

LEXSEE 2002 US DIST LEXIS 9130

**COLUMBUS ROSE LTD. and DAVID BALDACCI, Plaintiffs, – against – NEW MILLENNIUM PRESS, a division of NM WORLDMEDIA INC., et al., Defendants.**

02 Civ. 2634 (JGK)

**UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK**

2002 U.S. Dist. LEXIS 9130

May 10, 2002, Decided

May 20, 2002, Filed

**DISPOSITION:** [\*1] Defendant New Millennium enjoined from publishing the David Baldacci work entitled "The Mighty Johns," other than in an anthology containing at least fourteen football-themed mystery stories, edited by and attributed to Otto Penzler, with a title other than "The Mighty Johns," and with a cover featuring Baldacci's name no more prominently than that of any other author who contributed to the anthology.

**LexisNexis(R) Headnotes**

**COUNSEL:** For COLUMBUS ROSE LTD., DAVID BALDACCI, plaintiffs: Tom Ferber, Pryor, Cashman, Sherman & Flynn LLP, New York, NY.

**JUDGES:** John G. Koeltl, United States District Judge.

**OPINIONBY:** John G. Koeltl

**OPINION:****OPINION AND ORDER**

**JOHN G. KOELTL, District Judge:**

Plaintiffs David Baldacci and Columbus Rose Ltd. ("Columbus Rose") bring this action alleging copyright infringement and violations of § 43(a) of the Lanham Act (15 U.S.C. § 1125(a)) and New York Civil Rights Law § 51. The plaintiffs now move for a preliminary injunction preventing defendant New Millennium Press ("New Millennium"), a division of NM WorldMedia Inc., from reproducing, publishing, advertising, marketing, distributing, or selling the book at issue in this litigation during the pendency of this [\*2] action.

I

David Baldacci is a well-known author of novels, primarily in the murder mystery genre. (Declaration of David

Baldacci, dated May 2, 2002 ("Baldacci Reply Decl."), P 4 & n.1; Declaration of David Baldacci, dated Apr. 13, 2002 ("Baldacci Decl."), P 2.) Columbus Rose serves as Baldacci's loan-out company. n1 (Declaration of Aaron M. Priest, dated Apr. 12, 2002 ("Priest Decl."), P 3.) New Millennium publishes books and audio books in English and foreign languages. (Declaration of Michael Viner, dated Apr. 30, 2002 ("Viner Decl."), P 2; Am. Compl. P 6.) Otto Penzler is the proprietor of the Mysterious Book Shop in New York City, the founder of the Mysterious Press, and an editor of mystery anthologies. (Declaration of Otto Penzler, dated Apr. 15, 2002 ("Penzler Decl."), P 2.)

n1 A "loan-out company" is an entity through which an individual offers his services or rights to others. See Great Entertainment Merch., Inc. v. VN Merch., Inc., 1996 U.S. Dist. LEXIS 8973, No. 95 Civ. 9333, 1996 WL 355377, at \*1 n.1 (S.D.N.Y. June 27, 1996); Home Box Office, Inc. v. Directors Guild of America, Inc., 531 F.Supp 578, 597 (S.D.N.Y. 1982).

[\*3]

On November 16, 1999, Penzler and New Millennium entered into an agreement (the "Publishing Agreement") regarding the publication of a "literary work, consisting of fourteen original football mystery stories..." (Penzler Decl., Ex. A at FIRST: A.) Penzler is the editor of two sports-themed mystery anthologies, consisting of fourteen stories each, that were released by New Millennium in 2001: a baseball mystery anthology entitled "Murderers' Row" and a boxing mystery anthology entitled "Murder on the Ropes." (Penzler Decl. P 3; Baldacci Decl., Exs. C, D.) Penzler states that he expected that the work contemplated in the Penzler Agreement would be the third book in the series of sports-themed mystery anthologies which began with "Murderers' Row"

and "Murder on the Ropes." (Penzler Decl. PP 3-5.)

Baldacci and Penzler state that in the spring of 2000, they discussed the prospect of Baldacci contributing to Penzler's sports-themed mystery anthology. (Baldacci Decl. P 5; Penzler Decl. P 5.) At that time, Penzler told Baldacci the names of some of the other authors who would be contributing to the anthology. (Id.) Under Baldacci's current contract with his publisher, Warner Books, [\*4] Inc. ("Warner"), Columbus Rose receives advances against royalties of several million dollars for each Baldacci novel. (Priest Decl. P 4; Baldacci Decl. P 6.) Baldacci states that he agreed to write a story for Penzler's anthology for the "token sum of \$2,000" (and no share of royalties) because of his respect for Penzler's reputation and "in light of the appealing opportunity to appear with so many other respected authors in [Baldacci's] genre." (Baldacci Decl. P 6.)

