

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

IT'S A NEW 10, LLC,

Plaintiff,

-v-

HARMON STORES, INC. and BED BATH &
BEYOND,

Defendants.

17-CV-4231 (JPO)

OPINION AND ORDER

J. PAUL OETKEN, District Judge:

This is a case about trade dress infringement. Plaintiff It's a New 10, LLC ("New 10") manufactures various hair-care products, including a conditioner called It's a 10 Miracle Leave-In Plus Keratin ("the New 10 product"). Defendants Harmon Stores, Inc. and Bed Bath & Beyond are large affiliated retailers that sell hair-care products made by national brands—including the New 10 product—next to cheaper, store-brand products. Plaintiff claims that one of these products, the Harmon Face Values Instant Therapy Leave-In Conditioner with Keratin ("the Harmon product"), infringes on New 10's trade dress rights. New 10 moved for a preliminary injunction requiring Defendants to refrain from using the trade dress. (Dkt. No. 6.) A hearing was held on July 5, 2017. For the reasons that follow, the motion is denied.

I. Background

New 10 manufactures many types of personal care products. Among them is a line of keratin-containing shampoos, conditioners, and hair sprays. (Dkt. No. 18 at 6.) These products are sold by retailers nationwide. (Dkt. No. 7 at 3–4.) Bed Bath & Beyond operates large retail stores under its own name, and also owns Harmon Stores and Christmas Tree Shops. Defendants' stores sell national brand products, but, like many large retailers, they also sell

cheaper store-brand products under the “Harmon Face Values” brand. (Dkt. No. 13-2 ¶ 3.) This includes the New 10 product (pictured below on the left), which is sold alongside the Harmon product (pictured below on the right). (See Dkt. No. 8-1 at 3).¹ The Harmon product was introduced in 2015. (Dkt. No. 13 at 2–3.)



As the picture shows, the products have some features in common. Both bottles have some form of blue color, though the parties dispute whether the New 10 product is blue or purple. (Dkt. No. 13 at 4; Dkt. No. 18 at 1.) Both bottles have an orange cap and a prominent circle on the label. There are some differences too, most significantly in the shape of the bottles, their labeling, and their brand names. The front bottom of the Harmon product reads: “*Compare Ours to it’s a 10[®] miracle leave-in plus KERATIN**.” The asterisk leads to a note on the back of

¹ As the parties are in dispute as to whose photographs more accurately depict the product, the picture included in this Opinion is the Court’s *in camera* photograph of the two primary exhibits admitted during the preliminary injunction hearing.

the container, which reads: “*This product is not manufactured or distributed by it’s a 10[®] Inc., distributor of it’s a 10 miracle leave-in plus Keratin.” Though the exact price difference between the two products is unclear, the Harmon product sells for less than the New 10 product. (*See* Dkt. No. 13 at 23.) Counsel for New 10 represented at oral argument that the price difference is approximately ten dollars.

New 10 filed this suit on June 6, 2017. (Dkt. No. 4.) The complaint alleges trade dress infringement, false advertisement, and unjust enrichment under federal and state law. (*Id.*) On June 10, 2017, New 10 moved for a preliminary injunction to prohibit Defendants from infringing on their trade dress, including a condition requiring Defendants to recall the Harmon product from the shelves. (Dkt. No 6.)

II. Discussion

“A preliminary injunction is an extraordinary remedy never awarded as of right.” *Winter v. Nat. Res. Def. Council, Inc.*, 555 U.S. 7, 24 (2008). Under Second Circuit law, a district court may grant a preliminary injunction if the moving party establishes “(a) irreparable harm and (b) either (1) likelihood of 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 toward the party requesting the preliminary relief.” *Christian Louboutin S.A. v. Yves Saint Laurent Am. Holdings, Inc.*, 696 F.3d 206, 215 (2d Cir. 2012) (quoting *UBS Fin. Servs., Inc. v. W. Va. Univ. Hosps., Inc.*, 660 F.3d 643, 648 (2d Cir. 2011) (internal quotation marks omitted)).

