

United States District Court, S.D. New York.
MOONSTRUCK DESIGN, LLC, Plaintiff,
v.
Raymond D. METZ, Mark Greenbaum, RM Enterprises, Defendants.
No. 02 CIV. 4025(RWS).
Aug. 7, 2002.

Corporation that manufactured and designed jewelry brought action against salesman who was employed by corporation and former employee, asserting copyright infringement claims regarding pins created for use by a breast cancer foundation. Manufacturer and designer moved for preliminary injunction. The District Court, [Sweet, J.](#), held that: (1) corporation failed to demonstrate that it owned valid copyright; (2) corporation failed to establish prima facie claim that salesman was employed by corporation at time pin was designed; and (3) corporation failed to establish prima facie claim that pin was designed in scope of salesman's employment. Motion denied.

West Headnotes

[\[1\] KeyCite Notes](#) 

- 🔑 [99](#) Copyrights and Intellectual Property
 - 🔑 [99I](#) Copyrights
 - 🔑 [99I\(J\)](#) Infringement
 - 🔑 [99I\(J\)2](#) Remedies
 - 🔑 [99k72](#) Actions for Infringement
 - 🔑 [99k85](#) k. Preliminary Injunction. [Most Cited Cases](#)

Corporation that manufactured and designed jewelry failed to demonstrate that it owned valid copyright for breast cancer awareness pin, and thus burden of proof on corporation's motion to preliminarily enjoin salesman from asserting copyright to design, would not shift to salesman; corporation had not registered the copyright for the pins, and salesman designed the pins, which were "inspired by his wife being a breast cancer survivor." [17 U.S.C.A. § 410\(c\)](#).

[\[2\] KeyCite Notes](#) 

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Corporation that designed and manufactured jewelry failed to establish prima facie claim that salesman, who was employed by corporation, was employed by corporation at time he designed breast cancer awareness pin, as required to preliminarily enjoin salesman from asserting copyright to pin design. [17 U.S.C.A. § 101](#) et seq.

[\[3\] KeyCite Notes](#) 

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Even if jewelry salesman designed breast cancer awareness pin after he was employed by corporation that designed and manufactured jewelry, corporation failed to establish prima facie claim that pin was designed in scope of salesman's employment, within meaning of Copyright Act, as required to preliminarily enjoin salesman from asserting copyright; disputed issues included what degree of control corporation had on design development, whether salesman used authorized work hours to create the pins, and whether salesman was motivated to create design by desire to serve corporation. [17 U.S.C.A. § 101](#) et seq.

Oved & Oved, New York, By [Terrence A. Oved, Esq.](#), Of Counsel, for Plaintiff.
Raymond D. Metz, Northampton, PA, Defendant Pro Se.

OPINION

[SWEET](#), D.J.

*1 Plaintiff Moonstruck Design LLC ("Moonstruck") has moved pursuant to [Rule 65 of the Federal Rules of Civil Procedure](#) for a preliminary injunction enjoining and restraining defendants Raymond D. Metz ("Metz"), who is proceeding *pro se*; Mark Greenbaum ("Greenbaum"); and RM Enterprises ("RM") from infringing on Moonstruck's pins and lapels created for use by the National Breast Cancer Foundation (the "NBCF Pins").

For the following reasons, Moonstruck's motion is denied.

Parties

Moonstruck is a New York corporation, duly existing under and by the laws of the State of New York. Its principal place of business is 303 Fifth Avenue, New York, New York 10016. Moonstruck designs and manufactures jewelry, including pins and lapels.

Metz has been designing, producing and selling his original jewelry designs for more than twelve years. His principal address is 3803 Teak Drive, Northampton, PA 18067. At the relevant time, Metz was employed as a salesman by Moonstruck.

Greenbaum is a former employee of Moonstruck. His principal address is 36 Colonial Heights Drive, Huntington, New York 11743.

Moonstruck has not identified RM Enterprises as its structure and complete identity were unknown to Moonstruck at the time of filing its complaint.

