

Bruce P. Keller (BPK-9300)
Michael R. Potenza (MRP-2969)
DEBEVOISE & PLIMPTON
919 Third Avenue
New York, New York 10022
Tel. (212) 909-6000; Fax (212) 909-6836

Attorneys for Defendants Sony Pictures Entertainment Inc., Sony Pictures Digital Entertainment Inc., Columbia Tristar Film Distributors International, Inc., and Sony Pictures Releasing Corp.

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

-----X
SHERWOOD 48 ASSOCIATES and SUPER SIGN :
COMPANY, :

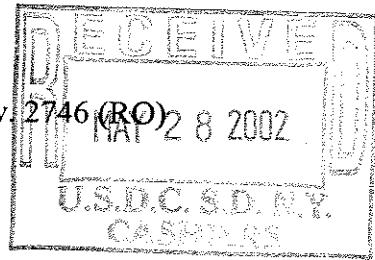
Plaintiffs, :

v. :

SONY CORPORATION OF AMERICA, SONY :
PICTURES ENTERTAINMENT INC., SONY :
PICTURES DIGITAL ENTERTAINMENT INC., :
COLUMBIA TRISTAR FILM DISTRIBUTORS :
INTERNATIONAL, INC., and SONY PICTURES :
RELEASING CORP. :

Defendants. :
-----X

No. 02 Civ. 2746 (RO) MAY 28 2002



**MEMORANDUM OF LAW IN SUPPORT OF DEFENDANTS'
MOTION FOR JUDGMENT ON THE PLEADINGS**

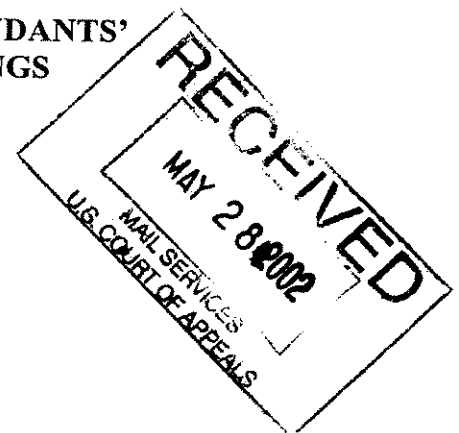


Table of Contents

	<u>Page</u>
PRELIMINARY STATEMENT	1
BACKGROUND	3
ARGUMENT	5
I. There Is No Cause of Action for “Trespass to Electronic Advertising Rights”	6
II. Sherwood Lacks Standing.....	7
III. Sherwood’s Trademark-Related Claims Cannot Succeed	10
A. Sherwood Has Not Pleaded A Protectable Trade Dress With Particularity	10
B. Sherwood’s Buildings Do Not Function As Trademarks	12
C. Sherwood’s Buildings Do Not Have Secondary Meaning	14
D. A Motion Picture Is A Non-Trademark Use, Fully Protected By The First Amendment.....	17
E. There Is No Likelihood Of Confusion	19
CONCLUSION.....	23

TABLE OF AUTHORITIES

FEDERAL CASES

<i>American Footwear Corp. v. General Footwear Co.</i> , 609 F.2d 655 (2d Cir. 1979).....	14
<i>Berni v. International Gourmet Restaurants of America, Inc.</i> , 838 F.2d 642 (2d Cir. 1988).....	7
<i>Bristol-Myers Squibb Co. v. McNeil-P.P.C., Inc.</i> , 973 F.2d 1033 (2d Cir. 1992).....	16
<i>Butler v. Castro</i> , 896 F.2d 698 (2d Cir. 1990).....	16
<i>Casa Editrice Bonechi, S.R.L. v. Irving Weisdorf & Co.</i> , 45 U.S.P.Q.2d (BNA) 1360 (S.D.N.Y. 1997).....	12
<i>Cecere v. R.J. Reynolds Tobacco Co.</i> , No. 98 Civ. 2011 (RPP), 1998 WL 665334 (S.D.N.Y. Sept. 28, 1998).....	5, 8, 9, 10
<i>Cliffs Notes, Inc. v. Bantam Doubleday Dell Publ'g Group, Inc.</i> , 886 F.2d 490 (2d Cir. 1989).....	18, 22
<i>CompuServe Inc. v. Cyber Promotions, Inc.</i> , 962 F. Supp. 1015 (S.D. Ohio 1997)	6
<i>D'Andrea v. Rafla-Demetrious</i> , 972 F.Supp. 154 (E.D.N.Y. 1997)	21
<i>Deere & Co. v. MTD Products, Inc.</i> , 41 F.3d 39 (2d Cir. 1994).....	19
<i>eBay, Inc. v. Bidder's Edge, Inc.</i> , 100 F. Supp.2d 1058 (N.D. Cal. 2000)	6
<i>EJS-Assoc. Ticaret Ve Danismanlik Ltd. Sti. v. American Tel. & Tel. Co.</i> , 1993 WL 546675 (S.D.N.Y. Dec. 30, 1993)	8
<i>EMI Catalogue P'ship v. Hill, Holliday, Connors, Cosmopulos Inc.</i> , 228 F.3d 56 (2d Cir. 2000).....	10

<i>FM 103.1, Inc. v. Universal Broadcasting of New York, Inc.</i> , 929 F. Supp. 187 (D.N.J. 1996).....	16
<i>Forschner Group, Inc. v. Arrow Trading Co., Inc.</i> , 124 F.3d 402 (2d Cir. 1997).....	17
<i>Hayden v. County of Nassau</i> , 180 F.3d 42, 54 (2d Cir. 1999).....	3
<i>Hormel Foods Corp. v. Jim Henson Products, Inc.</i> , 73 F.3d 497 (2d Cir. 1996).....	19, 20-21
<i>Information Resources, Inc. v. Dun & Bradstreet Corp.</i> , 127 F.Supp.2d 411 (S.D.N.Y. 2000).....	8
<i>Innovative Networks, Inc. v. Young</i> , 978 F. Supp. 167 (S.D.N.Y. 1997)	15
<i>Jeffrey Milstein, Inc. v. Greger, Lawler, Roth, Inc.</i> , 58 F.3d 27 (2d Cir. 1995).....	11, 15-16
<i>Johnson & Johnson v. Carter-Wallace, Inc.</i> , 631 F.2d 186 (2d Cir. 1980).....	7
<i>Kern v. City of Rochester</i> , 93 F.3d 38 (2d Cir. 1996).....	16
<i>King v. American Airlines, Inc.</i> , 284 F.3d 352, 354 (2d Cir. 2002).....	5
<i>Knitwaves, Inc. v. Lollytags Ltd., Inc.</i> , 71 F.3d 996 (2d Cir. 1995).....	11, 15
<i>Kramer v. Time Warner, Inc.</i> , 937 F.2d 767 (2d Cir. 1991).....	8
<i>L&G Stickley v. Canal Dover Furniture Co.</i> , 79 F.3d 258 (2d Cir. 1996).....	11, 15
<i>Landscape Forms, Inc. v. Columbia Cascade Co.</i> , 113 F.3d 373 (2d Cir. 1997).....	10, 11, 12, 17
<i>Lang v. Retirement Living Publ'g Co.</i> , 949 F.2d 576 (2d Cir. 1991).....	19-20