On July 18, 2000, Baldacci, acting on behalf of Columbus Rose, executed an agreement with Penzler (the "Contribution Agreement") providing that Baldacci would furnish Penzler with a contribution to an anthology to be edited by Penzler and published by New Millennium. (Baldacci Decl., Ex. H.) The Contribution Agreement established that, as consideration, Columbus Rose would receive \$2,000 upon New Millennium's acceptance of the contribution. (Id.) Baldacci submitted an 89-page draft of his contribution to Penzler in October, 2000. (Tr. of May 6, 2002 Hearing at 112.) Penzler suggested some small changes, which Baldacci incorporated, resulting in a reduction of the manuscript's length by approximately three pages. [\*5] (Id.) Baldacci forwarded the final draft of the contribution, which he entitled "The Mighty Johns," to Penzler in January, 2001. (Id.)

In or about November, 2001, New Millennium prepared a catalogue of books intended for release in August, 2002. (Pl. Letter of May 9, 2002.) The catalogue included a reference to a book called "Sudden Death," edited by Otto Penzler, which was described as consisting of 16 stories, including one by David Baldacci. (Id.)

Penzler delivered the manuscript n2 of his football anthology, which consisted of "The Mighty Johns" and fifteen other stories, n3 to New Millennium in January or February, 2002 (Tr. at 80-81), under the name "Murder in the End Zone" (Penzler Decl. P 7). "The Mighty Johns" is the longest piece in the manuscript. (Viner Decl. PP 5-6.) At the hearing on this motion, Richard Viner, the chairman and chief executive officer of the company that operates New Millennium Press (Id. P 1), testified that upon reviewing the manuscript, he was very favorably impressed with the quality of "The Mighty Johns." (Tr. at 66-67.) In early 2002 (Tr. at 73), New Millennium circulated a "sell sheet" to book buyers that depicted a

book cover [\*6] (the "5-Story Cover") with the name "DAVID BALDACCI" in two rows of large, capital letters occupying more than one-third of the upper portion of the cover, and the title "THE MIGHTY JOHNS" in somewhat smaller capital letters in three rows on the lower part of the cover (Compl., Ex. F). In very small print n4 under Baldacci's name, the 5-Story Cover includes the text: "A Novella by the *New York Times* Bestselling Author," and in small print under "The Mighty Johns," the cover reads: "Plus 4 Additional Original Blockbuster Stories By: Lawrence Block, Brad Meltzer, Ridley Pearson and Anne Perry." (Id.) Ridley Pearson did not contribute a story to Penzler's football anthology, but did contribute a story to a tennis anthology that Penzler has submitted to New Millennium for publication. (Penzler Decl. P 8.)

n2 The manuscript may have arrived in two parts, but if so, the parts arrived at substantially the same time. (Tr. at 67, 81.)

n3 Penzler submitted a manuscript containing two more stories than envisioned in the Publishing Agreement.

n4 The capital letters used to spell out Baldacci's last name appear to be more than seven times as tall as the capital letters in this line. (Compl., Ex. F.)

[\*7]

In February, 2002, New Millennium also prepared a sell sheet depicting a new cover for "Sudden Death." The cover indicates that "Sudden Death" consists of "Original Football Mysteries" by thirteen listed authors, together with an introduction by Otto Penzler. (Pl. Ex. 1.) It also credits Penzler as the book's editor. (Id.) Baldacci's name does not appear on the "Sudden Death" cover, although New Millennium's November, 2001 catalogue listed him as one of the authors in a sixteen-story anthology with that title. (Pl. Ex. 1; Pl. Letter of May 9, 2002.)

In fact, New Millennium intended to use Baldacci's contribution in a book (the "5-Story Book") consisting of Baldacci's contribution and four other stories, including a Ridley Pearson tennis story, packaged in the 5-Story Cover. (Tr. at 108.) Viner claims that he consulted Penzler about the cover and format of the planned book in mid-March, 2002, at the London Book Fair, "letting him know that I was flexible on the issue but intended to use Baldacci's name and 'The Mighty Johns' on the cover, prominently displayed," (Viner Decl. at P 7 n.3) and that Penzler did not object to the idea of combining stories from different Penzler sports [\*8] anthologies in a single work (Tr. at 69-70). Penzler denies that Viner ever mentioned that he was planning a 5-story mixed-sports

anthology or that he intended to use "The Mighty Johns" as the title of an anthology. (Declaration of Otto Penzler, dated May 2, 2002 ("Penzler Reply Decl."), P 6.)

