

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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PTAK BROS. JEWELRY, INC., :

Plaintiff, :

- against - :

GARY PTAK and G. PTAK, LLC, :

Defendants. :

-----x

MEMORANDUM DECISION

06 Civ. 13732 (DC)

APPEARANCES:

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- and -

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CHIN, D.J.

Plaintiff Ptak Bros. Jewelry, Inc. ("PBJ") brings this action for trademark infringement under the Lanham Act, 15 U.S.C. § 1051 et seq., against defendants Gary Ptak and G. Ptak, LLC. PBJ also asserts claims for cyberpiracy, unfair competition, and other violations of state law. PBJ contends that defendants have been infringing upon its "PTAK" trademarks, which it purchased at auction. Accordingly, PBJ moves for a preliminary injunction under Rule 65(a) of the Federal Rules of Civil Procedure.

For the reasons set forth below, the motion is granted. Pursuant to Federal Rule of Civil Procedure 65, my findings of fact and conclusions of law follow.¹

FINDINGS OF FACT

I. History of Ptak Bros., Inc.

Ptak Bros., Inc. -- the predecessor to PBJ -- was founded in 1946 by three brothers with the surname Ptak. (Compl. ¶ 11).² Ownership rights were eventually transferred to the founders' children -- cousins Saree, Gary, and Alan Ptak (respectively, "Saree," "Gary," and "Alan") -- who were each left with one-third of the shares. (Pl. Mem. Exs. 1, 20).

In February 2003, Saree brought a petition for judicial dissolution of Ptak Bros., Inc. (Pl. Mem. Exs. 1, 20; Pl. Reply Mem. Ex. 27). In or about April 2004, Saree, Gary, and Alan (and others) entered into a Settlement Agreement and Release to discontinue the petition for judicial dissolution and all related claims and counterclaims. (Id.). In addition, they agreed to carry out a nonjudicial dissolution of the company. (Pl. Mem. Exs. 1, 20). Under the Settlement Agreement, the assets of the

¹ In considering this motion, I did not hold an evidentiary hearing. In its motion papers, PBJ asserts that no hearing is required. (Pl. Mot. at 2). Likewise, defendants have not requested a hearing. I therefore decide this motion solely on the papers.

² I have cited to the verified complaint for certain undisputed facts. See Parke, Davis & Co. v. Amalgamated Health & Drug Plan, Inc., 205 F. Supp. 597, 601 (S.D.N.Y. 1962) ("Where the pleadings are properly verified, they may serve the office both of pleadings and evidence on an application for a temporary injunction.").

company were to be sold, and the proceeds were to be distributed to the creditors of the company, with the balance to be distributed in equal amounts to Gary, Alan, and a trust established for the benefit of Saree. (Pl. Reply Mem. Ex. 27 ¶ 3). According to the Settlement Agreement, the assets were to include "the names 'Ptak Brothers', 'Ptak Bros.', and 'Ptak' (collectively 'Company Name'), customer list(s), supplier list(s) and form of catalog." (Pl. Reply Mem. Ex. 28 (as supplemented)).

Alan and Saree, contending that Gary was not complying with the above Settlement Agreement for nonjudicial dissolution, moved the state court for injunctive relief to carry out the dissolution procedures. (Pl. Mem. Exs. 1, 20). The court granted their motion, and ordered, inter alia, that the company be liquidated in accordance with the Settlement Agreement. (Id.).

The assets of Ptak Bros., Inc. were to be sold at auction on August 13, 2004. (Pl. Mem. Ex. 9). Although Gary was a shareholder at the time of the auction, he had left his employment at Ptak Bros., Inc. several months earlier to start his own jewelry business.³ (Gary Ptak Decl. ¶ 8). Thus, potential bidders were notified of the following about Gary Ptak at the auction:

For bidders on the trade name, please be aware that Gary Ptak, one of the current owners of Ptak Bros., Inc., currently

³ According to defendants' website, Gary started his business sometime around 2004. See <http://www.garyptak.com/history.html> (last visited May 16, 2007).

operates his own jewelry business. His business does not operate under the name Ptak Bros., Inc., only the winning bidder will be able to use Ptak Bros., Inc., but obviously his last name is Ptak and he does use his last name in the course of doing business as "Custom Jewelry by Gary Ptak." Bidders on the trade name must be aware of this and accept this in making their bids.

