfair competition under a theory of misappropriation. At the very least, a plaintiff's mark, when used in New York, must call to mind its goodwill. Otherwise, a plaintiff's property right or commercial advantage based on the goodwill associated with its mark is not appropriated in this state when its unregistered mark is used here. Thus, at a minimum, consumers of the good or service provided under a certain mark by a defendant in New York must primarily associate the mark with the foreign plaintiff.

***Antitrust & Trade Law > Consumer Protection > Deceptive Acts & Practices > State Regulation
Torts > Business Torts > Unfair Business Practices > Elements***

Trademark Law > Dilution of Famous Marks > Factors
[HN5] Whether consumers of a defendant's goods or services primarily associate such goods or services with those provided by a foreign plaintiff is an inquiry that will, of necessity, vary with the facts of each case. An appellate court will not provide an exhaustive list of the factors relevant to such an inquiry. That said, some factors that would be relevant include evidence that the defendant intentionally associated its goods with those of the foreign plaintiff in the minds of the public, such as public statements or advertising stating or implying a connection with the foreign plaintiff; direct evidence, such as consumer surveys, indicating that consumers of the defendant's goods or services believe them to be associated with the plaintiff; and evidence of actual overlap between customers of the New York defendant and the foreign plaintiff.

***Evidence > Procedural Considerations > Burdens of Proof > Burden Shifting
Torts > Business Torts > Unfair Business Practices > Elements***

Trademark Law > Dilution of Famous Marks > Factors
[HN6] If the customers of a State of New York defendant do not identify a mark with the foreign plaintiff, then no use is being made of the plaintiff's goodwill, and no cause of action lies under New York common law for unfair competition. As a result, to prevail against the defendants on an unfair competition theory under New York law, a plaintiff would have to show first, as an independent prerequisite, that the defendants appropriated, for example, deliberately copied, the plaintiff's mark or dress. If

they successfully make that showing, the defendants would then have to establish that the relevant consumer market for their New York business primarily associates the plaintiff's mark or dress with those the plaintiff owns and/or operates.

COUNSEL: Ethan Horwitz, for appellants.

Michelle Mancino Marsh, for respondents.

American Intellectual Property Law Association; International Trademark Association, amici curiae.

JUDGES: Opinion by Judge Read. Chief Judge Kaye and Judges Ciparick, Graffeo, Smith, Pigott and Jones concur.

OPINION BY: READ

OPINION

[**471] READ, J.:

The United States Court of Appeals for the Second Circuit has asked us to resolve two questions regarding New York common law claims for unfair competition. We conclude that [HN1] New York recognizes common law unfair competition claims, but not the "famous" or "well-known" marks doctrine.

[*2] I.

ITC Limited, a corporation organized under the laws of India, owns and operates the Maurya Sheraton & Towers, a five-star luxury hotel in New Delhi, India, through its subsidiary, ITC Hotels Limited. One of the Maurya Sheraton's seven restaurants is Bukhara, a five-star restaurant named after a city in Uzbekistan located on the famous Silk Road between China and the West. The New Delhi Bukhara, which has attained some measure of renown among those with an avid interest in fine cuisine, was named one of the 50 best restaurants in the world by London-based "Restaurant" magazine in 2002 and 2003. In the three decades since the New Delhi Bukhara opened in 1977, ITC has sought to capitalize on the restaurant's prestige, with [**472] mixed results: although ITC has opened or franchised Bukhara restaurants in Hong Kong, Bangkok, Bahrain, Montreal, Bangladesh, Singapore, Kathmandu, Ajman and the United States, as of May 2004 only the original restaurant in New Delhi and the restaurants in Singapore, Kathmandu and Ajman remained in business.