Facts

Metz met Moonstruck's Vice President Moshe Schulman ("Shulman") on September 15 or 16, 2001.

On October 1, 2001, Metz began his employment as a salesman for Moonstruck. In the Employment Agreement between Moonstruck and Metz dated November 27, 2001, Metz was identified as a "Salesperson." Pursuant to the Employment Agreement, Metz was entitled to an annual salary in addition to commissions on sales. It also referred to Metz as an "employee at will." The Employment Agreement was modified on January 2, 2002, lowering Metz's base salary by \$5,000. Metz signed that agreement on January 14, 2002. ^{FNT} Metz claims his only duties were as a salesperson and that he was never asked to design or prepare a design for items at Moonstruck.

[FN1](#). Both Metz and Moonstruck produced copies of the Agreement that were only signed by Metz and not by Schulman. Because both parties have produced them, however, the Agreements will be accepted as true.

Ownership of the Copyright

The ownership of the copyright is disputed.

Metz has submitted an affidavit in which he claims that he designed the NBCF Pin on October 19, 2000, in his home studio in Northampton, Pennsylvania, as a tribute to his wife, Sheryl Metz, who was stricken with [breast cancer](#) in the spring of 1997. In keeping with his customary practice, he recorded a detailed rendering of the design in his designing sketchbook. He also affixed the symbol (c) or the word "copyright," the year of first publication, and his name as owner of the copyright in the work. Metz claims that he did not make any changes to the design of the NBCF Pins after October 2000.

Further, Metz claims that sometime after he began working at Moonstruck, he informed Shulman about his designs for the NBCF Pins. He claims that at the time, he told Shulman that he owned the copyright on the NBCF Pins and all of his original designs, and that he reserved the exclusive right to produce or license the designs. Metz further claims that Shulman acknowledged that Metz was the copyright owner and, several times over the course of his employment, Schulman approached him and requested that he give Moonstruck a license or other rights to exploit his design for the NBCF Pins. Metz refused every time.

*2 By contrast, Moonstruck states that it owns the copyright because Metz created the design as a "work made for hire" during his employment at Moonstruck. As evidence of this, Moonstruck claims that the NBCF Pins were based on a design, the Pave Pendant, that Moonstruck first utilized in February 2001. The corporation that manufactures Moonstruck's pins has stated that it used the same mold to make the NBCF Pins as it used for the Pave Pendant.

Further, Moonstruck claims that Shulman worked closely with Metz and Greenbaum through the design process, from the initial conception to the final prototypes. Moonstruck also claims that other Moonstruck employees provided substantial input into the designs, and that their modifications and suggestions were incorporated in the final designs.

Moonstruck's counsel stated in oral argument that Moonstruck had not registered the copyright on the NBCF Pins. It is unclear whether Metz has attempted to register the design. By letters dated April 15, 2002, Moonstruck's counsel wrote to Metz and to Greenbaum to warn them of the legal consequences if they registered a federal copyright to the NBCF Pins in their names. The letters merely stated, however, that Moonstruck believed the defendants may have done so.

The NBCF Agreement

On January 22, 2002, Moonstruck entered into an agreement with the National Breast Cancer Foundation ("NBCF") to design, manufacture and distribute three styles of pins pursuant to which the NBCF granted to plaintiff the right to use the NBCF logo and name for the promotion of the pins in exchange for payment by Moonstruck to NBCF of a certain percentage of the gross revenue of each pin sold. The agreement stated that Metz "designed each pin inspired by his wife being a [breast cancer](#) survivor." The NBCF Agreement was signed by defendants Greenbaum and Metz. Beneath Greenbaum's signature, his title was listed as "MoonStruck Design." Beneath Metz's signature, his title was listed as "Designer for MoonStruck Design." Metz, however, beside his signature had written as his title, "Designer for himself."

Shulman later asked Metz to sign a contract dated January 31, 2002, that stated the following:

Original designs submitted for consideration while in the employ of MoonStruck Design, unless otherwise stated are considered as work for hire, whose compensation is already encompassed in the salesperson's salary. When a design or work is considered as a work for hire, the Company is considered the owner of the copyright. It will be at the discretion of the Company if additional compensation will be given as a gratuity.