New Millennium undertook serious efforts to promote the 5-Story Book, obtaining pre-orders of almost 80,000 copies from book retailers and wholesalers by March 28, 2002. (Viner Decl. P 10.) Amazon.com and Barnes & Noble.com, online booksellers, made the book available for advance purchase by consumers. (Baldacci Decl., Exs. E, F.) As of May 2, 2002, Amazon.com's web page devoted to the book described it as "The Mighty Johns, by David Baldacci," informed consumers that it would be published in July 2002, and included a small image of the 5-Story Cover. (Def. Ex. A.) Although it is possible to obtain an enlarged image of the cover from the Amazon.com website, the only legible portions of the cover text as it appeared on Amazon's "Mighty Johns" book page on May 2, 2002 were the name "David Baldacci" and the text "The Mighty Johns." (Id.) As of April 3, 2002, Barnes & Noble.com's "Mighty Johns" [\*9] page did not feature an image of a book cover. (Baldacci Decl., Ex. E.) At the top of the page, it included the text "The Mighty Johns," with the name "David Baldacci" directly below. (Id.) The Barnes & Noble.com page indicated that the book would be available on May 28, 2002. (Id.)

The Amazon.com and Barnes & Noble.com pages alerted Baldacci and Penzler to the impending release of the 5-Story Book. (Baldacci Decl., P 8; Penzler Decl., P 8.) Baldacci and Penzler claim to have been shocked to learn of the existence of the 5-Story Book and the way in which it was being marketed. (Baldacci Decl. P 8; Penzler Decl. P 9.) Baldacci states that the 5-Story Book does not comply with his understanding of the Contribution Agreement, and that he finds the cover misleading because it suggests that the book is his next stand-alone mystery novel. (Baldacci Decl. P 9.) Penzler adds that he believes that the 5-Story Book violates the Publishing Agreement. (Penzler Decl. P 9.)

Baldacci has submitted sworn declarations from two book industry professionals, who state that the 5-Story Cover adopts the industry's "big book look," signifying a new novel by a bestselling author, and that it gives [\*10] the misleading impression that the 5-Story Book is in fact Baldacci's next novel. (Declaration of Jackie Merri Meyer, dated Apr. 11, 2002 ("Meyer Decl."), PP 2-3; Declaration of Jackie Seow, dated May 1, 2002 ("Seow Decl."), PP 2-3.) Baldacci has also provided images of his previous book covers, and the covers of Penzler's previous sports mystery anthologies, for comparative purposes. (Baldacci Decl., Exs. C, D, G.) In addition, the plaintiffs have supplied a message from Baldacci's fan website, dated April 28, 2002, that appears to be from a reader seeking infor-

mation about Baldacci's "new novel, 'The Mighty Johns', due out in July," and attributing the information about the "new novel" to Amazon.com. (Baldacci Reply Decl., Ex. A.)

The discovery of the online booksellers' "Mighty Johns" pages prompted a flurry of phone calls, including calls between Baldacci and his literary agent, Aaron Priest (Baldacci Decl. P 10); Priest and Penzler (Priest Decl. P 6); Penzler and Viner (Penzler Decl. P 11); and Viner and Priest (Priest Decl. P 7). Penzler made his objections known to Viner, and claims that Viner responded by telling Penzler that he would revise the book "to include a few more [\*11] stories from different sports-themed anthologies...and to indicate on the cover that I had edited the book," but that the cover would still prominently feature Baldacci's name and "The Mighty Johns." (Id. P 11.) Priest indicates that when he spoke to Viner, Viner offered Baldacci a royalty on the book and said that he would put Penzler's name on the cover, but indicated that the cover would still prominently feature Baldacci's name (although somewhat smaller) and the book would still be entitled "The Mighty Johns." (Priest Decl. P 7.)

On March 27 or 28, 2002, n5 Baldacci's counsel wrote to New Millennium, claiming that the contents of the book were not in accordance with the Contribution Agreement; that the 5-Story Cover was misleading; that Penzler had indicated that the book did not accord with the Publishing Agreement; and that Baldacci and Penzler had rescinded the Contribution Agreement, so that publication of the story would infringe Baldacci's copyright. (Baldacci Decl., Ex. C.) Baldacci and Penzler executed a letter agreement which purports to rescind the Contribution Agreement on March 28, 2002. (Baldacci Reply Decl., P 11 & Ex. B.) On April 15, 2002, Baldacci and Penzler [\*12] entered into a new agreement (the "New Contribution Agreement") that purports to replace the Contribution Agreement and set forth new terms governing Baldacci's contribution to "an untitled football anthology...edited by Otto Penzler...and published by New Millennium Press" (Baldacci Decl., Ex. I). The New Contribution Agreement contains specific restrictions, which were not in the original Contribution Agreement, on the title of the anthology and the use of Baldacci's name in connection with the anthology. (Id. PP 1, 7.)

n5 Baldacci states that his counsel's letter was sent on March 28, but was incorrectly dated March 27. (Baldacci Reply Decl. P 12 n.5.)