<i>Leeds v. Meltz</i> , 85 F.3d 51, 53 (2d Cir. 1996).....	5
<i>Leigh v. Warner Bros., Inc.</i> , 212 F.3d 1210, 1218 (11 th Cir. 2000).....	13
<i>Lucasfilm Ltd. v. Media Market Group, Ltd.</i> , 182 F. Supp.2d 897(N.D. Cal. 2002).....	19
<i>Marriott Corporation v. Ramada, Inc.</i> , 826 F. Supp. 726 (S.D.N.Y. 1993)	3, 20
<i>Mattel, Inc. v. MCA Records, Inc.</i> , 28 F. Supp.2d 1120 (C.D. Cal. 1998)	19
<i>Netzer v. Continuity Graphic Associates, Inc.</i> , 963 F. Supp. 1308 (S.D.N.Y. 1997).....	21
<i>New York Racing Association, Inc. v. Perlmutter</i> , 959 F. Supp. 578 (N.D.N.Y. 1997).....	14, 18, 19, 22
<i>New York Stock Exchange, Inc. v. New York Hotel, LLC</i> , 62 U.S.P.Q.2d 1260, 2002 U.S. App. LEXIS 5370 (2d Cir. 2002)	15
<i>Nordco A.S. v. Ledes</i> , No. 95 Civ. 7753 (RJW), 1997 WL 570546 (S.D.N.Y. Sept. 15, 1997).....	8
<i>Ortho Pharmaceutical Corp. v. Cosprophar, Inc.</i> , 32 F.3d 690 (2d Cir. 1994).....	7, 10
<i>In re Owens Corning Fiberglas Corp.</i> , 774 F.2d 1116 (Fed. Cir. 1985).....	16-17
<i>PDK Laboratoriess, Inc. v. Friedlander</i> , 103 F.3d 1105 (2d Cir. 1997).....	7, 9
<i>Pirone v. MacMillan, Inc.</i> , 894 F.2d 579 (2d Cir. 1990).....	12, 13
<i>Playboy Enterprises, Inc. v. Welles</i> , 279 F.3d 796 (9 th Cir. 2002)	19

<i>Preston v. Martin Bregman Products, Inc.</i> , 765 F. Supp. 116 (S.D.N.Y. 1991)	21
<i>Qualitex Co. v. Jacobson Products Co., Inc.</i> , 514 U.S. 159 (1995).....	16
<i>Register.com, Inc. v. Verio, Inc.</i> , 126 F. Supp.2d 238 (S.D.N.Y. 2000).....	6
<i>Rock & Roll Hall of Fame Museum, Inc. v. Gentile</i> , 134 F.3d 749 (6 th Cir. 1998)	13, 18-19
<i>Rogers v. Grimaldi</i> , 875 F.2d 994 (2d Cir. 1989).....	17, 18, 22
<i>Sally Gee, Inc. v. Myra Hogan, Inc.</i> , 699 F.2d 621(2d Cir. 1983).....	21
<i>San Juan Star v. Casiano Communications, Inc.</i> , 85 F. Supp.2d 89 (D.P.R. 2000).....	21
<i>Thompson Medical Co. v. Pfizer, Inc.</i> , 753 F.2d 208 (2d Cir. 1985).....	16
<i>Trustco Bank v. Glens Falls National Bank and Trust Co., N.A.</i> , 903 F. Supp. 335 (N.D.N.Y. 1995).....	16
<i>Trustees of Columbia University v. Columbia/HCA Health Care Corp.</i> , 964 F. Supp. 733 (S.D.N.Y. 1997)	20
<i>Wal-Mart Stores v. Samara Brothers</i> , 529 U.S. 205 (2000).....	14, 15
<i>Windsor, Inc. v. Intravco Travel Centers, Inc.</i> , 799 F. Supp. 1513 (S.D.N.Y. 1992).....	21
<i>Yankee Publ'g v. News America Publ'g Inc.</i> , 809 F. Supp. 267 (S.D.N.Y. 1992)	19, 22

TREATISES

RESTATEMENT (SECOND) OF TORTS (1977)	6
RESTATEMENT (THIRD) OF UNFAIR COMPETITION (1995)	15, 19, 21

4 J. Thomas McCarthy, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION
§ 27:21 (4th ed. 1999).....7, 20, 21

5A Wright & Miller, FEDERAL PRACTICE AND PROCEDURE: CIVIL 2D § 1368 (2d
ed. 2000) 5-6

Defendants Sony Pictures Entertainment Inc., Sony Pictures Digital Entertainment Inc., Columbia TriStar Film Distributors International, Inc. and Sony Pictures Releasing Corp. (collectively, "Sony Pictures")¹ submit this memorandum of law in support of their motion for judgment on the pleadings against plaintiffs Sherwood 48 Associates and Super Sign Company (collectively, "Sherwood").

PRELIMINARY STATEMENT

Spider-Man, this summer's first blockbuster hit, is a live-action adventure film based on the exploits of the famous comic book superhero, endowed with spider-like powers that he uses to fight crime. On the first weekend of its release, *Spider-Man* earned box office revenues in excess of \$114 million, setting an opening weekend record by a wide margin. Since then, *Spider-Man* has continued its success, grossing over \$280 million before Memorial Day weekend, and is "forcing Hollywood to recalibrate how it defines a blockbuster." John Lippman, '*Spider-Man*' May Have Limited Strong 'Star Wars' Performance, WALL STREET JOURNAL (May 20, 2002) at B6. *Spider-Man* is a Sony Pictures' motion picture.

Sherwood, the alleged owner of certain billboard space in Times Square, contends that a single scene in *Spider-Man* has caused it harm. It alleges that when *Spider-Man* depicts fictional billboards in a fictionalized version of "Times Square," Sony Pictures has depreciated the value of the actual billboards Sherwood owns in the real world. Complaint ¶¶ 42-45.

¹ Sony Corporation of America does not produce or distribute any motion pictures and has not been served. Columbia TriStar Film Distributors International, Inc. ("Columbia") distributes films only outside the United States and Canada. Answer ¶¶ 4, 7. Neither party has been properly named as a defendant.

Based on that core allegation, Sherwood pleads a variety of trademark-related and trespass claims, all of which fail as a matter of law. Sherwood's "electronic trespass" claim cannot succeed because trespass requires interference with *physical* property, something Sherwood does not, and truthfully could not, allege. All of the "alterations" about which it complains occur in a fictional, comic book world as brought to life in a motion picture. By definition, such alterations cannot physically interfere with Sherwood's actual billboards. *See pp. 5-6, infra.*

Sherwood's trademark-related allegations fail for three equally fundamental reasons: (1) Sherwood lacks standing to assert them, *see pp. 6-9, infra*; (2) Sherwood has not pleaded any protectable trademark rights in its buildings or billboards, *see pp. 9-16 infra*; and (3) the fictional "Times Square" scene, including its buildings and billboards, is depicted in *Spider-Man* not for the trademark purpose of identifying the source of goods or services in the real world, but for artistic purposes related to the fictional story. Without putting too fine a point on it, *Spider-Man* is a movie about a comic book character. He is not real and there are countless aspects of the movie that are not real, including buildings and billboards depicted in Times Square and elsewhere in New York. Those fictional depictions are non-trademark uses fully protected by the First Amendment. *See pp. 16-22, infra.*

For all of these reasons, judgment should be entered on the pleadings in favor of Sony Pictures.

BACKGROUND

The scene in which Spider-Man first encounters and battles the Green Goblin, his arch enemy, is set in Times Square during a fictional "World Unity Festival." A videocassette copy of this scene is submitted as Exhibit A to this memorandum.²

The sequence begins with a panoramic shot of Times Square and its buildings. Times Square is shown filled with giant Thanksgiving Day Parade-type balloons as part of the fictional "World Unity Festival," during which a crowd is shown enjoying a live concert. Swooping down from above, standing on a jet-powered flying wing, the Green Goblin begins to attack those attending the Festival. Among other things, he drops deadly Pumpkin Bombs on spectators watching from the balcony of a Beaux Arts building (reminiscent of the Municipal Building next to this Courthouse) that does not exist in real life. After several minutes of spectacular action, Spider-Man mangles the throttle on the Green Goblin's flying wing, causing it (and the Green Goblin) to hurtle out of Times Square. As a result of the attack, however, the balcony separates, plunging Mary Jane Watson, Spider-Man's romantic interest, toward certain death. Spider-Man grabs her just as she is about to hit the pavement and swoops her away to the safety of the rooftop gardens of Rockefeller Center.