ITC established a Bukhara restaurant in Manhattan in 1986; in 1987 a Bukhara restaurant was opened in Chicago by a franchisee. On October 13, 1987 ITC obtained United States trademark registration for a Bukhara mark in connection with restaurant services; however, ITC

closed its Bukhara restaurant in Manhattan on December 17, 1991, and cancelled the Chicago restaurant's franchise on August 28, 1997. ITC has not owned, operated or licensed any restaurant in the United States using the Bukhara mark since terminating the Chicago franchisee's licensing agreement in 1997.

In 1999, defendants Raja Jhanjee, Vicky Vij and Dhandu Ram, together with defendants Paragnesh Desai and Vijay Roa, incorporated Punchgini, Inc. for the purpose of opening an Indian restaurant in mid-town Manhattan, which they called Bukhara Grill. Jhanjee, Vij and Ram had all worked at the New Delhi Bukhara, and Vij had also worked at ITC's Bukhara restaurant in Manhattan. As Vij explained the origin of the new restaurant's name, in 1999 there was "no restaurant Bukhara in New York, and we just thought we [would] take the name" (*ITC Limited v Punchgini, Inc.*, 482 F3d 135, 144 [2d Cir 2007]). In 2001, several Punchgini shareholders and defendants Mahendra Singh and Bachan Rawat, also alumni of ITC's Bukhara, opened a second Indian restaurant in mid-town Manhattan, called Bukhara Grill II (*id.*; *ITC Ltd. v Punchgini, Inc.*, 373 F Supp 2d 275, 277 [SD NY 2005]). Defendants have identified five other restaurants in the United States using Bukhara in their names, including one in Brooklyn. These restaurants are not affiliated with ITC. In addition, defendants have learned of more than 20 Bukhara restaurants unrelated to ITC outside the United States, including restaurants located in Uzbekistan, Australia, Egypt, Pakistan, the United Kingdom and "a high-end . . . chain" in South Africa, which "also sells prepackaged foods under the 'Bukhara' name" and "owns the website www.bukhara.com."

[*3] The Bukhara Grill features many of the New Delhi Bukhara's signature dishes -- which showcase the cuisine of the Northwest frontier region of India -- and replicates many of its particular [*473] design elements. Indeed, one press report quoted Jhanjee as describing the Bukhara Grill as "quite like Delhi's Bukhara," commenting that "[t]he food is similar . . . and the waiters too are dressed in similar Pathani suits."

On March 22, 2000, ITC's attorney sent Jhanji a letter accusing him of "passing off [his] new business [i.e., Bukhara Grill] as that of" ITC, "piggy[back]ing on the tremendous reputation" of ITC's Bukhara restaurants, and "partak[ing] of the fame, goodwill and custom earned by [ITC] by the mere adoption of the identical name." He demanded that Jhanji acknowledge ITC's exclusive rights to the Bukhara mark and refrain from further use of it; disclose how long he had used the Bukhara mark and render an accounting of sales and/or profits for this time period; and remit to ITC any such profits, plus estimated damages and attorneys' fees.

Bukhara Grill's counsel responded on March 30, 2000, observing that "preliminary investigation reveals that [ITC] does not presently use the mark BUKHARA in the United States nor has it been in use for more than two years." Nevertheless, counsel suggested that discussions be pursued to avoid costly litigation. On June 22, 2000, Bukhara Grill's counsel sent a follow-up letter, apparently to memorialize an oral request for ITC to "provide . . . proof of use of the alleged mark BUKHARA . . . in the United States over the last two years"; and to state that if there was no response "by June 28, 2000, we will assume that [ITC] has abandoned rights it may have had in the alleged mark and any alleged claim against our client."

On April 15, 2002, almost two years later, ITC's attorney wrote to the Bukhara Grill's counsel, complaining that there had been "[n]o formal response" to ITC's 2000 cease-and-desist letter and reiterating ITC's demands. On April 22, 2002, Bukhara Grill's counsel replied, disputing the assertion that prior correspondence from ITC had been ignored, and reasserting abandonment, now claimed to have been "bolstered" by the passage of additional time.