Baldacci and Columbus Rose commenced this action on April 15, 2002. Baldacci claims, and New Millennium does not deny, that New Millennium first saw

the Contribution Agreement and the New Contribution Agreement when New Millennium received the plaintiffs' moving papers on or about April 16, 2002. (Baldacci Reply Decl. P 12.) At a conference with the Court [\*13] on April 24, 2002, New Millennium proffered a new cover design that somewhat reduced the size of Baldacci's name, added a line at the bottom reading "Edited by Otto Penzler," changed the list of other contributors to read "James Crumley, Dennis Lehane, Brad Meltzer, Anne Perry and Others," and moved the list of other authors to the upper portion of the cover, below Baldacci's name. (Declaration of Tom J. Ferber, dated May, 2002 ("Ferber Decl."), Ex. A.)

In its opposition papers, dated April 30, 2002, New Millennium presented yet another cover design (the "Current Cover"). (Viner Decl., Ex. A.) At the top of the Current Cover, "THE MIGHTY JOHNS" appears in three rows of large capital letters, followed in small, light type by the words "A New Novella by the # 1 *New York Times* Bestselling Author." (Id.) Further down the cover, the name "DAVID BALDACCII" is written in two rows of capital letters which, although large, are narrower than those used for "THE MIGHTY JOHNS" and therefore make the name appear somewhat smaller than the title text. (Id.) Directly following Baldacci's name, in considerably smaller, lighter type, is the text "And Blockbuster Short Stories By: James Crumley, [\*14] Brad Meltzer, Anne Perry, Dennis Lehane, and Other Superstar Authors." (Id.) The attribution "Edited by Otto Penzler" appears at the bottom of the Current Cover, in a similar type face and size to the list of other authors. (Id.) The two main visual focuses of the Current Cover are the names "The Mighty Johns" and "David Baldacci."

The Creative Director of Warner, Baldacci's main publisher, states that the Current Cover still misleadingly suggests that "the entire book is a major David Baldacci book." (Declaration of Jackie Merri Meyer, dated May 2, 2002 ("Meyer Reply Decl."), P 3.) Another book industry professional, who has some ties to New Millennium, states that the Current Cover is in line with a common industry practice of prominently featuring the name of a well-known contributor on an anthology's cover. (Declaration of Paul V. McLaughlin, dated Apr. 29, 2002 ("McLaughlin Decl."), PP 4-5.) New Millennium has submitted examples of anthologies whose covers prominently feature one name, and collections of single authors' works that take their titles from one of the works in the collection. (McLaughlin Decl., Ex. A; Viner Decl., Exs. C-E.)

New Millennium has also provided [\*15] the Court with the back cover and overlap designs as currently planned. (Id., Ex. B.) The back cover (the "Current Back

Cover") contains, in small capitals, the phrase "A killer line-up of authors illuminates a wide range of crimes in 1 novella and 13 original short stories," above an arc of text reading "*The Mighty Johns* - David Baldacci" and a listing, in smaller type, of thirteen other story titles and authors' names. (Id.) All of the authors listed on the Current Back Cover are listed on either the February, 2002 "Sudden Death" cover or the 5-Story Cover (or both.) (Viner Decl., Ex. B; Pl. Ex. 1; Compl. Ex. A.) Ridley Pearson, the author named on the 5-Story Cover who did not contribute to Penzler's football anthology, is not listed on the Current Back Cover. (Id.) The area where the jacket overlaps the front cover of the book is largely given over to a description of Baldacci's contribution, beginning with the words "The Mighty Johns" in large, bold, italic type. (Id.) The back overlap features a photograph and short biography of Penzler. (Id.) New Millennium did not submit its design for the book's spine to the Court, but Viner testified that it includes [\*16] the words "The Mighty Johns," Baldacci's name, the names of the other five authors on the Current Cover, and Penzler's name. (Tr. at 97.) Viner indicated that on the spine, Baldacci's name is twice the size of the other authors' names and "certainly" larger than Penzler's. (Id. at 97-98.)

The Current Cover is intended for a fourteen-story anthology of football stories (the 14-Story Book) entitled "The Mighty Johns," which New Millennium began printing at some point after receiving plaintiffs' counsel's March 27-28 letter. (Tr. at 109.) New Millennium is planning an initial print run of approximately 100,000 units. (Tr. at 77.) The total sales to date of Penzler's two previous anthologies are approximately 8,500 for "Murderers' Row" and 3,000 for "Murder on the Ropes." (Penzler Decl. P 10.)

On May 2, 2002, Barnes & Noble.com was displaying the Current Cover on its web site, and included a synopsis that described the book as a "book of football stories" and listed all thirteen of the other stories in the book. (Def. Ex. B.) Amazon.com, on the other hand, was still displaying the 5-Story Cover, as well as text indicating that the "edition also features 8 additional original Blockbuster [\*17] stories," including several that do not appear in the list on the Current Back Cover and do not concern football. (Def. Ex. A; Viner Decl., Ex. B; Tr. at 106.) Viner testified that New Millennium plans to ship the 14-Story Book, enclosed in the Current Cover, in time for Father's Day promotions. n6 (Tr. at 75, 78.)

n6 Father's Day falls on June 16 this year.