This scene, like the rest of *Spider-Man*, obviously involves many things that do not actually exist in the real world, not the least of which are costumed characters with super-human powers battling each other in mid-air and on the sides of buildings. In order to bring *Spider-Man*

² Because the Complaint repeatedly refers to this scene, Complaint ¶¶ 27-35, the Court may consider it without converting this motion to one for summary judgment under Rule 56. *Hayden v. County of Nassau*, 180 F.3d 42, 54 (2d Cir. 1999); see also *Marriott Corporation v. Ramada, Inc.*, 826 F. Supp. 726, 728 (S.D.N.Y. 1993) (Owen, J.) (considering, on motion to dismiss, advertisement that was subject of false endorsement claim).

to the screen in a live action movie, the creative team had to incorporate countless special effects. This process involved, among other things, the creation of a digital, fictionalized version of the “real” Times Square, including certain changes to existing billboard signs. Complaint ¶¶ 27-35; Answer ¶¶ 27-35.

The Complaint alleges that two such billboards, for “USA Today” and “Cingular Wireless,” were digitally superimposed over existing advertising on Two Times Square and/or 1600 Broadway in the *Spider-Man* movie. Complaint ¶ 25.³ That allegation is incorrect, as is demonstrated by the actual footage from the movie. Exhibit A. The only changes in the movie to either of those buildings are (1) the digital superimposition of a sign for the “World Unity Festival” over a sign for Coca-Cola on Two Times Square, an alteration not mentioned in Sherwood’s Complaint; and (2) the digital superimposition of a Kellogg’s Pop-Tarts sign over a sign for the television program, “The Weakest Link,” on 1600 Broadway, a building Sherwood does not own. Answer ¶ 13. A sign for the wireless phone company, “Cingular,” does appear (for approximately 7 seconds) as the Green Goblin begins his descent into Times Square, Exhibit

³ Portions of this fight sequence also were featured, in heavily-edited fashion, in the promotional trailer to the movie and, even more fleetingly, in certain television advertisements. Videocassettes containing the trailer and *Spider-Man* television advertisements are submitted as Exhibits B and C. Sherwood’s Complaint identifies three “digital alterations” in the trailer. It alleges (1) the logo for USA Today was “digitally superimposed” over a sign for Samsung on Two Times Square, Complaint ¶ 31; (2) the Samsung sign was “digitally replaced with an advertisement for ‘Cingular Wireless’” and (3) an unidentified “NBC sign” on 1600 Broadway was “digitally altered” and replaced with “a sign for another company,” Complaint ¶ 32. Sherwood, however, does not own 1600 Broadway and simply is incorrect about the location of the “Cingular” sign, which appears in the movie and *Spider-Man* television commercials only on One Times Square, which Sherwood also does not own. Exhibits A, C. Although Sherwood is correct about the USA Today signage in the trailer, it is visible as background during the frenetically paced trailer sequence for less than a second. Exhibit B.

A, but it appears on a billboard affixed to One Times Square, a building that Sherwood does not own. Answer ¶ 33.

Based on these “digital alterations,” Sherwood claims: (a) that its trade dress in “the unique configuration and ornamentation of Two Times Square,” but not 1600 Broadway, was infringed (Count I); (b) that its trade dress in both Two Times Square *and* 1600 Broadway was diluted (Count VI); (c) that consumers are likely to believe that Sherwood and Sony Pictures are affiliated or otherwise will be confused into thinking that Sony Pictures is the source of advertising space on Sherwood’s building (Counts II, III, IV and V); and (d) that Sony Pictures has trespassed upon the property of Sherwood (Count VII).

ARGUMENT

Judgment on the pleadings should be entered against a plaintiff if the allegations of the Complaint, even if assumed true, fail to state a claim upon which relief can be granted. *King v. American Airlines, Inc.*, 284 F.3d 352, 354 (2d Cir. 2002). Not all factual allegations, however, should be accepted as true: “Baldly conclusory statements,” “groundless” allegations and “unsupported conclusion[s]” are “meaningless as a practical matter and, as a matter of law, insufficient to state a claim.” *Cecere v. R.J. Reynolds Tobacco Co.*, 1998 WL 665334, at *2 (S.D.N.Y. Sept. 28, 1998) (RPP) (quoting *Moscowitz v. Brown*, 850 F. Supp. 1185, 1190 (S.D.N.Y. 1994); *Duncan v. AT&T Communications, Inc.*, 668 F. Supp. 232, 234 (S.D.N.Y. 1987)). The Court need not accept as true allegations in the pleadings contradicted by matters incorporated into the pleadings by reference, disproven by matters of which judicial notice may be taken, or that are legally impossible. *Leeds v. Meltz*, 85 F.3d 51, 53 (2d Cir. 1996) ; 5A Wright & Miller, FEDERAL PRACTICE AND PROCEDURE: CIVIL 2d § 1368 at 523-24 (2d ed.

2000). Sherwood's vague and inconsistent "factual" allegations reflect all of these failings. Even accepting them as true, however, still requires dismissal under Rule 12(c).

I. There Is No Cause of Action for "Trespass to Electronic Advertising Rights."

Sherwood's electronic trespass claim, Count VII of the Complaint, is based on a serious misunderstanding of the law and demonstrates most directly why Sherwood's attempt to equate the fictional world of superheroes and green flying supervillains with the physical world where Sherwood owns its buildings is fundamentally flawed. It is hornbook law that trespass requires damage to *physical* property, either personal or real. *See, e.g.*, RESTATEMENT (SECOND) OF TORTS §§ 217 cmt. e & 218 cmt. e (1977). Even in so-called Internet trespass cases, courts require interference with *physical* property – *i.e.*, computer servers or other hardware. *See, e.g.*, *Register.com, Inc. v. Verio, Inc.*, 126 F. Supp. 2d 238, 249-50 (S.D.N.Y. 2000) (Jones, J.) (trespass requires evidence of "possessory interference" to property that diminishes its condition, quality or value); *eBay, Inc. v. Bidder's Edge, Inc.*, 100 F. Supp. 2d 1058, 1071-72 (N.D. Cal. 2000) (same); *CompuServe Inc. v. Cyber Promotions, Inc.*, 962 F. Supp. 1015, 1021 (S.D. Ohio 1997) (trespass to chattels requires "intentionally bringing about a physical contact with the chattel") (citing RESTATEMENT (SECOND) OF TORTS, § 217 cmt. e). No court has applied trespass principles to any intangible intellectual property right, let alone the vaguely identified trademark rights Sherwood claims in its billboards. Indeed, stating the proposition demonstrates its oxymoronic quality: A cause of action that depends entirely on some form of physical interference with tangible property cannot apply, by definition, when the alleged trespass is a fictional device used in a movie about a comic book character that does not physically deprive plaintiff of any use of its billboards in the real world. Count VII fails to state a claim and should be dismissed.

II. Sherwood Lacks Standing.

Sherwood lacks standing to assert Counts I-VI of the Complaint. To have standing under Section 43(a) of the Lanham Act, a plaintiff (1) “must have some discernable interest” and (2) allege a “direct” “commercial or competitive injury.” 4 J. Thomas McCarthy, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION (“MCCARTHY”) § 27:21 at 27-38 (4th ed. 1999).

Where, as here, the respective goods or services of the parties (billboard leasing versus motion picture distribution) are not in competition, the allegations of injury necessary to confer standing must amount to an even “more substantial showing” than that which otherwise applies. *Ortho Pharmaceutical Corp. v. Cosprophar, Inc.*, 32 F.3d 690, 694 (2d Cir. 1994). The “general rule” in the Second Circuit is “against making presumptions of injury and causation favorable to” a Lanham Act plaintiff. *Id.* at 697. *See also PDK Labs, Inc. v. Friedlander*, 103 F.3d 1105, 1112 (2d Cir. 1997) (affirming that Lanham Act plaintiff had no standing absent evidence of “direct harm” to a product or service in the form of reduced sales); *Berni v. International Gourmet Restaurants of Am., Inc.*, 838 F.2d 642, 648 (2d Cir. 1988) (affirming motion to dismiss where allegations established no “colorable property or pecuniary interest.”). Facially implausible allegations of injuries, supported only by a “subjective belief,” cannot confer standing, particularly where the parties are neither direct nor indirect competitors. *Johnson & Johnson v. Carter-Wallace, Inc.*, 631 F.2d 186, 189 (2d Cir. 1980).

