

Short Form Order

SUPREME COURT - STATE OF NEW YORK
CIVIL TERM; PART TT40 QUEENS COUNTY
25-10 COURT SQUARE, LONG ISLAND CITY, N.Y.

P R E S E N T :

HON. TIMOTHY J. FLAHERTY
Justice

CHARLES LILLY	:	INDEX. NO. <u>22800-02</u>
	:	
-against-	:	
	:	
	:	DATED <u>October 6, 2005</u>
ELWOOD A. SMITH,	:	
ELWOOD A. SMITH d/b/a/	:	
SABRINA-ENTERPRISES.COM and	:	
SABRINA-ENTERPRISES.COM	:	
Defendants.	:	

Andrew L. Deutsch, Esq.
For the Plaintiff

Joseph J. Kasper, Esq.
For the Defendants

	Papers Numbered
Notice of Motion & Affidavit Annexed _____	_____
Answering & Reply Affidavit _____	_____
Exhibits _____	_____
Minutes _____	_____
Other _____	_____

For the reasons set forth in the accompanying findings of fact and conclusions of law the Court holds that it has jurisdiction to hear and decide the case, renders a verdict for the plaintiff and dismisses the counterclaim.

DATED: October 6, 2005
Gloria D'Amico

Clerk of the Court

TIMOTHY J. FLAHERTY,
J.S.C.

SUPREME COURT OF THE STATE OF NEW YORK
QUEENS COUNTY, PART TT40

CHARLES LILLY :
:
-against- : BY TIMOTHY J. FLAHERTY
: J.S.C.
:
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ELWOOD A. SMITH, : DATE October 6, 2005
ELWOOD A. SMITH d/b/a/ :
SABRINA-ENTERPRISES.COM and :
SABRINA-ENTERPRISES.COM : INDEX NO. 22800-02
Defendants. :

The defendant is the owner and operator of a website on which he has been displaying and offering for sale reproductions of paintings created by the plaintiff. Plaintiff has sued the defendant and seeks a judgment enjoining the defendant from displaying or otherwise using plaintiff's works of art in any manner and further declaring that the defendant is not plaintiff's lawful representative. Defendant has counterclaimed,

contending that he is acting pursuant to an agreement between the

parties and seeks, inter alia, damages for services rendered in the amount of \$5,000,000. The case was referred to this part for trial.

Because the reproductions of the paintings in question are copyrightable material that fall within the purview of Title 17 of the United States Code and because the relief sought appears to be equivalent to rights and remedies governed by the federal statutory scheme, this Court, on its own initiative, directed both sides to brief the question of whether or not state court has subject matter jurisdiction over the claims [cf., Robinson v. Oceanic Steam Nav. Co., 112 N.Y. 315, 324 (1889); cited with approval in Siegel, New York Practice, Third Edition, p 10.].

To evade the pre-emptive scope of 17 U.S.C. 301 and invoke state jurisdiction the Court must be satisfied that the claims before it contain an "extra element" beyond mere acts of reproduction, performance, distribution or display of copyrightable material, Computer Assoc., Int'l Inc. V. Altai, Inc., 982 F2nd 693, 716 (2nd Cir., 1992). Plaintiff here seeks a

judgment declaring that he is not bound by the "Independent Artist Contract Agreement" nor by any other business agreement with defendant. He further seeks an injunction barring defendant

from marketing or distributing plaintiff's artwork. These causes

of action plainly seek remedies that are beyond those reserved for the federal judiciary under the statutory scheme [Jordan v. Aarismaa, 255 AD2d 616 (3rd Dept. 1997); General Mills, Inc., v. Filmtel Int'l Corp., 178 AD2d 296 (1st Dept. 1991); Fox v. Wiener Laces, Inc., 74 AD2d 549 (1st Dept 1980)]. The Court holds, therefore, that it has jurisdiction to adjudicate the claims.

Prior to the trial the Court, in its discretion, severed defendant's counterclaim for damages and proceeded without a jury

to hear and determine plaintiff's claims [CPLR Section 603; First

Union Mortgage Corp., v Fern, 298 AD2d 490 (2nd Dept 2002);

McCormack v. Graphic Machinery Services, Inc, 139 AD2d 631 (2nd Dept 1988). Pursuant to CPLR Section 4213, the Court renders its verdict as follows:

Findings of Fact and Conclusions of Law

Plaintiff Charles Lilly has been a professional artist for over 35 years. During his career he has done commissioned artwork for numerous well known companies such as Budweiser, Miller, Pepsi, Bell Atlantic, Doubleday, Random House and the Congressional Black Caucus. Many of his creative efforts were displayed in open court and introduced into evidence. Over the course of these many years it was plaintiff's practice to represent himself when doing artwork for these companies and to work pursuant to written contracts.