## II

The standards governing the issuance of a preliminary

injunction are well established. "[A] party seeking a preliminary injunction must demonstrate (1) the likelihood of irreparable injury in the absence of such an injunction, and (2) either (a) likelihood of success on the merits or (b) sufficiently serious questions going to the merits to make them a fair ground for litigation plus a balance of hardships tipping decidedly toward the party requesting the preliminary relief." *Federal Express Corp. v. Federal Espresso, Inc.*, 201 F.3d 168, 173 (2d Cir. 2000).

A

1

The plaintiffs claim that New Millennium's release of the 14-Story Book [\*18] in the Current Cover would violate § 43(a) of the Lanham Act, 15 U.S.C. § 1125(a). They argue that the cover of the book would lead consumers to believe that the book is a David Baldacci novel, which is typically a work of 400 to 550 pages (Penzler Reply Decl. P 4), when in fact it is an anthology with a single Baldacci contribution approximately 90 pages long.

Section 43(a) of the Lanham Act provides:

(1) Any person who, on or in connection with any goods or services, or any container for goods, uses in commerce any word, term, name, symbol, or device, or any combination thereof, or any false designation of origin, false or misleading description of fact, or false or misleading representation of fact, which—

(A) is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods...by another person, or

(B) in commercial advertising or promotion, misrepresents the nature, characteristics, qualities, or geographic origin of his or her or another person's goods, services, or commercial activities, shall [\*19] be liable in a civil action by any person who believes that he or she is likely to be damaged by such act.

...

15 U.S.C. § 1125(a).

Section 43(a) prohibits, as false advertising, the use of an author's name in connection with a work in which the author's true participation or contribution is misrepresented. See 4 McCarthy on Trademarks and Unfair

Competition § 27:84 (4th Ed. 2002); see also *King v. Innovation Books*, 976 F.2d 824, 828-29 (2d Cir. 1992) (upholding preliminary injunction with respect to false possessory credit attributed to author); *PPX Enters., Inc. v. Audiofidelity Enters., Inc.*, 818 F.2d 266, 268-69 (2d Cir. 1987) (false advertising claims involving albums that purported to contain feature performances by musician, but in fact contained only recordings in which musician did not perform or in which he was merely a background or session player); *Hearst Bus. Publ'g, Inc. v. W.G. Nichols, Inc.*, 76 F. Supp. 2d 459, 470-71 (S.D.N.Y. 1999) (granting preliminary injunction on false advertising claim involving, among other things, title and cover design on technical book that were [\*20] misleading as to source); *Follett v. Arbor House Publ'g Co.*, 497 F. Supp. 304, 312-13 (S.D.N.Y. 1980) (awarding injunctive relief where book cover falsely represented author as primary author of work); *Benson v. Paul Winley Record Sales Corp.*, 452 F. Supp. 516, 518 (granting preliminary injunction where cover misleadingly portrayed album as recent recordings featuring musician as principal performer).

In this Circuit, a plaintiff seeking damages or equitable relief for false advertising "must show that either 1) the challenged advertisement is literally false, or 2) while the advertisement is literally true it is nevertheless likely to mislead or confuse consumers." *Johnson & Johnson \* Merck Consumer Pharms. Co. v. Smithkline Beecham Corp.*, 960 F.2d 294, 297 (2d Cir. 1992) (citations omitted); see *S.C. Johnson & Son, Inc. v. The Clorox Co.*, 241 F.3d 232, 238 (2d Cir. 2001); *Hearst*, 76 F. Supp. 2d at 468. If the plaintiff shows that the advertisement is literally false, the court may enjoin the use of the claim "without reference to the advertisement's impact on the buying public." *S.C. Johnson*, 141 F.3d at 238 [\*21] (citation and punctuation omitted).

Generally, if the plaintiff relies on the "impliedly false" theory, "extrinsic evidence must confirm that the [advertisement] is likely to mislead or confuse." *L & F Prods. v. Procter & Gamble Co.*, 45 F.3d 709, 711 (2d Cir. 1995). However, if the plaintiff can show that the defendant "intentionally set out to deceive the public, and the defendant's deliberate conduct in this regard is of an egregious nature," then "a presumption arises that consumers are, in fact, being deceived." *Johnson & Johnson*, 960 F.2d at 298 (punctuation omitted) (citing *Res. Developers, Inc. v. Statue of Liberty-Ellis Island Found., Inc.*, 926 F.2d 134, 140 (2d Cir. 1991)); see also *Bernbach v. Harmony Books, Inc.*, 1998 U.S. Dist. LEXIS 16093, No. 97 Civ. 7569, 1998 WL 926009, at \*3 (S.D.N.Y. Oct. 15, 1998) (noting that the plaintiff would be "entitled to [a] presumption of consumer confusion" if he could show that the defendant set out to intentionally deceive consumers by falsely designating another person as his co-

author). When this presumption exists, the plaintiff is relieved of the burden of producing extrinsic evidence that [\*22] the challenged advertisement is likely to mislead or confuse consumers, and the burden shifts to the defendant to demonstrate the absence of consumer confusion. *Johnson & Johnson*, 960 F.2d at 299.