Sherwood’s standing problems are two-fold. *First*, it does not own One Times Square or 1600 Broadway: its alleged “affiliates” do, but they are not named as plaintiffs. Complaint

¶¶ 12-13; Exhibits D & E (copies of deeds to 1600 Broadway and One Times Square).⁴ It therefore lacks standing to complain about any changes to signs affixed to those buildings. A party cannot assert rights that belong to an “affiliate[],” no matter how close the relationship may be. *Information Resources, Inc. v. Dun & Bradstreet Corp.*, 127 F. Supp. 2d 411, 416 (S.D.N.Y. 2000) (Stanton, J.) (holding, as a matter of “hornbook law,” that there is no standing when conduct allegedly harmed plaintiff’s “affiliates”). *Nordco A.S. v. Ledes*, No. 95 Civ. 7753 (RJW), 1997 WL 570546, at *3 (S.D.N.Y. Sept. 15, 1997) (Ward, J.) (dismissing Section 43(a) claim where plaintiff could not demonstrate ownership of commercial interest in mark); *EJS- Assoc. Ticaret Ve Danismanlik Ltd. Sti. v. American Tel. & Tel. Co.*, 1993 WL 546675, at *1 (S.D.N.Y. Dec. 30, 1993) (Sotomayor, J.) (affiliation insufficient to confer standing, even if plaintiff is affiliate’s sole shareholder).

Second, even with respect to Two Times Square, which Sherwood alleges it does own, Complaint ¶ 12, Sherwood’s injury is based on the theory that Sherwood has been denied either future advertisers, who it alleges may mistakenly advertise with Sony Pictures, Complaint ¶¶ 44-45, or the “residual advertising value” its billboards enjoy based on the possibility they will appear in TV shows, movies and elsewhere. Complaint ¶¶ 23, 42. Speculation of this precise sort already has been held inadequate, under the *Ortho* rule, to confer standing. See *Cecere v. R.J. Reynolds Tobacco Co.*, No. 98 Civ. 2011 (RPP), 1998 WL 665334 (S.D.N.Y. Sept. 28, 1998) (Patterson, J.).

⁴ The deeds are matters of public record and therefore are properly the subject of judicial notice. See *Kramer v. Time Warner, Inc.*, 937 F.2d 767, 774 (2d Cir. 1991) (court may take judicial notice of public documents on Rule 12(b)(6) motion).

In *Cecere*, the defendant digitally superimposed an advertisement for cigarettes over the façade of a brownstone building in Greenwich Village owned by the plaintiff. Just as Sherwood does, Complaint ¶ 43, *Cecere* claimed that defendants' superimposition would adversely affect the advertising value of that façade and cause confusion. *Id.* at *3. Judge Patterson disagreed. He found *Cecere*'s conclusory statement that defendant's conduct "will adversely affect the value of [plaintiff's] advertising space" to be "unpersuasive" in large part (as is equally true here) because plaintiff's ability to rent out that space remained "fundamentally unimpeded." Thus, Judge Patterson concluded that plaintiff's theory of injury amounted "to no more than an unsupported subjective belief." *Id.* at *3-*4.

Sherwood's injury is even more speculative and remote than that alleged in *Cecere*, which at least involved an actual advertisement for a real product. The only change to Two Times Square in the movie is the depiction of a sign for the "World Unity Festival," the fictional sponsor of the street fair that sets the stage for Spider-Man's first encounter with the Green Goblin. Exhibit A. None of Sherwood's allegations about the "solicitation" or "sale" of advertising space, Complaint ¶¶ 36-38, thus apply to the World Unity Festival sign. Even accepting them at face value, however, Sherwood still does not have Lanham Act standing. A review of *Spider-Man* demonstrates on its face why no company would view the fleeting depiction of a Times Square billboard, shown as background scenery in an action sequence in the motion picture, to be an adequate substitute for "the world's premier" billboard location, situated at the "crossroads of the world." Complaint ¶¶ 14, 24. Thus, under no stretch of the imagination is Sony Pictures a competitor of Sherwood. The *Ortho* rule against presuming Lanham Act injury therefore applies, 103 F.3d at 1112, and the application of that rule in *Cecere* to the same

sort of subjective belief of injury, 1998 WL 665334, at *3-*4, requires Sherwood's Lanham Act claims (Counts I – VI) be dismissed for lack of standing.⁵

III. Sherwood's Trademark-Related Claims Cannot Succeed.

Quite apart from standing issues, no court ever has accepted Sherwood's allegations about the trademark value of a building as an adequate basis for a Lanham Act claim. Regardless of the various ways in which they are pled, Sherwood's allegations – that depicting Two Times Square with a fictional billboard, in a fictional motion picture, violates trademark law – fail as a matter of law for two fundamental reasons: (1) Sherwood has not identified any cognizable trade dress rights in its buildings, billboards and/or the advertising on its billboards; (2) Sony Pictures' fictional depiction of Times Square billboards is not a trademark use and therefore could not possibly cause confusion as to source or affiliation, or dilute Sherwood's rights. *See EMI Catalogue P'ship v. Hill, Holliday, Connors, Cosmopulos Inc.*, 228 F.3d 56, 61-62 (2d Cir. 2000) (plaintiff claiming trademark or unfair competition must show both "that it owns a valid mark eligible for protection" and that defendant's use is likely to cause "an appreciable number of ordinarily prudent consumers" to be confused as to source.).

A. Sherwood Has Not Pleaded A Protectable Trade Dress With Particularity.

Trade dress plaintiffs must "articulat[e] and support[] the claimed trade dress with sufficient particularity." *Landscape Forms, Inc. v. Columbia Cascade Co.*, 113 F.3d 373, 381 (2d Cir. 1997). Applying this standard, the Second Circuit has rejected a series of trade dress claims based on insufficiently vague, generalized and overbroad articulations of the elements of

⁵ The same standard governs Sherwood's analogous state law claims. *See Ortho.*, 32 F.3d at 697 (dismissing state law unfair competition claims for lack of standing for the reasons "explained in our discussion of the Lanham Act claims").

the trade dress claimed to be protectable. *See Landscape*, 113 F.3d at 381 (denying trade dress protection for line of outdoor furniture incorporating “large three-inch tubing, with a powdered cosmetic finish, bent in gentle turns that roll around the perimeter of the furniture which, in combination with the various seating surfaces gives the viewer a floating or suspended feeling” as failing to articulate trade dress with particularity); *Jeffrey Milstein, Inc. v. Greger, Lawler, Roth, Inc.*, 58 F.3d 27, 29, 33 (2d Cir. 1995) (affirming denial of preliminary injunction seeking trade dress protection for line of greeting cards using “straight-on, strong photographic, glossy images of animals, persons or objects on die-cut cards:” “[a]ccording trade dress protection to this format would effectively grant . . . a monopoly in the idea of using die-cut photographs on greeting cards”); *L&G Stickley v. Canal Dover Furniture Co.*, 79 F.3d 258 (2d Cir. 1996) (reversing grant of preliminary injunction protecting claimed “mission-style” trade dress of furniture line); *Knitwaves, Inc. v. Lollytags Ltd., Inc.*, 71 F.3d 996 (2d Cir. 1995) (reversing judgment in favor of plaintiff; “fall motif” design on two sweaters introduced for a single season served primarily an aesthetic, non-source identifying function).

The trade dress descriptions in the preceding cases, however inadequate, were models of precision compared with the bare-boned and generalized allegations of Sherwood’s Complaint. Sherwood’s sole allegation purporting to define its trade dress rights states, in its entirety:

The unique configuration and ornamentation of Two Times Square and the advertising and signage display at Two Times Square are protectable trade dress.

Complaint ¶ 49.⁶

⁶ Perhaps because it does not own it, Sherwood does not even bother to plead *any* facts about the trade dress of 1600 Broadway, although it claims in Count VI that such trade dress has been diluted. Complaint ¶ 75.