Metz claims that he did not sign the contract. Nor has Moonstruck produced a signed copy of that contract to contradict Metz.

Moonstruck claims that between January and March 2002, Metz and Greenbaum, while still in Moonstruck's employ and without Moonstruck's knowledge or consent, began to interfere in the NBCF Agreement and represented that they were the lawful owners of any and all copyrights in and to the NBCF Pins.

*3 By letter dated February 25, 2002, NBCF terminated its agreement with Moonstruck.

Moonstruck filed an order to show cause on June 11, 2002. A hearing was held on June 19, 2002, and the motion was considered fully submitted at that time. Neither Greenbaum nor RM has submitted papers.


Discussion

The Standard for a Preliminary Injunction

In order to obtain a preliminary injunction in the Second Circuit, the moving party must establish possible irreparable injury and either (1) probable success on the merits or (2) sufficiently serious questions going to the merits to make them a fair ground for litigation and a balance of hardships tipping decidedly in the movant's favor. [*Kammerling v. Massanari*, 295 F.3d 206, 2002 WL 1448350, at *6 \(2d Cir. July 3, 2002\)](#) (citing [*Otokoyama Co. v. Wine of Japan Import Inc.*, 175 F.3d 266, 270 \(2d Cir.1999\)](#)).

In copyright cases, if a *prima facie* case of infringement can be shown, the allegations of irreparable injury need not be very detailed because such injury can normally be presumed when a copyright is infringed. [*ABKCO Music Inc. v. Stellar Records Inc.*, 96 F.3d 60, 64 \(2d Cir.1996\)](#) (citing [*Hasbro Bradley, Inc. v. Sparkle Toys, Inc.*, 780 F.2d 189, 192 \(2d Cir.1985\)](#); [*Wainwright Secs. Inc. v. Wall Street Transcript Corp.*, 558 F.2d 91, 94 \(2d Cir.1977\)](#)). In order to prevail on the merits in a copyright infringement action the plaintiff must establish (1) its ownership of a valid copyright and (2) copying by the defendant. [*Boisson v. Banian, Ltd.*, 273 F.3d 262, 267 \(2d Cir.2001\)](#) ("Copyright infringement is established by proving 'ownership of a valid copyright' and 'copying of constituent elements of the work that are original.'") (quoting [*Feist Publ'ns Inc. v. Rural Tel. Serv. Co.*, 499 U.S. 340, 361, 111 S.Ct. 1282, 113 L.Ed.2d 358 \(1991\)](#))).

Moonstruck Has Failed to Establish a Prima Facie Case

 [1] Moonstruck has failed to establish a *prima facie* case of copyright infringement because it has not demonstrated that it is a valid owner of the copyright for the NBCF Pins.

First, Moonstruck's counsel stated at oral argument that it has not registered the copyright for the NBCF Pins. Therefore, the burden of proof is not shifted onto Metz. [17](#)


[U.S.C. § 410\(c\)](#); see also [Carol Barnhart Inc. v. Economy Cover Corp., 773 F.2d 411, 414 \(2d Cir.1985\)](#).

Further, the papers make clear that Metz designed the NBCF Pins. Despite Moonstruck's arguments to the contrary, the NBCF Agreement explicitly refers to Metz as the designer of the NBCF Pins, which were "inspired by his wife being a [breast cancer](#) survivor." As a result, the copyright belongs to Metz unless he designed the NBCF Pins as a "work made for hire" for Moonstruck.

[Section 101](#) of the Copyright Act defines a "work made for hire" as "a work prepared by an employee within the scope of his or her employment." [17 U.S.C. § 101](#).^{FN2}

[FN2](#). Moonstruck does not contend that the current situation fits into the second definition of "work made for hire" in [Section 101](#) and therefore, it is not discussed.