On February 26, 2003, another 11 months later, ITC filed a lawsuit against defendants in the United States District Court for the Southern District of New York. The amended complaint alleged trademark infringement under *section 32(1)(a)* of the Lanham Act; unfair competition and false advertising under *sections 43(a)* and *44(h)* of the Lanham Act; and [*474] parallel actions under New York common law. As an affirmative defense, defendants charged ITC with abandonment of any rights in the United States to the Bukhara mark, and filed a counterclaim seeking cancellation of the mark's registration on that ground.

Following discovery, defendants moved for summary judgment. As an initial matter, the District Court Judge ruled that ITC could not pursue a trademark infringement claim because the record conclusively demonstrated its abandonment of the Bukhara mark and dress [*4] for restaurants in the United States. He then considered ITC's "assert[ions] that its unfair competition claims under *section 43(a)* of the Lanham Act and the New York common law provide a basis for liability independent of trademark law"; that is, ITC claimed that "[e]ven if it abandoned the 'Bukhara' mark and dress within the United States . . . it [was] nonetheless protected from unfair competition by virtue of the 'well known' or 'famous' marks doctrine" (*373 F Supp 2d at 285-286*).¹

1 There is some ambiguity regarding the proper name for what has been variously called the "famous marks doctrine," the "well-known marks doctrine" and the "famous mark doctrine" (*see e.g. McCarthy on Trademarks and Unfair Competition* § 29:4 [using the above names interchangeably]).

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Apparently, the use of "well-known" in place of "famous" took hold after the passage of the Federal Trademark Anti-Dilution Act, which uses "famous" as a term of art (*see 15 USC § 1125 [c] et seq.*). At any rate, "famous" and "well-known," "mark" and "marks," have been used interchangeably to describe the putative doctrine, and no distinction is intended by our choice of words here.

"The very existence of th[e well-known marks] doctrine is controversial," the District Court Judge opined, "as is its scope. Neither party cites, nor has the Court found, any Supreme Court or Second Circuit authority upholding liability on this theory, and it has been applied infrequently by the federal district courts" (*id. at 286*). He noted that the Ninth Circuit had recently countenanced the doctrine, but that it did so under "circumstances . . . arguably different from those in this case" (*id.*, citing *Grupo Gigante S.A. de C.V. v Dallo & Co.*, 391 F3d 1088 [9th Cir 2004] [apparently as matter of policy, court permitted Mexican grocery chain to establish whether its "Gigante" mark was sufficiently widely known among Mexican-Americans in Southern California to be protected from use by California grocery chain]).

The Judge, however, remarked that "[t]wo early cases in New York state courts, with fact patterns strikingly similar to the [**475] events alleged here by ITC, exemplify the doctrine" (375 F Supp 2d at 286, citing *Maison Prunier v Prunier's Restaurant & Cafe, Inc.*, 159 Misc 551, 288 N.Y.S. 529 [Sup Ct, New York County 1936]; *Vaudable v Montmartre, Inc.*, 20 Misc 2d 757, 193 N.Y.S.2d 332 [Sup Ct, New York County 1959]). But "[a]ssuming without deciding that these cases support the existence of an unfair competition claim, even in the absence of a viable US trademark, on the basis of a foreign mark that is 'well known' or 'famous,' it remains unclear how to determine what foreign marks are sufficiently famous to qualify" (375 F Supp 2d at 287). After reviewing various possible standards for a mark to qualify for the putative doctrine, the District Court Judge [*5] recognized that "an apparent consensus" existed as to what "at the very least . . . must be established in the relevant American market for a mark to qualify under the 'well known' or 'famous' mark doctrine"; and that "ITC [had] failed even to establish a triable issue" under that minimum standard (*id. at 288*). He also concluded that ITC lacked standing to press its claim under the Lanham Act for false advertising. The District Court therefore granted defendants summary judgment dismissing ITC's complaint in its entirety, and cancelled ITC's registration of the Bukhara mark, as defendants had requested in their counterclaim.