Sherwood never identifies what in particular is unique about the “configuration and ornamentation” of Two Times Square or how it is different from the dozens of other buildings in Times Square that also display signs. If this level of generality were to suffice in identifying protectable trade dress, it is difficult to think of any building that would fail to qualify. This would give countless building owners an intellectual property veto over any vaguely similar building design or depiction, precisely the evil the Second Circuit’s heightened trade dress pleading standard is designed to avoid. *See Landscape*, 113 F.3d at 382 (“If the law protected style at such a level of abstraction, Braque might have prevented Picasso from selling cubist paintings in the United States”); *see also Casa Editrice Bonechi, S.R.L. v. Irving Weisdorf & Co.*, 45 U.S.P.Q.2d (BNA) 1360, 1364 (S.D.N.Y. 1997) (no trade dress protection as a matter of law where claim was “in the nature of an unprotectable ‘generalized appearance.’”). Sherwood’s trade dress allegations fail for lack of particularity.

B. Sherwood’s Buildings Do Not Function As Trademarks.

In addition to being too vague, Sherwood’s Complaint does not allege any facts that would enable this Court to conclude that the design of Two Times Square identifies Sherwood as the source of billboard services and, therefore, functions as a trademark.

Sherwood’s inability to plead a coherent theory of how images of Two Times Square function as a Sherwood trademark stems from the fundamental distinction between photographs of buildings or other icons and true trademarks drawn by the Second Circuit in *Pirone v. MacMillan, Inc.*, 894 F.2d 579 (2d Cir. 1990). There, Babe Ruth’s daughters asserted trademark rights in certain photographs of the Babe published in an engagement calendar. Noting that Babe Ruth had been widely photographed – just as Sherwood alleges Two Times Square has been, Complaint ¶ 22 – the Second Circuit held that nothing indicated the photographs functioned as a

trademark. Rather than communicate any source or message of endorsement, Babe Ruth photographs functioned simply to depict Babe Ruth and when used to illustrate a calendar, they possessed a descriptive, but not source-identifying, quality. Accordingly, the Second Circuit concluded they were used in their “primary, descriptive sense.” *See id.* at 583.

The rationale of *Pirone* was applied by the Sixth Circuit in *Rock & Roll Hall of Fame Museum, Inc. v. Gentile*, 134 F.3d 749 (6th Cir. 1998), to reject precisely the same “building as trademark” theory Sherwood resurrects here. The Rock and Roll Hall of Fame objected to Gentile’s unlicensed sale of posters depicting the building. It had ample proof of its own use of its building on various merchandise, including posters, t-shirts and other memorabilia and that its building was widely recognized by the public. That, however, was not enough. The claim failed because there was no evidence that the building was recognized *as a trademark* – that is, as a source identifier. *See id.* at 754-55. Relying on *Pirone*, the Sixth Circuit noted the obvious:

When we view the photograph in Gentile’s poster, we do not readily recognize the design of the Museum’s building as an indicator of source or sponsorship. What we see . . . is a photograph of an accessible, well-known public landmark. . . . The Museum’s building strikes us not as a separate and distinct mark on the good, but, rather, as the good itself.

Id. at 754; *see also Leigh v. Warner Bros., Inc.*, 212 F.3d 1210, 1218 (11th Cir. 2000) (affirming dismissal of Lanham Act claims based on use of plaintiff’s photograph in movie *Midnight in the Garden of Good and Evil*: the plaintiff had no trademark rights in his photograph because he used it “descriptively . . . as the good itself,” “rather than as a trademark”).

The facts in this case are even worse for Sherwood. First, unlike the I.M. Pei-designed triangular façade of the Rock and Roll Hall of Fame, 134 F.3d at 750-51, Sherwood’s building bears no unusual shape. Complaint ¶¶ 21, 25. Second, the Rock and Roll Hall of Fame licensed

images of its building on an extensive array of merchandise – Sherwood makes no such allegations. The best it can do is allege that unidentified third parties have created “pervasive souvenir merchandising relating to Times Square,” Complaint ¶ 15, and that Two Times Square is the “most photographed building” in Times Square. Complaint ¶ 22. Those allegations, on their face, do not amount to trademark uses, let alone trademark uses by Sherwood. Third, Gentile’s use of the Rock & Roll Hall of Fame was extensive – it was the centerpiece of directly competitive merchandise. That plainly is not the case here, where Times Square simply serves as the backdrop for a Spider-Man/Green Goblin battle. *See* Exhibit A; *see also New York Racing Ass’n, Inc. v. Perlmutter*, 959 F. Supp. 578, 581 (N.D.N.Y. 1997) (no protectible trade dress: even though plaintiff used images of racetrack on merchandise, it had no evidence that images served primarily as an indicator of source). Sherwood’s allegations, even if accepted as true, do not identify any reason for concluding its building performs a trademark function.

C. Sherwood’s Buildings Do Not Have Secondary Meaning.

Sherwood’s trade dress claims also fail because it has alleged no facts that would establish “secondary meaning” – *i.e.*, that the “*primary* significance of the mark in the minds of the consumers is the identification of the producer,” and not aesthetic or functional qualities. *American Footwear Corp. v. General Footwear Co.*, 609 F.2d 655, 663 (2d Cir. 1979) (emphasis added).⁷

⁷ Because product labeling and packaging typically is used to designate source, fanciful product labeling and packaging, like fanciful product names, can be “inherently distinctive” and protected without a showing of secondary meaning. *Wal-Mart Stores v. Samara Bros.*, 529 U.S. 205, 210-11 (2000). Configuration, however, such as Sherwood’s claimed trade dress in Two Times Square, generally is chosen for aesthetic or functional reasons, and is so understood by the public. *Id.* at 212 (holding that there is no such thing as inherently distinctive product design: product designs are “intended not to identify the source, but to

Two fatal pleading flaws infect Sherwood's Complaint as it pertains to secondary meaning. *First*, Sherwood's theories would grant secondary meaning status to an advertising medium whose appearance and message, by definition, constantly changes. Complaint ¶ 26; Answer ¶ 25. Such an ever-changing appearance is the antithesis of secondary meaning, which requires "a significant number of prospective purchasers" to understand that the alleged trade dress has come, through long-standing use, to be "uniquely associated with a particular source." RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 13, cmt. e (1995) ("RESTATEMENT") at 108. *See also Innovative Networks, Inc. v. Young*, 978 F. Supp. 167, 178 (S.D.N.Y. 1997) (dismissing claim where plaintiff "failed to establish that its alleged trade dress has a consistent look or has acquired secondary meaning"); *L. & J.G. Stickley, Inc.*, 113 F.3d at 263 ("In order to prove at trial that its trade dress has attained secondary meaning, L & J.G. Stickley would have to show that, *over time*, the trade dress has become identified with its producer in the minds of potential consumers.") (emphasis added); *Knitwaves*, 71 F.3d at 1008 (analyzing distinctiveness of newly-introduced sweater designs solely under inherent distinctiveness prong); *Jeffrey Milstein*, 58 F.3d at 34 (affirming denial of preliminary injunction: "Secondary meaning suggests that, *with time and market exposure*, a trade dress may come to identify not only goods, but the source of the

render the product itself more useful or more appealing."). The Second Circuit's decision in *New York Stock Exchange, Inc. v. New York Hotel, LLC*, 62 U.S.P.Q.2d 1260, 2002 U.S. App. LEXIS 5370 (2d Cir. 2002), reflects this approach. In that case, the Second Circuit held that the combination of a stylized façade and the source-identifying words, "New York Stock Exchange" on a registered logo used by the plaintiff to identify the source of its services might be "inherently distinctive." *Id.*, 2002 U.S. App. LEXIS 5370, at *17-*18. The Court did not address the issue presented here – that is, whether a depiction of a building alone can be inherently distinctive. Under the reasoning in *Samara Brothers*, it cannot. For that reason, configuration plaintiffs such as Sherwood must prove secondary meaning regardless of how "unique" they claim their configuration to be. *Id.* at 211-12.

goods”) (emphasis added); compare *Qualitex Co. v. Jacobson Products Co., Inc.*, 514 U.S. 159, 161 (1995) (consistent use of “special shade of green-gold color” press pads “since the 1950’s” capable of acquiring distinctiveness).