The Copyright Act does not define the terms "employee" or "scope of employment." The Supreme Court, looking to the general common law of agency set forth thirteen factors to determine whether a person is an employee pursuant to the "work made for hire" doctrine. [Community for Creative Non-Violence v. Reid, 490 U.S. 730, 751-52, 109 S.Ct. 2166, 104 L.Ed.2d 811 \(1989\)](#). The Second Circuit has stated that five of the *Reid* factors "are of particular importance and will almost always be significant: (1) the hiring party's right to control the manner and means of creation; (2) the skill required [of the hired person]; (3) the provision of employee benefits; (4) the tax treatment of the hired party; (5) whether the hiring party has the right to assign additional projects to the hired party." [Landman Fabrics v. Graff Californiawear Inc., 160 F.3d 106, 111 \(2d Cir.1998\)](#) (citing [Aymes v. Bonelli, 980 F.2d 857, 861 \(2d Cir.1992\)](#)). In order for the employer to obtain the copyright, the person must be its employee at the time he or she produced the works at issue. E.g. [Playboy Enterprises, Inc. v. Dumas, 53 F.3d 549, 558 \(2d Cir.1995\)](#); [City of Newark v. Beasley, 883 F.Supp. 3, 7 \(D.N.J.1995\)](#) (work-for-hire doctrine applies because work made after defendant was employed by plaintiff).

 *4 [2] While Moonstruck focuses on case law concerning when persons are considered "employees," there is no dispute that Metz was an employee of Moonstruck from October 1, 2001 until some time after the signing of the NBCF Agreement in January 2002.^{FN3}

[FN3](#). Although there is no evidence to this fact, it is presumed that as a result of this lawsuit, Metz is no longer employed by Moonstruck.

What is disputed, however, is whether Metz designed the NBCF Pins before or after he became employed by Moonstruck on October 1, 2001. Metz claims that he created the design in October 2000, almost a year before he entered into Moonstruck's employ. As evidence, Metz has produced a page from his sketchbook dated October 2000.

In response, Moonstruck does not claim that Metz was an employee when the NBCF Pins were created, but states that "it is undisputed that Metz was an employee of Moonstruck at the time Moonstruck entered into the NBCF Agreement for the manufacture of the NBCF Pins ." Pl.'s Reply Mem. at 7. It does not matter whether Metz was employed at the time of the signing of the NBCF Agreement; at issue here is whether he was employed by Moonstruck at the time of his designing the NBCF Pins. Moonstruck further claims that Shulman and other employees took part in the creation of the NBCF Pins, but does not supply any evidence of specific guidance given or how it altered the original designs.^{FN4} In addition, Moonstruck asserts that Metz must have designed the NBCF Pins while in its employ because the designs are based on an existing Moonstruck product, the Pave Pendant. The company that manufactured the Pave Pendant and the NBCF Pins confirmed that the same mold was used for both, and a physical inspection of the Pave Pendant and the NBCF Pins confirms that the shapes are identical. Both are shaped like a ribbon looped around one time, such as are worn to commemorate certain days such as, in this

instance, [breast cancer](#) victims and survivors. Because of the common usage of ribbons to commemorate [breast cancer](#) victims, it is not an uncommon image. Finally, the NBCF Pins are not exact copies of the Pave Pendant.^{FN5} Metz raises a question of fact as to whether Moonstruck merely employed the elements of Metz's design—pink stones, gold hearts and a looped-ribbon shape—onto an existing mold that happened to be shaped like the one in Metz's design.

[FN4](#). As one of its exhibits, Moonstruck includes without explanation a series of drawings of potential designs for the NBCF Pins. It does not state who made the drawings, nor does it state whether the same person, or another, wrote comments on the page as to which drawings should be used.

[FN5](#). Unlike the Pave Pendant, the NBCF Pins utilize gold hearts and pink stones. In addition, the NBCF Pins have small holes along the back corresponding to where the stones are, while the Pave Pendant, which has white stones, has a solid silver back.