In the summer of 2001 the defendant Smith, with whom plaintiff had not been previously acquainted, left a series of telephone messages stating that he was calling at the suggestion of a mutual friend, Andrew Jackson, the curator of the Langston Hughes Library in Queens. When Lilly eventually called him back, Smith told him that he wanted him to participate in an art show to be held at the Crowne Plaza Hotel, near LaGuardia Airport. He also told him that he had a website on which he was considering displaying and selling Lilly's artwork on a 50/50 basis - that is, 50% to the artist and 50% to him.

Shortly thereafter Lilly and Smith had a face to face

meeting at the Crowne Plaza. Lilly brought a number of "transparencies", which are prints of his paintings, to show to Smith. Smith, who displayed great enthusiasm for the artwork, told Lilly that he had an artist agreement, a contract, which he wanted Lilly to sign. At Smith's request, Lilly lent him six to eight transparencies, which Smith said he needed to show to potential investors. He did not authorize Smith to copy the transparencies.

The next day Smith telephoned Lilly and told him he had sent three of the transparencies to a company in Washington state called Bignose.com. Lilly met with Smith soon thereafter and took back the transparencies.

On or about August 11, 2001 Smith gave Lilly a written contract which he characterized as an independent artist's agreement. Lilly later learned that Smith had sent a copy of the contract to Lilly's attorney, Bruce Bozeman. With Lilly's authorization, Bozeman redrafted the contract and sent copies to Smith and Lilly. The documents, which were introduced into evidence, were marked 'draft' on the cover. The contract proposed that Lilly be bound to Smith for ten years and gave Smith the right to reproduce any of Lilly's artwork, terms which Lilly immediately told Smith were unacceptable to him. The

contract also gave Smith's company, in its sole discretion, the right to terminate the agreement at any time without cause. Lilly

never signed this or any other written document with Smith.

Lilly did orally agree to allow Smith to act as his representative at an exhibit of his work held at the Langston Hughes Library during the month of November 2001. But he later learned that Smith, without his permission, had taken photographs of his paintings while they were displayed there. Shortly thereafter Lilly saw these photographs as well as the transparencies he had lent to Smith being displayed for sale on Smith's website, again without Lilly's permission. When Lilly protested Smith's actions and revoked his authority to act as his representative, Smith told him that he was entitled to do so, as he and Lilly were partners. Lilly's numerous subsequent efforts to get Smith to remove the reproductions of Lilly's paintings from the website were all unsuccessful and the material has remained displayed there through trial. Lilly has never received any payment from Smith for the sale of any of his artwork.

The Court finds that no agreement was ever entered into

between Lilly and Smith that would authorize Smith to display and

or sell Lilly's artwork on Smith's website. Any conduct by Lilly

which could even arguably be characterized by Smith as

authorizing him to act on Lilly's behalf was terminated by Lilly

long ago and in unmistakable terms.

In any event, any agreement of the type claimed to be in existence by Smith between the parties flies in the face of the Statute of Frauds, now codified as General Obligations Law Section 5-710(a)(1) which reads, in pertinent part, as follows:

Every agreement, promise or undertaking is void, unless it or some note or memorandum thereof be in writing, and subscribed by the party to be charged therewith, or by his lawful agent, if such agreement, promise or undertaking:

1. By its terms is not to be performed within one year from the making thereof or the performance of which not to be completed before the end of a lifetime.

It was Smith who initiated discussions with Lilly in the hopes of culminating in a business relationship. It was Smith who introduced the proposed written agreement. That it was never signed by Lilly is irrefutable proof that no written agreement was entered into between the parties. Since the Statute of Frauds bars Smith from reliance upon an oral

agreement, no agreement exists as a matter of fact and law. That said, it follows that no view of the facts would allow defendant to succeed on his counterclaim for damages arising out of a non-existent agreement. Accordingly, plaintiff's motion to dismiss the counterclaim is granted.

The Court is satisfied that plaintiff has and will continue to suffer irreparable harm if the injunctive relief sought herein is not permanently granted. The poor and distorted quality of the reproductions of the artwork displayed on defendant's website risks a diminution of plaintiff's reputation in society as a professional artist. Defendant's unauthorized use of plaintiff's work to create a "product line" of mugs, jewelry boxes and the like is similarly harmful.

Accordingly, the Court renders a verdict for the plaintiff, Charles Lilly. Plaintiff is entitled to a judgment permanently enjoining Smith, or any other entity purportedly or in fact owned or controlled by Smith, including, but not limited to Sabrina Enterprises Promotional Products, Inc., from making any further use of plaintiff Lilly's artwork, including but not limited to displaying images of that work for reproduction or sale on Smith's website or otherwise using plaintiff's name or

likeness in connection with any commercial activity or otherwise passing himself off to the public as authorized representative of Lilly or as having the right to sell reproductions of Lilly's artwork to the public. Submit judgment accordingly

Dated: October 6, 2005

J.S.C.

Timothy J. Flaherty,