(Morfino Decl. ¶ 4; Pl. Mem. Ex. 7).

Although still a shareholder, Gary nevertheless submitted a bid of \$305,000 for just the trademarks and other intellectual property of Ptak Bros., Inc. (Morfino Decl. ¶ 9). He was outbid, however, by Carl Morfino, who bid \$1,020,000 for all the assets to Ptak Bros., Inc. (Id.). After the auction, PBJ was promptly incorporated, and Morfino transferred all the assets of Ptak Bros., Inc. to PBJ. (Id. ¶ 15; Morfino Reply Decl. ¶ 14).

On October 4, 2004, the Bill of Sale between Ptak Bros., Inc. and PBJ was signed by Alan Ptak on behalf of Ptak Bros., Inc. (Morfino Decl. ¶ 15; Pl. Mem. Ex. 2). Gary, however, was not involved in the negotiation, drafting, or execution of the Bill of Sale or any other personal contract with plaintiff. (Gary Ptak Decl. ¶ 16). Nor did he sign the Bill of Sale. (Pl. Mem. Ex. 2).

The Bill of Sale assigned to PBJ:

(i) the trade name "Ptak Bros., Inc." and any and all derivatives thereof . . . (ii) the Telephone Numbers; and (iii), the URL <http://www.ptakbros.com>; (iv) any and all right title and interest in and to all creative and photographic materials relating to the most recent Ptak Bros., Inc. catalogs; and (v) all rights, title and interest in and

to the customer lists and information (approximately 30,000[] customers). The foregoing assignment shall also include, without limitation, an assignment by Assignor to Assignee of all internet registration rights, internet domain rights, e-mail addresses, Federal and State trademarks, service marks, copyrights, common law rights and any and all other intellectual property rights associated with or arising therefrom.

(Id.).

There was also a restrictive covenant, dated October 4, 2004, signed by Gary, Alan, and PBJ. (Pl. Mem. Ex. 3). The restrictive covenant provided that as shareholders of Ptak Bros., Inc., Gary, Alan, and Saree "covenant[] and agree[] not to use, in the jewelry business, the Company name [Ptak Bros., Inc.] on his/her or its own behalf, or on behalf of any entity directly or indirectly owned or controlled by him/her or it, or in the case of the Trust created in connection with the Company, by either Trustee." (Id.). It further provided, however, that Gary and Alan would not be precluded from using "his/her own first and last name (and/or initials) for personal or business purposes, including in connection with the jewelry business. By way of example . . . it would be permissible for a Shareholder of the Company to use the name 'Custom Jewelry by Gary Ptak,' but not 'Ptak Custom Jewelry' or 'Alan Ptak, formerly of Ptak Bros.' and the like." (Id.). In addition, there was no non-compete clause or language in either the restrictive covenant or the sale documents. (Gary Ptak Decl. ¶¶ 13-14).

II. Reputation of Ptak Bros., Inc.

Over several decades, Ptak Bros., Inc. earned a reputation for high quality jewelry. (Morfino Decl. ¶ 10). It provided service to more than 30,000 wholesale and retail customers throughout the United States. (Id. ¶ 17). As a result, the trademarks "PTAK" and "PTAK BROS." had become nationally known since at least 1997 for its jewelry goods and services. (Id.). The PTAK name had also been prominently displayed on printed and Internet-based catalogs, order forms, marketing materials, and various jewelry items. (Id.).