Whether the plaintiff proceeds on a theory of literal or implied falsity, the plaintiff must, "in addition to proving falsity, ...also show that the defendants misrepresented an 'inherent quality or characteristic' of the product. This requirement is essentially one of materiality..." S.C. *Johnson*, 241 F.3d at 238 (citation and punctuation omitted).

In this case, the plaintiffs have shown a likelihood of success on the merits of their Lanham Act claim. Although they have not proved that the Current Cover is literally false, the plaintiffs have produced extrinsic evidence that indicates that the Current Cover is likely to confuse or mislead. The extrinsic evidence includes the sworn statement of a publishing professional (Meyer Reply Decl.) and the statement from Baldacci's fan website (Baldacci Reply Decl., Ex. A). n7 See *Hearst*, 76 F. Supp. 2d at 470 (customer affidavits attesting to confusion constituted extrinsic evidence of customer [\*23] confusion on preliminary injunction motion). In addition, the plaintiffs and New Millennium have submitted numerous examples of other book covers for the Court's consideration. (Baldacci Decl. Exs. A-D, G; Viner Decl. Exs. C-E; McLaughlin Decl., Ex. A; Faber Decl., Ex. A; Pl. Ex. 1.) Some of these covers may (or may not) be confusing in their own right. Nevertheless, they have provided the Court with useful examples of industry practice against which to measure the impression conveyed by the various covers at issue in this case. The Court is satisfied that the plaintiffs have shown a likelihood of success at the trial of this case, namely that they will be able to prove at trial that the Current Cover is likely to mislead or confuse consumers. n8

n7 Although the remark on the Baldacci website refers to the 5-Story Cover that appears on Amazon.com, it is also extrinsic evidence of consumers' current understanding that the book entitled "The Mighty Johns" is a novel by David Baldacci.

n8 The evidence available at this stage of the case is not as well-developed as it would be at a trial on the merits, considering the changing nature of the book (or books) at issue and the accelerated schedule of the motion. Cf. *Follett*, 497 F. Supp. at 308 ("No testimony concerning public opinion was presented, and it is difficult, if not impossible, to conceive how such evidence could be

obtained as events now stand."). At a trial on the merits, the plaintiffs would have the opportunity to present additional extrinsic evidence of consumer confusion, possibly including survey evidence. See *Johnson & Johnson*, 960 F.2d 294 ("The success of a plaintiff's implied falsity claim usually turns on a consumer survey."). In this case, the parties did not agree that the Court should consolidate a trial on the merits with the hearing on this preliminary injunction for the very reason that they would not have the time to properly develop their evidence if the hearing and trial were consolidated.

[\*24]

In any event, in this case there is a presumption of consumer confusion based on strong evidence that New Millennium set out intentionally to deceive the public. It is clear that in November, 1999, New Millennium contracted with Penzler for Penzler to produce a fourteen story football anthology. (Penzler Decl., Ex. A.) In their November, 2001 catalogue, New Millennium advertised the anticipated July, 2002 release of "Sudden Death," a Penzler sports mystery anthology featuring sixteen stories, including one by Baldacci. (Pl. Letter of May 9, 2002.) The proposed book did not single out the Baldacci contribution. On receiving Penzler's manuscript in January, 2002, however, New Millennium apparently decided to release part of the anthology as "Sudden Death," while separating out the Baldacci contribution and a few others.

That second selection of stories became, with the addition of at least one non-football story, the 5-Story Book that New Millennium began to advertise as the newest book by David Baldacci, and not the newest anthology edited by Otto Penzler. For the 5-Story Cover, New Millennium adopted the "big book look" and the title "The Mighty Johns," omitted any reference to Penzler, [\*25] and relegated mention of the four other contributors to small, fine print at the bottom of the page. (Compl., Ex. F.) In contrast, the "Sudden Death" cover and the covers of Penzler's two previous New Millennium sports mystery anthologies, "Murderers' Row" and "Murder on the Ropes," list all of the authors who contributed to each of those volumes in alphabetical order in the same typeface, and indicate that the volumes were edited by Penzler. (Pl. Ex. 1; Baldacci Decl., Ex. C.)