The Court notes that this longstanding Second Circuit standard may be in conflict with the Supreme Court’s more recent formulation in *Winter*, which held that “[a] plaintiff seeking a preliminary injunction must establish that he is likely to succeed on the merits, that he is likely to suffer irreparable harm in the absence of preliminary relief, that the balance of equities tips in his

favor, and that an injunction is in the public interest.” *Winter*, 555 U.S. at 20; *see also N.Y. City Triathlon, LLC v. NYC Triathlon Club, Inc.*, 704 F. Supp. 2d 305, 313 (S.D.N.Y. 2010) (acknowledging this conflict); *DAG Jewish Directories, Inc. v. Y & R Media, LLC*, No. 09 Civ. 7802, 2010 WL 46016, at *1 (S.D.N.Y. Jan. 7, 2010) (same). In this case, however, the outcome would be the same regardless of the standard used because there is neither a “likelihood of success on the merits,” *Winter*, 555 U.S. at 20, nor “sufficiently serious questions going to the merits to make them a fair ground for litigation,” *Louboutin*, 696 F.3d at 215.

To prevail on the merits in a trade-dress infringement case under the Lanham Act, “plaintiff must first demonstrate that its trade dress is *either* inherently distinctive *or* that it has acquired distinctiveness through a secondary meaning.” *Fun-Damental Too, Ltd. v. Gemmy Indus. Corp.*, 111 F.3d 993, 999 (2d Cir. 1997). “Second, plaintiff must demonstrate that there is a likelihood of confusion between defendant’s trade dress and plaintiff’s.” *Id.*

In deciding whether a given trade dress creates a likelihood of confusion, courts in the Second Circuit look to the eight factors articulated in *Polaroid Corp. v. Polarad Electronics, Corp.*, 287 F.2d 492, 495 (2d Cir. 1961). “These non-exclusive factors are: (1) the strength of the plaintiff’s trade dress, (2) the similarity between the two trade dress[es], (3) the proximity of the products in the marketplace, (4) the likelihood that the prior owner will bridge the gap between the products, (5) evidence of actual confusion, (6) the defendant’s bad faith, (7) the quality of defendant’s product, and (8) the sophistication of the relevant consumer group.” *Fun-Damental Too*, 111 F.3d at 1002–03. The ultimate question for likelihood of confusion, after weighing all the factors, “is not whether the products can be differentiated when [the plaintiff’s] trade dress and [the defendant’s] trade dress are subject to a side-by-side comparison. Instead, we must ask whether they create the same general overall impression such that a consumer who

has seen [the plaintiff's] trade dress would, upon later seeing [the defendant's product] in its trade dress alone, be confused." *Id.* at 1004. The Court considers each *Polaroid* factor in turn.

A. Strength of Plaintiff's Trade Dress

For this factor, "the essence of the analysis is to determine the strength of the trade dress in its commercial context." *Id.* at 1003. Courts must therefore analyze "the tendency of the trade dress to identify the goods sold as emanating from a particular source, even when the source is unknown to the consumer." *Id.* (quoting *Centaur Commc'ns, Ltd. v. A/S/M Comms., Inc.*, 830 F.2d 1217, 1226 (2d Cir. 1987) (internal quotation marks and alterations omitted)).

New 10 points to the brand recognition, sales numbers, and marketing expenditures of New 10's product lines, arguing that this created and reinforced a brand that is centered on a unique trade dress. (Dkt. No. 7 at 4–5, 10–11.) However, very little of New 10's evidence concerns the keratin conditioner that is the subject of this case or even the keratin product line that bears the blue-and-orange color scheme. Instead, New 10 provides generalized evidence about the success of its products, which is not directly relevant to the instant dispute. (*See, e.g.*, Dkt. No. 7 at 4–5.) For example, to highlight its investment in brand recognition, New 10 points to an advertisement that ran during the 2017 Super Bowl.² (*Id.* at 11.) But the ad is not for the blue-and-orange keratin line but for two different products—one is blue and pink; one is dark gray and blue. While overall brand strength perhaps shows that the "It's a 10" name and the motif of the number ten in a circle are strong marks, this case is about the blue-and-orange keratin conditioner, not the number 10 or the "It's a 10" name.