On March 28, 2007, the Second Circuit affirmed the District Court's award of summary judgment on ITC's

infringement, unfair competition and false advertising claims under federal law. The court acknowledged, however, that "New York common law allows a plaintiff to sue for unfair competition where a property right or commercial advantage has been misappropriated," and stated that "in light of ITC's abandonment of the Bukhara mark and dress for restaurants in the United States, its common law assertion of a property right or a commercial advantage in these designations based on their foreign use depends on whether New York recognizes the famous marks doctrine in the circumstances here at issue" (482 F3d at 165 [quotation marks and citation omitted]).

Citing *Vaudable* and *Prunier*, two "decades-old trial court decisions" that are "routinely identif[ied] . . . as foundational in the development of the famous marks doctrine" (*id. at 166*), the court observed that

"[n]either the New York Court of Appeals nor any intermediate New York appellate court . . . has ever specifically adopted the views expressed in [these [**476] cases] to accord common law protection to the owners of famous marks. Moreover, no New York court has clearly delineated a standard for determining when a mark becomes sufficiently famous to warrant protection" (*id. at 165-66*).

Further, "recognition of the famous marks doctrine as part of New York common law is plainly an important policy issue for a state that plays a pivotal role in international commerce" (*id. at 166*). Finally, because "certification [would] conclusively resolve the question of whether ITC's state unfair competition claim was, in fact, properly dismissed" (*id. at 166-167*), the Second Circuit certified two questions to us regarding the New York common law claims.

II.

Certified Question No. 1

"Does New York common law permit the owner of a famous mark or trade dress to assert property rights therein by virtue of the owner's prior use of the mark or dress in a foreign country?" (482 F3d at 166.)

The Second Circuit's first certified question calls upon us to define property rights [*6] in the context of a common law unfair competition claim grounded on a theory of misappropriation (*see 482 F3d at 165*). Thus, we

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must consider whether a famous foreign mark constitutes property or a commercial advantage protected from unfair competition under New York law.

[HN2] We have long recognized two theories of common law unfair competition: palming off and misappropriation (see *Electrolux Corp. v Val-Worth, Inc.*, 6 NY2d 556, 567-568, 161 N.E.2d 197, 190 N.Y.S.2d 977 [1959] [discussing the acceptance of these theories of unfair competition in New York courts and collecting cases]). "Palming off" -- that is, the sale of the goods of one manufacturer as those of another² -- was the first theory of unfair competition endorsed by New York courts, and "has been extended . . . to situations where the parties are not even in competition" (*Electrolux*, 6 NY2d at 567, [*477] citing *Elgin Nat. Watch Co. v Illinois Watch Case Co.*, 179 U.S. 665, 674, 21 S. Ct. 270, 45 L. Ed. 365, 1901 Dec. Comm'r Pat. 273 [1901]; *Neva-Wet Corp. v Never Wet Processing Corp.*, 277 NY 163, 168, 13 N.E.2d 755 [1938]; *Cornell Univ. v Messing Bakeries, Inc.*, 285 AD 490, 138 N.Y.S.2d 280 [3d Dept 1955], *affd without opn* 309 NY 722, 128 N.E.2d 421 [1955] [three additional citations, all either Court of Appeals opinions or Appellate Division opinions affirmed without opinion by this Court, omitted]).

² "One of the most obvious forms" of palming off "occurs when the copier of an article overtly and explicitly misrepresents its source [, for example], where [a] defendant . . . substituted its product for plaintiff's when customers specifically asked for plaintiff's product" (*Remco Ind., Inc. v Toyomenka, Inc.*, 286 F Supp 948, 954 [SD NY 1968], *affd* 397 F2d 977 [2d Cir 1968] [citations omitted]; see also *Shaw v Time-Life Records*, 38 NY2d 201, 206, 341 N.E.2d 817, 379 N.Y.S.2d 390 [1975] [defendant "could not 'palm off' its records as being the personal work of" plaintiff under New York unfair competition law]).