PBJ -- the successor in interest to Ptak Bros., Inc. -- continues to use the PTAK and PTAK BROS. trademark for marketing purposes. (Morfino Decl. ¶ 18). This includes the use of PTAK in its telephone and fax numbers, which are 800-345-PTAK and 800-PTAK-FAX, respectively. (Id. ¶ 19). It also includes the use of the same style format and style numbers used in Ptak Bros., Inc. printed catalogs. (Id. ¶¶ 18, 30-38).

III. Defendants' Use of the PTAK Name

Defendants continued to use the Ptak name for various activities. For example, Gary, acting through his wife Elyse Spies, ordered Verizon to redirect any faxes sent to the Ptak Bros. fax number (800-PTAK-FAX) to Gary Ptak, LLC. (Pl. Mem. Ex. 10; Morfino Decl. ¶ 20). This transfer was discovered after PBJ began receiving complaints from customers that sales orders and other communications were not being acknowledged. (Morfino Decl.

¶ 21). Gary agreed, on October 4, 2004, to retransfer the fax number back to PBJ. (Id.).

Gary has also been using the telephone number 800-PTAK-112 for his personal jewelry business. (Id. ¶ 22). PBJ's attorney wrote defendants in February 2006 asserting that their use of a phone number containing "PTAK" was in violation of the Bill of Sale and the restrictive covenant. (Id. ¶¶ 22, 24). This notice contained a demand that defendants cease and desist using the number. (Id. ¶ 24). Defendants have removed the letters of the phone number ("PTAK") from their web page, but customers can still reach defendants through that same number. (Id. ¶ 23).

Moreover, defendants associate themselves with Ptak Bros., Inc. with statements on their website such as: "Gary spent 14 years honing his craft at Ptak Bros. Inc." (Id. ¶ 40; Pl. Mem. Ex. 5). Gary also asserts that he is the sole legitimate successor to Ptak Bros., Inc., and states that he is the historical successor to the "Ptak Family," and "The Company." (Morfino Decl. ¶ 41).

Both the website and catalogs for G. Ptak, LLC contain a section about Gary's family history, which traces Gary's family lineage. (Pl. Mem. Ex. 6). The section also talks about how the Ptak Bros., Inc. company was formed. (Id.). For example, the section takes the reader through various decades, and begins with pictures and descriptions of Gary's grandparents, who immigrated from Poland. (Id.). It further describes how Gary's father and

his uncles joined together to build a jewelry business bearing their name. (Id.). Near the end of the family history section, it says that "[i]n 2004, Gary Ptak, LLC opens for business, proudly continuing the greater than 60 year Family tradition. Upon information and belief, Gary Ptak, LLC remains the only Ptak-owned and operated jewelry manufacturing firm in existence today." (Id.). It concludes with the following:

Dear Friends (both old and new),
For over 60 years it has been my family's
tradition to offer superior quality and
service to compliment our extensive
collection of styles. . . . [N]othing makes
me more proud than to continue this tradition
with an altogether improved operation.
Welcome to Gary Ptak, LLC.

(Id.).

In addition, the G. Ptak, LLC November 2006 catalog contains the phrase "PTAK: GOOD THINGS COME IN SMALL PTAKAGES!" -- which is not a registered mark according to the records of the U.S. Patent and Trademark Office. (Morfino Decl. ¶ 43).

Gary Ptak has also made arrangements so that anytime a user enters "http://www.ptak.com" he or she will automatically be redirected to the G. Ptak, LLC jewelry website. (Morfino Decl. ¶ 44). And on defendants' home page at www.garyptak.com, the name "Gary Ptak" appears on the top left hand corner with the "Gary" in gold and the "Ptak" in silver. (Id. ¶ 47; Def. Mem. Ex. B).

Finally, a comparison of defendants' November 2006 catalog with Ptak Bros. books 22, 23, and 24 shows that more than 25% of defendants' products are identical to those that used to

be manufactured and sold by Ptak Bros. Inc. (Morfino Decl. ¶ 35).