It is highly likely that, at a trial on the merits, the plaintiffs could prove that New Millennium set out to deceive the public by attempting to advertise that it was publishing a book — "The Mighty Johns" — which was the latest book by David Baldacci. New Millennium selected a small number of other works to package with

"The Mighty Johns," but it was attempting to deceive the public into buying a misrepresented book. The success of this misrepresentation is reflected in the fact that advance orders for "The Mighty Johns," advertised with the name David Baldacci, were more than nine times the total sales of "Murderer's Row," the more successful of Penzler's two previous sports anthologies. Stores were buying [\*26] the latest book by David Baldacci, not the latest anthology edited by Otto Penzler.

The plaintiffs must also show that the defendant's misrepresentation related to an "inherent quality or characteristic" of the book. The Current Cover's deceptive features concern the authorship and content of the book as a whole, qualities which go to the book's very essence. It is plain that the misrepresentation of the anthology as a stand-alone Baldacci novel "would have some effect on consumers' purchasing decisions," *Hearst*, 76 F. Supp. 2d at 469 (punctuation omitted) (citing 3 McCarthy on Trademarks and Unfair Competition § 27:35), as it did with the advance sales to booksellers.

Thus, the plaintiffs have shown a likelihood of success on their Lanham Act claim and a preliminary injunction is justified on this basis without even turning to the balance of the hardships, although, as explained below, the balance of the hardships tips decidedly in favor of the plaintiffs.

## 2

The plaintiffs also claim copyright infringement on the basis that the 14-Story Book and Current Cover violate the terms of the New Contribution Agreement, which they argue is the only operative grant [\*27] of the plaintiffs' copyright in Baldacci's contribution. New Millennium responds that it is a third-party beneficiary of the original Contribution Agreement and that Penzler and Baldacci could not alter the terms of that agreement without New Millennium's consent.

Under New York law, which the parties agree applies to this issue, "although a third party need not be specifically mentioned in the contract before third-party beneficiary status is found...the parties' intent to benefit a third party must be shown on the face of the agreement." *Itar-Tass Russian News Agency v. Russian Kurier, Inc.*, 1999 U.S. Dist. LEXIS 3575, No. 95 Civ. 2144, 1999 WL 165706, at \*3 (S.D.N.Y. Mar. 25, 1999); see also *Hylte Bruks Aktiebolag v. Babcock & Wilcox Co.*, 399 F.2d 289, 292 (2d Cir. 1968); *New York State Energy Research & Dev. Auth. v. Nuclear Fuel Servs., Inc.*, 561 F. Supp. 954, 979 (W.D.N.Y. 1983); *Port Chester Elec. Constr. Corp. v. Atlas*, 40 N.Y.2d 652, 357 N.E.2d 983, 986, 389 N.Y.S.2d 327 (N.Y. 1976). The contracting parties are not free to modify or discharge the promisor's

duty to a third-party beneficiary "when the beneficiary, before he receives [\*28] notification of the discharge or modification, materially changes his position in justifiable reliance on the promise or brings suit on it or manifests assent to it at the request of the promisor or promisee." *N. Bloom & Son (Antiques) Ltd. v. Skelly*, 673 F. Supp 1260, 1267 (S.D.N.Y. 1987); see also *In re Estate of Cohen*, 83 N.Y.2d 148, 629 N.E.2d 1356, 1359, 608 N.Y.S.2d 398 (N.Y. 1994).

It is clear that New Millennium was an intended beneficiary of the original Contribution Agreement. New Millennium is, in fact, specifically named in several places in the agreement. The agreement provides, for example, that Columbus Rose "represents and warrants to [Penzler] and New Millennium" various facts, including that it is "the sole and exclusive owner of the rights herein conveyed to New Millennium," and the agreement states that it "shall be binding and inure to the benefit of...the successors and assigns of New Millennium." (Baldacci Decl., Ex. H PP 3, 6.) The agreement plainly contemplates that the rights granted from the plaintiffs to Penzler would enable New Millennium to publish Baldacci's contribution to Penzler's manuscript.

It is less clear whether [\*29] New Millennium's rights in the original Contribution Agreement vested, such that the parties' later rescission of that agreement and execution of the New Contribution Agreement were ineffective with respect to New Millennium. The plaintiffs argue that New Millennium can show no justifiable reliance on the original Contribution Agreement, because it only decided to publish the 14-Story Book after receiving plaintiffs' counsel's March 27-28, 2002 letter informing New Millennium that the parties had rescinded the original Contribution Agreement. Any reliance on the original Contribution Agreement with respect to the 5-Story Book was, the plaintiffs argue, not justifiable because the 5-Story Book violates the terms of the original Contribution Agreement and the Publishing Agreement. The plaintiff's argument is supported by the existence of the November, 2001 catalogue listing all the proposed contributors including Mr. Baldacci. This suggests that New Millennium and Penzler in fact intended their agreement to cover an anthology very different from the 5-Story Book that New Millennium was attempting to publish before it received notice of the rescission of the Contribution Agreement. The [\*30] plaintiffs' argument on this issue certainly raises sufficiently serious questions to make them a fair ground for litigation, although on the current state of the record it is not possible to determine whether they are likely to succeed.