[3] In addition, even if Metz created the NBCF Pins while in the employ of Moonstruck, there remains a disputed issue of fact as to whether he designed them “in the scope of his employment.” The Supreme Court in *Reid* stated that “ ‘scope of employment’ [is] a widely used term of art in agency law.” [Reid, 490 U.S. at 738](#). As a result, courts have looked to the common law of agency and, more particularly, Section 228 of the Restatement (Second) of Agency to delineate the scope of employment. *E.g.*, [Quinn v. City of Detroit, 988 F.Supp. 1044, 1051 \(E.D.Mich.1997\)](#); [Beasley, 883 F.Supp. at 7](#). Section 228 states, in pertinent part:

Conduct of a servant is within the scope of employment if, but only if:

(a) it is of the kind he is employed to perform;

*5 (b) it occurs substantially within the authorized time and space limits; [and]

(c) it is actuated, at least in part, by a purpose to serve the master.

[Rest. \(2d\) Agency, § 228](#). The test is conjunctive, *i.e.* Moonstruck must prove all three elements set forth in [Section 228](#). [Beasley, 883 F.Supp. at 7](#).

Courts have relied heavily on an employee's job description in order to determine whether an employee's actions are within the scope of employment. *Id.* (*citing* [Beasley, 883 F.Supp. at 7](#)). In this case, neither side has presented a job description. The only pertinent document is the Employment Agreement, in which Metz was described as a “Salesperson.” His salary was based in part on commissions from sales of all jewelry. These commissions ranged in percentage depending on the extent to which the jewelry was discounted. Metz did not receive any additional commission if he had himself designed the jewelry. No mention was made of any responsibilities to design, or incentives for designing, jewelry. Based on the Employment Agreement, it appears that Metz was employed to perform sales, not design items to sell. While it is true, as Moonstruck argues, that Metz would benefit if he created popular jewelry, this connection at most raises a question of fact.

Courts also look to the degree of control that an employer had over the employee's project when determining whether an employee's project was the kind of work he was hired to perform. [Beasley, 883 F.Supp. at 8](#). There is a disputed issue of fact as to the degree of control that Moonstruck had. Metz claims that Moonstruck had no such control as he did not make any changes after he created the design in October 2000. Moonstruck, however, claims that Shulman and other employees guided Metz through the design, which it claims was based on its existing Pave Pendant. Moonstruck does no more than conclusorily assert that these employees supervised and guided Metz. It does not state any specific guidance given, or how the design was influenced by it.

The second prong of the scope of employment test requires Moonstruck to prove that Metz used authorized work hours to create the NBCF Pins. This too is disputed. As discussed above, Metz claims that he designed the NBCF Pins prior to becoming an employee of Moonstruck, and therefore did not design them in working hours. He also asserts that he never designed anything during working hours at Moonstruck. Moonstruck, however, implicitly states that Metz designed the pins while at work due to the "guidance" that it claims Shulman and other unnamed employees gave to Metz.

The third prong asks whether Metz was motivated by a desire to serve Moonstruck when he created the NBCF Pins. [Beasley, 883 F.Supp. at 8](#) (citing [Avtec Systems Inc. v. Peiffer, 21 F.3d 568 \(4th Cir.1994\)](#)). Moonstruck must show that Metz was at least "appreciably" motivated by a desire to further Moonstruck's goals. *Id.* Moonstruck has presented no such evidence. By contrast, Metz stated during oral argument that he was motivated to make the pins in honor of his wife, a [breast cancer](#) survivor, and to support the NBCF. Moreover, Metz did not sign the NBCF Agreement as a Moonstruck Designer, although that was the title under his name. Instead, he created his own title by his signature: "Designer for himself." Moonstruck therefore has failed to establish this prong.

***6** In short, Moonstruck has failed to present sufficient evidence to justify the extraordinary relief of a preliminary injunction in that it has failed to show that it is the owner of the copyright of the NBCF Pins. Even if Metz designed the NBCF Pins while an employee of Moonstruck, it is not clear that he did so in the scope of his employment. As a result, the motion for a preliminary injunction is denied.

Conclusion

Moonstruck's motion for a preliminary injunction is denied.

It is so ordered.

S.D.N.Y., 2002.

Moonstruck Design, LLC v. Metz