After the United States Supreme Court sanctioned the misappropriation theory of unfair competition in *International News Serv. v Associated Press* (248 U.S. 215, 39 S. Ct. 68, 63 L. Ed. 211 [1918]), "[t]he principle that one may not misappropriate the results of the skill, expenditures and labors of a competitor has . . . often been implemented in [New York] courts" (*Electrolux*, 6 NY2d at 567, citing *Germanow v Standard Unbreakable Watch Crystals*, 283 NY 1, 18, 27 N.E.2d 212 [1940]; *Fisher v Star Co.*, 231 NY 414, 428, 132 N.E. 133 [1921]; see also *Meyers v Waverly Fabrics*, 65 NY2d 75, 79-80, 479 N.E.2d 236, 489 N.Y.S.2d 891 [1985] [acknowledging defendant's possible liability for "violation of the law of unfair competition by misrepresenting the [uncopyrighted] design, which it knew to be plaintiff's, as its own"] [numerous citations omitted]; *National Basketball*

Assn. v Motorola, Inc., 105 F3d 841, 847-853 [2d Cir 1997] [accepting misappropriation as a theory under New York common law]). Indeed, [*7] the New York cases cited by the District Court and the Second Circuit as embodying the famous or well-known marks doctrine in New York common law -- *Prunier* and *Vaudable* -- were, in fact, decided wholly on misappropriation theories.

In *Prunier*, the plaintiff operated celebrated haute cuisine restaurants in Paris and London, but none in the United States. The defendants opened a restaurant in New York and "appropriated to themselves the plaintiff's name. . . . Indeed, it was admitted . . . that the name was intentionally selected because of plaintiff's well-known reputation and good will which has been built up as the result of decades of honest business effort. The defendants den[ied], however, that they ever held themselves out as being Prunier's of Paris" (159 Misc at 553). The court upheld the legal viability of an unfair competition claim by the plaintiff -- even though the two restaurants were not in direct competition -- so long as "plaintiff[s] conten[tion] [*478] that its reputation extends far beyond the territorial limits of Paris and London and that it has a substantial following in New York City and in other parts of the world" was proved (*id.* at 559 [emphasis added]).

In *Vaudable*, the plaintiff's restaurant in Paris -- Maxim's -- was internationally famous "in the high-class restaurant field" (20 Misc 2d at 758-759). The defendants "appropriate[d] the good will plaintiffs [had] created in the name Maxim's as a restaurant," and were therefore held liable for unfair competition based on misappropriation even though the parties were "not in present actual competition" (*id.* at 759). "The trend of the law, both statutory and decisional," the court opined, "has been to extend the scope of the doctrine of unfair competition, whose basic principle is that commercial unfairness should be restrained whenever it appears that there has been a misappropriation, for the advantage of one person, of a property right belonging to another" (*id.* at 759 [citations omitted]; see also *Roy Export Co. v Columbia Broadcasting System* (672 F2d 1095, 1105 [2d Cir 1982] [with decline of general federal common law after inception of misappropriation branch of unfair competition tort in *International News Serv.*, "the doctrine was developed by the states, New York in particular; there it has flourished in a variety of factual settings"]).

While expositors of the famous marks doctrine point to *Prunier* and *Vaudable* (see 5 McCarthy on Trademarks and Unfair Competition § 29:4 n 2 [4th ed. Sept. 2007] [citing *Prunier* and *Vaudable* as "perhaps the most famous examples" of the "well known" marks doctrine]), *Prunier* and *Vaudable* themselves in no way explain or proclaim -- let alone rely on -- any famous or well-known marks doctrine for their holdings. Instead, *Prunier* and *Vaudable* fit logically and squarely within our

time-honored misappropriation theory, which prohibits a defendant from using a plaintiff's property right or commercial advantage -- in *Prunier* and *Vaudable*, the goodwill attached to a famous name -- to compete unfairly against the plaintiff in New York.