PROCEDURAL HISTORY

On December 4, 2006, PBJ filed a complaint against defendants, alleging, inter alia, claims of cyberpiracy, federal unfair competition and false designation of origin, trademark infringement, unlawful deceptive acts and practices, and breach of contract. On February 2, 2007, plaintiff filed the instant motion for a preliminary injunction. Thereafter, the parties sought to agree on the terms of a preliminary injunction, but were unable to agree on all the terms.

DISCUSSION and CONCLUSIONS OF LAW

PBJ asks for broad relief. (See Pl. Reply Mem. Revised Proposed Order). Defendants are willing to consent to most of the requested relief, with the caveat that they are doing so only for purposes of the preliminary injunction, and that the consent is not a concession with respect to the merits of the case. (Def. Mem. at 1). The only objections made by defendants are that: (1) they believe that "Ptak Bros." or "Ptak Brothers" may be referenced in a narrative, factual history -- such as on the "Family History" section of their website and catalog -- and they would be willing to place an appropriate disclaimer stating that they are not connected with PBJ (Def. Mem. at 2); (2) they believe that the "Gary Ptak" logo placed on their website -- with the "Ptak" in different font color -- does not create confusion

(id. at 2-3); and (3) they wish to defer making any changes in their catalogs until the next printing (id. at 3-4).

The disagreement between PBJ and defendants primarily involves the scope of relief that I should grant. Nevertheless, I still must decide whether PBJ satisfies the standard for a preliminary injunction under the Lanham Act. If so, I then decide the scope of PBJ's requested relief.

I. Preliminary Injunction Under Lanham Act

The Lanham Act provides for a cause of action against

[a]ny person who . . . in connection with any goods or services . . . 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, services, or commercial activities by another person.

15 U.S.C. § 1125(a)(1).

Thus, the "key for a plaintiff in proving infringement of its trademark is to show the likelihood of consumer confusion." Brennan's, Inc. v. Brennan's Restaurant, L.L.C., 360 F.3d 125, 128 (2d Cir. 2004) (citing Restatement (Third) of Unfair Competition § 21 cmt. a (1995)).

To prevail on a motion for a preliminary injunction, the moving party must demonstrate a threat of irreparable injury and either (1) a probability of success on the merits or (2)

sufficiently serious questions going to the merits to make them fair grounds for litigation and a balance of hardships tipping decidedly in the moving party's favor. See, e.g., Time Warner Cable v. Bloomberg L.P., 118 F.3d 917, 923 (2d Cir. 1997).

Irreparable injury exists where, but for the granting of the preliminary injunction, it would be difficult or impossible to return the parties to the positions they previously occupied. See Brenntag Int'l Chems., Inc. v. Bank of India, 175 F.3d 245, 249 (2d Cir. 1999). In trademark disputes, "a showing of likelihood of confusion establishes both a likelihood of success on the merits and irreparable harm." Malletier v. Burlington Coat Factory Warehouse Corp., 426 F.3d 532, 537 (2d Cir. 2005) (quoting Hasbro, Inc. v. Lanard Toys, Ltd., 858 F.2d 70, 73 (2d Cir. 1988)).

Whether there is likelihood of confusion is determined by a multi-factor test set forth in Polaroid Corp. v. Polarad Elecs. Corp., 287 F.2d 492, 495 (2d Cir. 1961). The test includes several non-exclusive factors, such as: (1) the strength of the mark, (2) the degree of similarity between the two marks, (3) the competitive proximity of the products, (4) actual confusion, (5) the likelihood the plaintiff will bridge the gap, (6) the defendant's good faith in adopting its mark, (7) the quality of the defendant's products, and (8) the sophistication of the purchasers. See Mobil Oil Corp. v. Pegasus Petroleum Corp., 818 F.2d 254, 256 (2d Cir. 1987) (citing Polaroid, 287 F.2d at 495). No factor is dispositive, and a court is not

limited to these factors. Polaroid, 297 F.2d at 495. Moreover, "each factor must be evaluated in the context of how it bears on the ultimate question of likelihood of confusion as to the source of the product." Lois Sportswear, U.S.A., Inc. v. Levi Strauss & Co., 799 F.2d 867, 872 (2d Cir. 1986).