Second, Sherwood fails to allege that it has advertised or promoted its building in way that would establish it as source identifying. Indicia of secondary meaning include, *inter alia*, the amount of effort and expenditure used to promote the mark as a name or symbol distinctive of the plaintiff’s goods in commerce. *Bristol-Myers Squibb Co. v. McNeil-P.P.C., Inc.*, 973 F.2d 1033, 1041 (2d Cir. 1992); *Thompson Medical Co. v. Pfizer, Inc.*, 753 F.2d 208, 216 (2d Cir. 1985). Moreover, “[l]arge advertising or promotion expenditures do not contribute to establish a secondary meaning unless the [plaintiff] explains how its efforts were effective in causing the relevant group of consumers to associate the mark with itself.” *FM 103.1, Inc. v. Universal Broadcasting of New York, Inc.*, 929 F. Supp. 187, 196 (D.N.J. 1996). Sherwood’s Complaint does not allege that it has spent any money at all on advertising or promoting its buildings as a mark and its conclusory assertion that it has “protectable trade dress,” Complaint ¶ 49, is plainly insufficient. *See, e.g., Kern v. City of Rochester*, 93 F.3d 38, 44 (2d Cir. 1996) (conclusory allegations without evidentiary support or particularized allegations insufficient to defeat motion to dismiss); *Butler v. Castro*, 896 F.2d 698, 700 (2d Cir. 1990) (same); *Trustco Bank, National Assoc. v. Glens Falls National Bank and Trust Co., N.A.*, 903 F. Supp. 335, 342 (N.D.N.Y. 1995) (no secondary meaning for HOME TOWN BANK despite advertising expenditures in excess of \$14 million); compare *In re Owens Corning Fiberglas Corp.*, 774 F.2d 1116 (Fed. Cir. 1985) (exclusive and continuous use of pink on fiberglass for thirty year period, coupled with multi-

million dollar advertising campaign focusing on pink as identifying plaintiff's product, established secondary meaning).

In short, absolutely nothing alleged in the Complaint permits the court to reach the counterintuitive conclusion that the public perceives Two Times Square, with or without billboards, as source identifying or communicating a message of Sherwood's endorsement, sponsorship or affiliation. Counts I-VI should be dismissed for this reason as well.⁸

D. A Motion Picture Is A Non-Trademark Use, Fully Protected By The First Amendment.

In any trademark case, Sherwood's failure to allege that it owns a protectable trade dress, has used it as such and has acquired secondary meaning in the use would be fatal to its effort to protect an unregistered trademark. *E.g., Landscape Forms*, 113 F.3d at 377. Here, however, Sherwood has an additional burden: Its claims conflict head on with Sony Pictures' constitutionally protected First Amendment rights in its fictional motion picture.

The Second Circuit established the rule for resolving conflicts between trademark law and the First Amendment in *Rogers v. Grimaldi*, 875 F.2d 994 (2d Cir. 1989). That case involved *Ginger and Fred*, the title of a movie about a fictional Italian couple who attempt to style their dancing career after Fred Astaire and Ginger Rogers. Ginger Rogers sued under Section 43(a) of the Lanham Act, alleging that the title of the film created the false impression that she sponsored, endorsed or was otherwise involved in the film. *Id.* at 997. In support of that

⁸ The same rules apply to Sherwood's state law claims. *See Forschner Group, Inc. v. Arrow Trading Co., Inc.*, 124 F.3d 402, 409 (2d Cir. 1997) (no claim for unfair competition under New York law where claimed trade dress "does not act as a symbol to distinguish" plaintiff's products from others).

claim, she offered (1) consumer survey evidence establishing that movie goers were confused and (2) evidence of actual confusion among industry publicists. *Id.*

Notwithstanding such evidence, the district court granted summary judgment for the movie studio and the Second Circuit affirmed. Recognizing that overextending the Lanham Act to works of art would stifle “the public’s interest in free expression,” the Second Circuit held that, where the alleged Lanham Act violation has “at least some artistic relevance to the work” and “is not explicitly misleading,” the Lanham Act is “inapplicable.” *Id.* at 1000. The Second Circuit considered the evidence of confusion offered by Ginger Rogers and found it insufficient: Even though “possibly misleading,” the movie title was not an explicit misstatement. That finding precluded “a Lanham Act claim” as a matter of law. *Id.* at 1001; *see also Cliffs Notes, Inc. v. Bantam Doubleday Dell Publ’g Group, Inc.*, 886 F.2d 490, 494-95 (2d Cir. 1989) (extending the *Rogers* test to “any case where an expressive work is alleged” to violate the Lanham Act).

The mixture of fictional and actual Times Square background scenery in *Spider-Man* clearly surpasses the “appropriately low threshold” for fully-protected uses of marks established in *Rogers*, 875 F.2d at 999. There is no dispute that Times Square, both real and fictionalized, is directly relevant to a central scene in the movie. Exhibit A. The “some artistic relevance” test is thus easily met. *New York Racing Ass’n, Inc. v. Perlmutter*, 959 F. Supp. 578, 582 (N.D.N.Y. 1997) (use of images of Saratoga Race Course “serves the artistically relevant purpose of . . . realism.”). Moreover, it is difficult to conceive of how the fanciful depiction of the World Unity Festival sign on Two Times Square possibly could deceive as to source, let alone be explicitly misleading. As background scenery, it conveys no source identifying message. *See Hall of*

Fame, 134 F.3d at 753-54 (poster of building was not a source identifying “trademark use” of building); *later proceeding*, 71 F. Supp. 2d 755, 764 (N.D. Ohio 1999) (“[T]here is no evidence that defendants[] used plaintiffs’ building design as a trademark.”); *New York Racing Ass’n*, 1996 WL 465298, at *3 n.13 (holding that use of images of racetrack on merchandise was not used as an indication of source).⁹

E. There Is No Likelihood Of Confusion.

It is precisely because uses of buildings as a backdrop in motion pictures readily are understood to be descriptive and/or artistic, as opposed to a branding device, that no reasonable movie-goer or advertiser is likely to be confused. *See Yankee Publ’g v. News America Publ’g Inc.*, 809 F. Supp. 267, 276 (S.D.N.Y. 1992) (noting distinction between communicative and source identifying uses). The touchstone for any claim under the Lanham Act (other than dilution) is a showing that the defendant’s trademark use of the mark or dress is likely to cause confusion regarding affiliation, source, origin or sponsorship among a significant number of ordinarily prudent purchasers. RESTATEMENT § 20, cmt. g; *Hormel Foods*, 73 F.3d at 502. Moreover, confusion “in the air” is not actionable; the confusion must occur in connection with mistaken purchasing decisions. *Lang v. Retirement Living Publ’g Co.*, 949 F.2d 576, 582-83 (2d Cir. 1991) (Lanham Act only protects against “mistaken purchasing decisions,” not against

⁹ For the same reason, Sherwood dilution claim (Count VI) also fails. Dilution cannot occur unless a mark is used to identify the defendant’s goods and services. *Deere & Co. v. MTD Prods., Inc.*, 41 F.3d 39, 43 (2d Cir. 1994); *see also Hormel Foods Corp. v. Jim Henson Prods., Inc.*, 73 F.3d 497, 506 (2d Cir. 1996); *see also Playboy Enters., Inc. v. Welles*, 279 F.3d 796, 805 (9th Cir. 2002) (same). Use of a mark in a film is “noncommercial use” to which dilution law simply does not apply. *See Lucasfilm Ltd. v. Media Mkt. Group, Ltd.*, 182 F. Supp. 2d 897, 900-01 (N.D. Cal. 2002); *Mattel, Inc. v. MCA Records, Inc.*, 28 F. Supp. 2d 1120, 1154-56 (C.D. Cal. 1998).

confusion generally) (citations omitted); *Trustees of Columbia Univ. v. Columbia/HCA Health Care Corp.*, 964 F. Supp. 733, 747 (S.D.N.Y. 1997) (only “confusion that leads to actual purchasing decisions” is actionable). Sherwood’s inability to plead that any moviegoer confusion is linked to a purchasing context is fatal to its claims.