[HN3] Under New York law, "[a]n unfair competition claim involving misappropriation [*8] usually concerns the taking and use of the plaintiff's property to compete against plaintiff's own use of the same property" (*Roy Export*, 672 F2d at 1105). The term "commercial advantage" has been used interchangeably with "property" within the meaning of the misappropriation theory (see *Flexitized, Inc. v National Flexitized Corp.*, 335 F2d 774, 781-82 [2d Cir 1964]). What *Prunier* and *Vaudable* stand for, [**479] then, is the proposition that for certain kinds of businesses (particularly cachet goods/services with highly mobile clienteles), goodwill can, and does, cross state and national boundary lines.

Accordingly, while we answer "Yes" to the first certified question, we are not thereby recognizing the famous or well-known marks doctrine, or any other new theory of liability under the New York law of unfair competition. Instead, we simply reaffirm that when a business, through renown in New York, possesses goodwill constituting property or a commercial advantage in this State, that goodwill is protected from misappropriation under New York unfair competition law. This is so whether the business is domestic or foreign.

III.

Certified Question No. 2

"How famous must a foreign mark or trade dress be to permit its owner to sue for unfair competition?" (482 F3d at 167.)

[HN4] Protection from misappropriation of a famous foreign mark presupposes the existence of actual goodwill in New York (see e.g. *Roy Export*, 672 F2d at 1105) [misappropriation under New York law usually requires use in state of plaintiff's property or commercial advantage to compete against plaintiff]. If a foreign plaintiff has no goodwill in this state to appropriate, there can be no viable claim for unfair competition under a theory of misappropriation. At the very least, a plaintiff's mark, when used in New York, must call to mind its goodwill. Otherwise, a plaintiff's property right or commercial advantage based on the goodwill associated with its mark is not appropriated in this state when its unregistered mark is used here. Thus, at a minimum, consumers of the good or

service provided under a certain mark by a defendant in New York must primarily associate the mark with the foreign plaintiff (cf. *Allied Maintenance Corp. v Allied Mechanical Trades, Inc.*, 42 NY2d 538, 545, 369 N.E.2d 1162, 399 N.Y.S.2d 628 [1977]).

[HN5] Whether consumers of a defendant's goods or services primarily associate such goods or services with those provided by a foreign plaintiff is an inquiry that will, of necessity, vary with the facts of each case. Accordingly, we cannot -- and do not -- provide an exhaustive list of the factors relevant to such an inquiry. That said, some factors that would be relevant include evidence that the defendant intentionally associated its goods with those of the foreign plaintiff in the minds of the public, such as public statements or advertising stating or implying a [**480] connection with the foreign plaintiff; direct evidence, such as consumer surveys, indicating that [*9] consumers of defendant's goods or services believe them to be associated with the plaintiff; and evidence of actual overlap between customers of the New York defendant and the foreign plaintiff.

[HN6] If the customers of a New York defendant do not identify a mark with the foreign plaintiff, then no use is being made of the plaintiff's goodwill, and no cause of action lies under New York common law for unfair competition. As a result, to prevail against defendants on an unfair competition theory under New York law, ITC would have to show first, as an independent prerequisite, that defendants appropriated (i.e., deliberately copied), ITC's Bukhara mark or dress for their New York restaurants. If they successfully make this showing, defendants would then have to establish that the relevant consumer market for New York's Bukhara restaurant primarily associates the Bukhara mark or dress with those Bukhara restaurants owned and operated by ITC.

Accordingly, the certified questions should be answered in accordance with this opinion.

* * * *

Following certification of questions by the United States Court of Appeals for the Second Circuit and acceptance of the questions by this Court pursuant to section 500.27 of the Rules of Practice of the New York State Court of Appeals, and after hearing argument by counsel for the parties and consideration of the briefs and the record submitted, certified questions answered in accordance with the opinion herein. Opinion by Judge Read. Chief Judge Kaye and Judges Ciparick, Graffeo, Smith, Pigott and Jones concur.

Decided December 13, 2007