A trial court has discretion to fashion a preliminary injunction that will preserve the status quo pending a trial on the merits. Arthur Guinness & Sons, PLC v. Sterling Pub. Co., 732 F.2d 1095, 1099 (2d Cir. 1984); see also Grand Union Co. v. Cord Meyer Dev. Co., 761 F.2d 141, 147 (2d Cir. 1985) (district court has broad discretion to "devise whatever remedy it believes in its discretion is necessary to make . . . injured parties whole") (internal quotations omitted). The decision to grant or deny preliminary injunctive relief rests within the sound discretion of the trial court, and will not be disturbed on appeal absent a showing of abuse of discretion. See Arthur Guinness & Sons, 732 F.2d at 1099.

II. Application

Two issues are presented. The first is whether PBJ has met the standard for a preliminary injunction. The second is, if so, the scope of relief.

A. Issuance of a Preliminary Injunction?

The primary issue is whether plaintiff has shown likelihood of confusion because in trademark cases, "a showing of likelihood of confusion establishes both a likelihood of success on the merits and irreparable harm." Malletier, 426 F.3d at 537;

Hasbro, 858 F.2d at 73. Based on the various factors delineated in Polaroid, plaintiff has established a likelihood of confusion. See Mobil Oil Corp., 818 F.2d at 256. Here, however, not all of the factors are relevant. Rather, the factors directly relevant in this instance are: (1) strength of the mark, (2) degree of similarity, (3) the competitive proximity of the products, and (4) actual confusion. I discuss them in turn.

1. Strength of the Mark

The strength of a mark refers to "its tendency to identify the goods sold under the mark as emanating from a particular, although possibly anonymous, source." McGregor-Doniger Inc. v. Drizzle Inc., 599 F.2d 1126, 1131 (2d Cir. 1979). Courts typically assess the strength of a mark through two components: inherent distinctiveness and the distinctiveness the mark has acquired in the marketplace. Brennan's, 360 F.3d at 130-31. Inherent distinctiveness "examines a mark's theoretical potential to identify plaintiff's goods or services without regard to whether it has actually done so." Id. at 131. Acquired distinctiveness, on the other hand, refers to the "recognition plaintiff's mark has earned in the marketplace as a designator of plaintiff's goods or services." Id. (citing to TCPIP Holding Co. v. Haar Communications, Inc., 244 F.3d 88, 97 (2d Cir. 2001)).

a. Inherent Distinctiveness of Family Names

The Second Circuit has made clear that family names are descriptive and do not by themselves identify a product. Id. A

proper name merits protection, however, if the name develops a secondary meaning, such that the name comes to identify the product as originating from a single source. See Gruner + Jahr USA Publ'g v. Meredith Corp., 991 F.2d 1072, 1076 (2d Cir. 1993). Nevertheless, "courts generally are hesitant to afford strong protection to proper names, since to do so preempts others with the same name from trading on their own reputation." Brennan's, 360 F.3d at 131.

Here, the Court is not persuaded that Ptak Bros., Inc. has developed a secondary meaning, such that the name has come to identify the product -- namely, jewelry -- as originating from a single source. See Gruner, 991 F.2d at 1076 (examples include IVORY for soap, EXXON for oil, and KODAK for photography). Indeed, defendants show that in the wholesale jewelry business, it is common to have numerous family-owned businesses with the same surname. (Gary Ptak Decl. ¶ 18) (stating that in New York City alone, there are, for example, several "Fabrikants," "Simontovs," "Kohanims," and "Verstandigs" in the jewelry business). Moreover, PBJ does not present evidence supporting the inherent distinctiveness of the Ptak Bros. name.

b. Acquired Distinctiveness

On the other hand, PBJ has introduced some evidence that Ptak Bros., Inc. has achieved distinctiveness in the jewelry market. For example, PBJ has presented evidence that Ptak Bros., Inc. has been providing high quality jewelry for several decades now, and has a customer list that exceeds 30,000 customers.