This Court addressed this issue in *Marriott Corporation v. Ramada, Inc.*, 826 F. Supp. 726, 728 (S.D.N.Y. 1993) (Owen, J.). There, the hoteliers Marriott Corporation and Hyatt Corporation brought a false association claim under Section 43(a) against Ramada, Inc. Ramada aired a series of commercials in which two couples, named “Frank and Cindy Marriott” and “Donald and Sally Hyatt,” give testimonials about why they choose to stay at Ramada’s “Renaissance” hotels. The Court dismissed the hoteliers claims as a matter of law:

I cannot see that any reasonable person would be misled – even absent the disclaimer—into believing that the Marriotts or Hyatts featured in the advertisements are in any way related to the plaintiffs Marriott Corporation, J.W. Marriott, Jr. or Hyatt Corporation or that the Renaissance Hotels have their “origin” in or their “sponsorship[] or approval” from those corporations. Accordingly, there is no “likelihood of confusion,” and plaintiffs’ Lanham Act claims must be dismissed as a matter of law.

Id. at 728.

Sherwood’s contention that movie-goers seeing Sherwood’s buildings in *Spider-Man* will be confused into thinking that there is an affiliation between Sony Pictures and Sherwood is even more far-fetched than that asserted in *Marriott*, which at least involved real people and real hotels. No one watching the fictional exploits of Spider-Man is likely, in the midst of a kaleidoscope of sound, color and action, to take away the message that either Sony Pictures or Sherwood is affiliated in any with the dozens of buildings and hundreds of billboards and advertisements depicted on street scenes throughout the course of a movie set in New York City. *See* 2 MCCARTHY § 10:22.1 (trademark appearing in work of art unlikely to infringe if it is not

“focal point” of work); *see also Hormel Foods Corp.*, 73 F.3d at 503 (“[T]he setting in which a designation is used affects its appearance and colors the impression conveyed by it.”) (quotation marks and citations omitted).¹⁰

Sherwood’s claim that potential advertisers will be confused, Complaint ¶¶ 50, 62, also ignores the sophistication and care any prospective advertiser would exercise. Commercial purchasers of expensive products are assumed to exercise more care, and therefore are less likely to be confused, than impulse purchasers of inexpensive items. RESTATEMENT § 21 cmt. h; 3 MCCARTHY § 23:96, at 23-227 (“In making purchasing decisions regarding ‘expensive’ goods, the reasonably prudent person standard is elevated to the standard of the ‘discriminating purchaser.’”); *Sally Gee, Inc. v. Myra Hogan, Inc.*, 699 F.2d 621, 626 (2d Cir. 1983) (professional buyers are sophisticated and less likely to be confused); *Windsor, Inc. v. Intravco Travel Centers, Inc.*, 799 F. Supp. 1513, 1526 (S.D.N.Y. 1992) (same). Sherwood’s Complaint touts the cachet of its corporate clients, as well as the substantial investment required to purchase advertising space in Times Square. Complaint ¶¶ 23-25. Such clients are extremely unlikely to be confused by a fleeting clip, depicting a non-existent street carnival, in a fictional movie about a comic book superhero. *See San Juan Star v. Casiano Communications, Inc.*, 85 F. Supp. 2d 89, 92-93 (D.P.R. 2000) (advertising buyers are likely to be sophisticated and not deceived).

¹⁰ Analogous law regarding the right of publicity also reflects this common sense principle. *See, e.g., D’Andrea v. Rafla-Demetrious*, 972 F. Supp. 154, 156-57 (E.D.N.Y. 1997) (single photograph that was 1/32 of brochure and showed one of 42 people was incidental and did not violate right of privacy as matter of law), *aff’d*, 146 F.3d 64 (2d Cir. 1998); *Netzer v. Continuity Graphic Assocs., Inc.*, 963 F. Supp. 1308, 1325-26 (S.D.N.Y. 1997) (use of plaintiff’s name in 1 of 116 panels in 24-page comic book was incidental and inconsequential); *Preston v. Martin Bregman Prods., Inc.*, 765 F. Supp. 116, 119 (S.D.N.Y. 1991) (4.5-second glimpse of plaintiff in opening sequence of film “fleeting and incidental”).

This is particularly true given Sherwood's allegation, Complaint ¶¶ 36-38, that Sony Pictures itself offered product placement opportunities in *Spider-Man* to potential advertisers. Companies of the sort alleged to be Sherwood's advertisers, Complaint ¶ 25, are among the most successful marketers in the world. Under well-settled law, they must be presumed to distinguish between advertising media.


Sherwood's conclusory assertions that the public is likely to be confused, Complaint ¶¶ 50, 56, 62, 72, are insufficient to overcome these shortcomings, especially where First Amendment rights are concerned. Even if accepted as true, the Second Circuit has held that the risk of such confusion, "if not engendered by any overt claim . . . is so outweighed by the interests of artistic expression as to preclude application of the Lanham Act." *Rogers*, 875 F.2d at 1001; *Cliffs Notes*, 886 F.2d at 494-95 (reversing district court for failing to properly weight "First Amendment considerations:" even though it was "conceivable" that some consumers would be misled, "that small a chance" did not justify relief); *New York Racing Ass'n v. Perlmutter Publ'g, Inc.*, 959 F. Supp. 578, 582 (N.D.N.Y. 1997) (First Amendment right to use image of racetrack outweighed alleged consumer confusion); *Yankee Publ'g Inc. v. Int'l Licensing Mgmt., Inc.*, 809 F. Supp. 267, 276 (S.D.N.Y. 1992) (Leval, J.) (when "unauthorized use of another's mark is part of a communicative message and not a source identifier, the First Amendment is implicated in opposition to the trademark right"; entering judgment for defendant on that basis).

CONCLUSION

Sherwood's claims are based on untenable legal theories, insufficient on their face to state a claim under well-settled law. Sony Pictures' motion for judgment on the pleadings should be granted.

Dated: May 28, 2002

Respectfully submitted,


Bruce P. Keller (BK 9300)

DEBEVOISE & PLIMPTON
Michael R. Potenza (MP 2969)
919 Third Avenue
New York, New York 10022
Tel.: (212) 909-6000

Attorneys for Defendants Sony Pictures
Entertainment Inc., Sony Pictures Digital
Entertainment Inc., Columbia Tristar Film
Distributors International, Inc., and Sony
Pictures Releasing Corp.

Exhibit A is a videocassette submitted separately.

Exhibit B is a videocassette submitted separately.

Exhibit C

Exhibit C is a videocassette submitted separately.

1149 1776

THIS INDENTURE, made the 24th day of November, nineteen hundred and eighty-six BETWEEN NATIONAL SCREEN SERVICE CORPORATION, a Delaware Corporation having an address at 1600 Broadway, New York, N.Y. 10019

party of the first part, and SHERWOOD 1600 ASSOCIATES, a New York limited partnership, having an office at 1200 West Broadway, New York, New York 11557

party of the second part, WITNESSETH, that the party of the first part, in consideration of ten dollars and other valuable consideration paid by the party of the second part, does hereby grant and release unto the party of the second part, the heirs or successors and assigns of the party of the second part forever,

ALL that certain plot, piece or parcel of land, with the buildings and improvements thereon erected, situate, lying and being in the Borough of Manhattan, City, County and State of New York, bounded and described as follows:

BEGINNING at the corner formed by the intersection of the northerly side of 48th Street with the westerly side of Seventh Avenue;

RUNNING THENCE northerly along the said westerly side of Seventh Avenue 112 feet 6 inches;

THENCE westerly parallel with 48th Street, 121 feet 1/2 of an inch to the easterly side of Broadway;

THENCE southerly along the said easterly side of Broadway 113 feet 8-3/4 inches, more or less to the corner formed by the intersection of the northerly side of 48th Street with said Easterly side of Broadway;

THENCE easterly along the said northerly side of 48th Street, 104 feet 5-1/4 inches to the point or place of beginning.