The Court therefore balances the hardships that weigh in favor of, and against, the grant of a preliminary in-

junction. Baldacci's livelihood depends on his reputation among the book-buying public, which could be seriously damaged if readers believe that the author has misled them into buying "The Mighty Johns," or if they are disappointed by the brevity of what they took to be the writer's most recent novel. In contrast, New Millennium faces a potential monetary loss, part of which is attributable to pre-orders and marketing efforts which centered on the 5-Story Book, which was likely deliberately misleading and infringing, and part of which is attributable to printing and other costs associated with the 14-Story Book and Current Cover, which New Millennium acknowledges it only began to accrue after it was aware of the likelihood of litigation. New Millennium "deliberately sailed in harm's way" and "the hardship of which it complains is significantly [\*31] of its own making." *Cherry River Music Co. v. Simitar Entm't, Inc.*, 38 F. Supp. 2d 310, 323-24 (S.D.N.Y. 1999). Thus the balance of hardships tips decidedly in the plaintiffs' favor.

3

The plaintiffs have not seriously pressed their claim under New York Civil Rights Law § 51 for purposes of this motion. Any claim under § 51 would face the obstacle presented by the statutory provision that "nothing contained in this article shall be so construed as to prevent any person, firm or corporation...from using the name, portrait, picture or voice of any author, composer or artist in connection with his literary, musical or artistic productions which he has sold or disposed of with such name, portrait, picture or voice used in connection therewith." N.Y. Civ. Rights Law § 51; see *Donahue v. Artisan Entm't, Inc.*, 2002 U.S. Dist. LEXIS 5930, No. 00 Civ. 8326, 2002 WL 523407, at \*7 (S.D.N.Y. April 8, 2002).

B

Irreparable injury is "an injury that is neither remote nor speculative, but actual and imminent and that cannot be remedied by an award of monetary damages." *Rodriguez v. DeBuono*, 175 F.3d 227, 234 (2d Cir. 1999) (citing *Shapiro v. Cadman Towers, Inc.*, 51 F.3d 328, 332 (2d Cir. 1995)) [\*32] (punctuation omitted). Here, Baldacci's "name and artistic reputation are his major assets," and the damage to these assets by misleading attribution of the 14-Story Book cannot be remedied by a monetary award. *King*, 976 F.2d at 832; see *The Clifford Ross Co., Ltd. v. Nelvana, Ltd.*, 710 F. Supp. 517, 520-21 (S.D.N.Y. 1989) ("It is well established that loss to artistic reputation...cannot be compensated for in money damages.").

III

Because the plaintiffs have shown that they are entitled to a preliminary injunction, the Court must now

determine the scope of that injunction. The publication of a fourteen story football anthology featuring Baldacci's contribution is clearly permissible. However, the plaintiffs are likely to succeed on their claim that the Current Cover is misleading, and the 5-Story Cover was even more misleading than the Current Cover. Both of these covers, which are currently being used in the marketplace, promote a book entitled "The Mighty Johns" and prominently feature Baldacci's name, so that there is existing confusion in the marketplace relating to a book entitled "The Mighty Johns." Furthermore, the plaintiffs have shown serious [\*33] questions going to the merits of whether the New Contribution Agreement currently controls Baldacci's grant of rights in his contribution, and the New Contribution Agreement provides that the anthology may not be entitled "The Mighty Johns" or a variation thereof, and that Baldacci's name may not appear more prominently on the cover of the anthology than that of any other author or story. (Baldacci Decl., Ex. I, P 1.)

Therefore, the Court will enjoin the publication of Baldacci's contribution to the extent that the publication is not consistent with the grant of rights in the New Contribution Agreement.

#### Conclusion

For the reasons explained above, the Court orders that, during the pendency of this action, defendant New Millennium is enjoined from publishing the David Baldacci work entitled "The Mighty Johns," other than in an anthology:

1. containing at least fourteen football-themed mystery stories;
2. edited by and attributed to Otto Penzler;
3. with a title other than "The Mighty Johns"; and
4. with a cover featuring Baldacci's name no more prominently than that of any other author who contributed to the anthology.

The plaintiffs are directed to submit, by May 14, 2002, a [\*34] proposed order granting the preliminary injunction. The defendants may submit a counterorder by May 15, 2002. Any order is to include a proposed schedule for the completion of expedited discovery and the submission of a Joint Pre-Trial Order.

The foregoing constitutes the Court's Findings of Fact and Conclusions of Law pursuant to Fed. R. Civ. P. 52(a) and 65.

**SO ORDERED.**

**Dated: New York, New York**

**May 10, 2002**  
**John G. Koelfl**

**United States District Judge**