(Morfino Decl. ¶¶ 10, 17). Moreover, it has provided evidence that annual sales and gross profits for Ptak Bros., Inc. from 1998 through 2003 ranged from three to six million dollars. (Morfino Reply Decl. ¶ 15).

In addition, defendants do not dispute that Ptak Bros. and Ptak Brothers are common law trademarks (Gary Ptak Decl. ¶ 10), and thus are entitled to some protection. Accordingly, although PBJ's name is not inherently distinctive, there is evidence to show that it has acquired distinctiveness, and is entitled to some protection.

2. Degree of Similarity

Without need for much discussion, this factor favors PBJ, as both PBJ and defendants use Ptak in their names. PBJ's name is Ptak Bros. Jewelry, Inc., while defendants is G. Ptak, LLC.

3. Competitive Proximity of Products

The proximity of products asks the extent that the two products compete with each other. See Cadbury Beverages, Inc. v. Cott Corp., 73 F.3d 474, 480 (2d Cir. 1996). This factor also favors PBJ, as both are involved in the business of providing jewelry products and services.

4. Actual Confusion

Here, PBJ has provided documentary evidence of twenty-nine instances where customers and retail jewelers have actually been confused about whether a catalog sent to them was from PBJ or defendants. (Morfino Reply Decl. ¶¶ 3-9 & Ex. 24). In one

example, two retailers stated that they thought defendants might be the original Ptak Bros. company after having read the family history pages in defendants' catalog. (Morfino Reply Decl. ¶ 6 & Ex. 24). In another example, at least five customers asked PBJ to see merchandise from a catalog, not realizing that they were looking at defendants' catalog. (Morfino Reply Decl. ¶ 7 & Ex. 24). And in a third example, two jewelers mistakenly ordered products from defendants, when in fact, they thought they were ordering from PBJ. (Morfino Reply Decl. ¶ 8 & Ex. 24).

Notwithstanding the documented instances of actual confusion, defendants declare that they have not seen or heard of any confusion between the two companies. (Gary Ptak Decl. ¶ 20). This blanket declaration, however, is unpersuasive in light of the evidence produced by PBJ. Moreover, I weigh this factor more heavily because the test here is for likelihood of confusion, and nothing is more directly relevant than examples where consumers and retailers were actually confused.

In view of the above factors, PBJ is entitled to preliminary injunctive relief, as it has demonstrated a likelihood of confusion. See Malletier, 426 F.3d at 537.

B. What Relief Is Appropriate?

I now determine the scope of relief. Defendants have agreed -- for purposes of this motion only -- to nearly all of plaintiff's requested relief. The only exceptions are: (1) defendants believe they should be able to use "Ptak Bros." in a narrative, factual history, such as in the "Family History"

section of their website and catalog, and they are willing to insert a disclaimer; (2) they believe that the "Gary Ptak" logo placed on their website -- with the "Ptak" in different font color -- does not create confusion; and (3) they wish to defer making any changes in their catalogs until the next printing.

As an initial matter, a district court has broad discretion in fashioning the scope of relief. See Arthur Guinness & Sons, 732 F.2d at 1099; Grand Union, 761 F.2d at 147. Thus, I devise a remedy pending a trial on the merits.

1. Family History

With respect to the use of "Ptak Bros." in a narrative for the Family History section of defendants' website and catalog, I conclude that these references are permitted in part.