SAID PREMISES BEING known as and by the street number 1600 Broadway.

Subject to a certain mortgage dated October 31, 1985, in the original principal amount of \$2,500,000.00 and recorded on November 22, 1986 in Real 988 Page 1137 of the Register of City of New York, New York County, on which there is an outstanding principal balance of \$2,250,000.00 plus interest.

TAX MAP DESIGNATION

Dist. Sec. Bl. Lot(s)

TOGETHER with all right, title and interest, if any, of the party of the first part in and to any streets and roads abutting the above described premises to the center lines thereof; TOGETHER with the appurtenances and all the estate and rights of the party of the first part in and to said premises; TO HAVE AND TO HOLD the premises herein granted unto the party of the second part, the heirs or successors and assigns of the party of the second part forever.

AND the party of the first part, in compliance with Section 13 of the Lien Law, covenants that the party of the first part will receive the consideration for this conveyance and will hold the right to receive such consideration as a trust fund to be applied first for the purpose of paying the cost of the improvement and will apply the same first to the payment of the cost of the improvement before using any part of the total of the same for any other purpose.

The word "party" shall be construed as if it read "parties" whenever the sense of this indenture so requires. IN WITNESS WHEREOF, the party of the first part has duly executed this deed the day and year first above written.

IN PRESENCE OF:

NATIONAL SCREEN SERVICE CORPORATION

Handwritten signatures and a circular stamp for National Screen Service Corporation.

LS 79,940

On the _____ day of _____ 19____, before me personally came

to me known to be the individual described in and who executed the foregoing instrument, and acknowledged that executed the same.

STATE OF NEW YORK, COUNTY OF _____

On the _____ day of _____ 19____, before me personally came

1149 or 1711

to me known to be the individual described in and who executed the foregoing instrument, and acknowledged that executed the same.

STATE OF NEW YORK, COUNTY OF NEW YORK

On the 24th day of November 1986, before me personally came

NORMAN ROBBINS to me known, who, being by me duly sworn, did depose and say that he resides at No. Miller Brook Lane, Copake Falls, New York 12517 that he is the President of National Screen Service Corporation

the corporation described in and which executed the foregoing instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the board of directors of said corporation, and that he signed his name thereto by like order.

STATE OF NEW YORK, COUNTY OF _____

On the _____ day of _____ 19____, before me personally came

the subscribing witness to the foregoing instrument, with whom I am personally acquainted, who, being by me duly sworn, did depose and say that he resides at No. _____ that he knows _____

to be the individual described in and who executed the foregoing instrument; that he, said subscribing witness, was present and saw execute the same; and that he, said witness, at the same time subscribed his name as witness thereto.

Victoria P. Apostle
VICTORIA P. APOSTLE
Notary Public, State of New York
No. 41-4814741
Qualified in Queens County
Commission Expires March 30, 1987

LOC. VER.
BY ADDRESS

094367
\$12.00
094368
\$1777.000
094369
\$1.00
094370
\$1.00

Bargain and Sale Deed
WITHOUT COVENANT AGAINST GRANTOR'S ACTS

TITLE NO. 17-26151

36987

SECTION 4 Vol. 1

BLOCK 1020

LOT 29

COUNTY OR TOWN New York

STREET ADDRESS

TAX BILLING ADDRESS

~~1600 Broadway~~ 1600 Broadway

Recorded At Request of The Title Guarantee Company

RETURN BY MAIL TO:

Kaye, Scholer, Fierman, Hays
& Handler
425 Park Avenue
New York, New York

Zip No. 10022



REAL ESTATE
NOV 25 1986
TRANSFER TAX
NEW YORK
COUNTY

CITY RECORDS
A. Brown
NOV 25 1986

12
940-
5132
171

FOR USE OF RECORDING OFFICE

Exhibit E

FAUSKCHWFDGCVLAKMUTMDDBA,OTS
ASM June 23, 1997 (16-000)

DEED

THIS INDENTURE, made the 27 day of June, 1997 between **ONE PM, LLC**, a New York limited liability company, having an address c/o Property Asset Management, Inc., 200 Vesey Street, New York, New York 10285 ("**Grantor**") and **JAMESTOWN ONE TIMES SQUARE, L.P.**, a Georgia limited partnership, having a place of business c/o Jamestown, Two Paces West, Suite 1600, 2727 Paces Ferry Road, Atlanta, Georgia 30339 ("**Grantee**").

WITNESSETH, that Grantor in consideration of the sum of Ten Dollars (\$10.00), and other valuable consideration paid by the Grantee, does hereby grant and release unto Grantee, the heirs or successors and assigns of Grantee forever, all that certain plot, piece or parcel of land, with the buildings and improvements thereon erected, situate lying and being in the City, County and State of New York and more particularly bounded and described in Schedule A annexed hereto and made a part hereof, (the "**Premises**").

TOGETHER with all right, title and interest, if any, of Grantor of, in and to any streets, roads or avenues, open or proposed, abutting the above-described Premises to the center lines thereof;

TOGETHER with the appurtenances and all the estate and rights of the Grantor in and to the Premises.

TO HAVE AND TO HOLD the Premises herein granted, unto Grantee, the heirs or successors and assigns of Grantee forever.

AND Grantor covenants that the Grantor has not done or suffered anything whereby the Premises have been encumbered in any way whatever, except as aforesaid.

AND Grantor, in compliance with Section 13 of the Lien Law, covenants that Grantor will receive the consideration for this conveyance and will hold the right to receive such consideration as a trust fund to be applied first for the purpose of paying the cost of improvement and will apply the same first to the payment of the cost of the improvement before using any part of the total of the same for any other purpose.

POOR REPRODUCTION
COPY

REPRODUCED FROM THE
NEW YORK CITY RECORDS

SCHEDULE "A"
LEGAL DESCRIPTION

ALL that certain plot, piece or parcel of land, situate, lying and being in the Borough of Manhattan, and County, City and State of New York, bounded and described as follows:

BEGINNING at the corner formed by the intersection of the northerly side of West 42nd and the easterly side of Seventh Avenue;

RUNNING THENCE northerly along the easterly side of Seventh Avenue, 137 feet 9 inches to the southerly side of Times Square;

THENCE easterly along the southerly side of Times Square, 20 feet to the westerly side of Broadway;

THENCE southerly along the westerly side of Broadway, 143 feet to the northerly side of West 42nd Street;

THENCE westerly along the northerly side of West 42nd Street, 58 feet 4 1/8 inches to the point or place of **BEGINNING**.

POOR REPRODUCTION
COPY

END OF SCHEDULE A

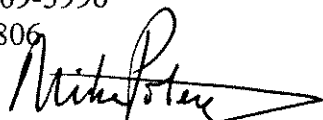
CERTIFICATE OF SERVICE

I, Michael R. Potenza, an associate of the firm of Debevoise & Plimpton, attorneys for Defendants, Sony Pictures Entertainment, Inc., Sony Pictures Digital Entertainment, Inc., Columbia Tristar Film Distributors International, Inc., and Sony Pictures Releasing Corp., certify that, on May 20, 2002, I caused a copy of the foregoing Answer, Notice of Motion for Judgment on the Pleadings, Memorandum of Law in Support of Defendants' Motion for Judgment on the Pleadings and Rule 1.9 Statement to be served by hand on counsel for plaintiffs at the following address:

Anthony J. Costantini, Esq
Gregory P. Guila, Esq.
DUANE, MORRIS LLP
380 Lexington Avenue
Suite 3200
New York, New York 10168

and by facsimile and federal express on counsel for plaintiffs at the following address:

Daniel J. Warren, Esq.
Carrie A. Hanlon, Esq.
SUTHERLAND ASBILL & BRENNAN LLP
999 Peachtree Street, NE
Atlanta, GA 30309-3996
Fax: 404-853-8806



Michael R. Potenza