First, there is no agreement or contract that prohibits Gary from describing his family history, including the fact that he may have worked at Ptak Bros. It is true that the restrictive covenant signed by Gary provides that he cannot use "Ptak Custom Jewelry" or "Gary Ptak, formerly of Ptak Bros," and the like for his company name. (Pl. Mem. Ex. 3). Here, however, he is not using Ptak Bros. as his company name. Indeed, as the Second Circuit has recognized, "to prohibit an individual from using his true family surname is to take away his identity . . . and that is so grievous an injury that courts will avoid imposing it, if they possibly can." Taylor Wine Co. v. Bully Hill Vineyards, Inc., 569 F.2d 731, 735 (2d Cir. 1978) (quoting Societe Vinicole de Champagne v. Mumm, 143 F.2d 240, 241 (2d Cir. 1944)).

Second, so long as Gary inserts a proper disclaimer stating that he is not currently associated with PBJ or "Ptak Bros.," the use of "Ptak Bros." in a family narrative would not cause confusion. For instance, defendants could state that "The assets of Ptak Bros., Inc. were sold and transferred to a company now called Ptak Bros. Jewelry, Inc. G. Ptak, LLC has no affiliation with Ptak Bros., Inc. or Ptak Bros. Jewelry, Inc." That is simply one example of a disclaimer that could work.

PBJ cites to case law stating that disclaimers may be ineffective. (Pl. Reply at 8-9). That case, however, also acknowledges that disclaimers may prevent consumer confusion where there is a minimal or moderate amount of confusion. See Pro Fitness Physical Therapy Ctr. v. Pro-Fit Orthopedic and Sports Physical Therapy P.C., 314 F.3d 62, 70-71 (2d Cir. 2002). Here, although PBJ has provided examples where there has been actual confusion, it cannot be said that there has been substantial confusion. Accordingly, Gary may continue to use "Ptak Bros." in the narrative of his family history section, so long as there is a proper disclaimer.

PBJ does, however, make a legitimate argument that certain statements that Gary makes on his website and catalog are likely to cause confusion. For example, defendants assert that "Gary Ptak LLC remains the only Ptak-family owned and operated jewelry manufacturing firm in existence today" (Pl. Mem. Ex. 6); that Gary's business is "proudly continuing the greater than 60 year Family Tradition" (id.); and further uses the marketing

slogan "PTAK: GOOD THINGS COME IN SMALL PTAKAGES!" (id.; Morfino Decl. ¶ 43). These statements are not being used in a narrative to describe Gary's family history, and are likely to cause confusion. In addition, they arguably violate the restrictive covenant that Gary signed, which prohibits him from using the Ptak Bros. name. It is true that Gary is technically not using "Ptak Bros., Inc." as his company name, but the above statements insinuate that Gary's company is a continuation of Ptak Bros., Inc. Thus, it surely violates the spirit if not the letter of the restrictive covenant. Accordingly, these statements must be stricken.

2. GARY PTAK Logo on Website

On the issue of whether defendants can have "Gary" and "Ptak" on their website in different font color, I agree with defendants that this is not likely to create confusion. Plaintiff does not contest that defendants are entitled to use "Gary Ptak" on their website. Thus, so long as the logo does not accentuate "Ptak" at the expense of hiding the "Gary," defendants do not have to change it. Indeed, the font size and type are the same, with the only difference being that "Gary" is printed in gold while "Ptak" is in silver. This is not likely to cause confusion.

3. Timing of Catalog Changes

Lastly, there is a dispute as to when defendants should have to make changes to the Family History section in their catalog. Defendants may continue to use and distribute any

catalogs already in print. Any newly-printed catalogs must conform to the above.


In sum, the Court sustains defendants' three objections in part and overrules them in part, as discussed above.

CONCLUSION

PBJ's motion for a preliminary injunction is granted, to the extent set forth above. PBJ shall submit a proposed order, on notice, within five business days. No bond is required.

SO ORDERED.

Dated: New York, New York
May 29, 2007



DENNY CHIN
United States District Judge

CHIN, J

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

PTAK BROS. JEWELRY, INC.,
 Plaintiff,

v.

GARY PTAK and
 G. PTAK, LLC
 Defendants.

Case No. 06-CV-13732 (DC/HP)

~~PROPOSED~~ ORDER FOR
 PRELIMINARY INJUNCTION
 AGAINST DEFENDANTS

The application of Plaintiff, Ptak Bros. Jewelry, Inc., for a preliminary injunction against Defendants Gary Ptak and his company G. Ptak, LLC was filed February 2, 2007 and has been fully briefed.

After reviewing the papers and evidence, the Court entered a Memorandum Decision and an Order on May 29, 2007. Consistent with the Court's determinations, the Court hereby orders the following:

A. Gary Ptak, G. Ptak LLC, any associated jewelry businesses of Gary Ptak, and their officers, agents, servants, employees, members, attorneys and those persons, firms or corporations, acting in concert and participation with them, successors, and assigns, are hereby enjoined from:

- i) using names, trademarks, and Internet domains confusingly similar to Plaintiff's trademarks, including PTAK, PTAK BROS., PTAK BROTHERS, PTAK.COM, or PTAK.[any first level domain], except Defendants may use "Gary Ptak" provided that the "Gary" and the "Ptak" parts of the phrase shall be in similar size, style and prominence;

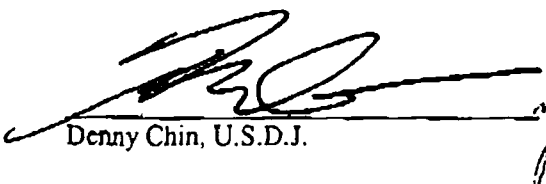
- ii) infringing any of Plaintiff's trademarks rights;
- iii) identifying itself, himself or his jewelry-related businesses as formerly associated with Ptak Bros., Inc or with a Ptak-named entity, except for "G. Ptak, LLC" or "GARY PTAK LLC," unless in a family narrative and in close proximity to the reference "Ptak Bros" or its semantic equivalent (such as "father's company" or the like) and in noticeable prominence is a disclaimer such as "The assets of Ptak Bros., Inc. were sold and transferred to a company now called Ptak Bros. Jewelry, Inc. G. Ptak, LLC has no affiliation with Ptak Bros., Inc. or Ptak Bros. Jewelry, Inc," excepting private applications requesting Gary Ptak's previous employment history";
- iv) using any telephone or facsimile number that incorporates a component which spells PTAK when the numbers are translated into standard telephone letters;
- v) using the phrase "Ptak Bros" in association with marketing jewelry and related goods and services;
- vi) using in marketing jewelry or the jewelry business the term "Ptak" unless as part of the name "Gary Ptak" or "Gary Ptak LLC" and then when used the "Gary" and the "Ptak" parts of the phrase shall be in similar size, style, and prominence;
- vii) attempting to trade upon Plaintiff's goodwill through inclusion of "Ptak Family" and "Company" history, by capitalizing on the Ptak name as if it had been transferred to, acquired by or left to Defendant Gary Ptak to continue the tradition as part of the family inheritance;
- viii) stating or implying that Ptak Bros. business has been shut down, ceased operations, relocated, liquidated or otherwise gone out of existence;
- ix) using the term PTAKAGE or PTAKAGES; and
- x) using or displaying jewelry or images from Ptak Bros, Inc. or from Ptak Bros Jewelry, Inc. in marketing materials.

B. Defendants Gary Ptak and G. Ptak LLC, within twenty (20) calendar days of this order are to cause the Internet domain <ptak.com> to be inactive, so that a browser directed to <www.ptak.com> is not aliased to any other website and email to <[anything]@ptak.com> is not delivered to any email system.

C. Defendants Gary Ptak and G. Ptak LLC are to remove within twenty (20) calendar days of this order their confusingly similar trademarks and prohibited content from all materials to be distributed to the public, including Defendants' website, excepting only Defendant's catalog 1 that had been printed before May 30, 2007, or alternatively that any such prohibited material intended to be so distributed be destroyed.

SO ORDERED.

Dated: New York, New York
June 22 2007



Denny Chin, U.S.D.J.