² *See It's A 10 Hair Care Super Bowl Commercial*, YouTube (Feb. 5, 2017), <https://www.youtube.com/watch?v=BH2bCJ5xm9I>.

The only evidence put forward by New 10 that is specific to the keratin product line consists of snippets of internet comments in which several consumers refer to the keratin product line by the orange-and-blue color scheme. (*See* Dkt. No. 19-4.) But several internet comments, standing alone, do not establish that the particular trade dress “indicates the source or origin of the product.” *Bristol-Myers Squibb Co. v. McNeil-P.P.C., Inc.*, 973 F.2d 1033, 1044 (2d Cir. 1992). While New 10 has perhaps shown that certain of its products have strong trade dresses in a commercial context, it has not shown that the blue-and-orange trade dress of its keratin products is particularly strong in the commercial context or that it distinctly identifies the origin of the product to consumers. The Court therefore finds that this factor tips in favor of Defendants.

B. Similarity Between the Two Trade Dresses

In arguing that the two trade dresses are similar, New 10 focuses on the “orange top,” the “unique shade of blue for the body,” and “the prominent circle in the center of the front panel of the bottle that is orange, white, and blue.” (Dkt. No. 7 at 11.) New 10 also focuses on the language used on the two products, particularly the similarity between the phrase “miracle leave-in plus KERATIN” used on the New 10 product and the phrase “leave-in conditioner with KERATIN” used on the Harmon product. (*Id.*)

On balance, however, the Court concludes that the differences outweigh the similarities. “[I]n a trade dress infringement case the question is not how many points of similarity exist between the two packages but rather whether the two trade dresses ‘create the same general overall impression.’ The issue is whether the similarity between the two trade dresses will contribute to consumer confusion as to the origin of the product.” *Bristol-Myers Squibb*, 973 F.2d at 1046 (quoting *RJR Foods, Inc. v. White Rock Corp.*, 603 F.2d 1058, 1060 (2d Cir.

1979)). From this vantage point, there are crucial differences between the products that mitigate most of the similarities.

First, the products have very different shapes. New 10's product is shorter and has a flanged design; Harmon's product is taller and cylindrical. Second, the colors differ in a non-trivial way. New 10's product is a deep navy, bordering on purple; Harmon's product is a lighter royal blue. Third, and most significantly, the focal points of the two products—the orange-and-white circle in the center—are wholly different. New 10's product has a large “10” encircled within a white background; Harmon's product has the phrase “instant therapy” extending beyond the edges of an orange, circular background. Finally, the Harmon product prominently displays the “HARMON® FACE VALUES™” symbol right above the circular design. Accordingly, the Court finds that this factor weighs in favor of Defendants.

C. Proximity of the Products in the Marketplace

“This factor focuses on whether the two products compete with each other. To the extent goods (or trade names) serve the same purpose, fall within the same general class, or are used together, the use of similar designations is more likely to cause confusion.” *Lang v. Ret. Living Publ'g. Co.*, 949 F.2d 576, 582 (2d Cir. 1991). In assessing this factor, “the court may consider whether the products differ in content, geographic distribution, market position, and audience appeal.” *W.W.W. Pharm. Co. v. Gillette Co.*, 984 F.2d 567, 573 (2d Cir. 1993). The Second Circuit has “made it clear that ‘our concern with product proximity relates to the likelihood that customers may be confused as to the *source* of the products, rather than as to the products themselves.’” *Arrow Fastener Co. v. Stanley Works*, 59 F.3d 384, 396 (2d Cir. 1995) (quoting *Spring Mills, Inc. v. Ultracashmere House, Ltd.*, 689 F.2d 1127, 1134 (2d Cir. 1982).

In this case, the products are sold in the same stores, and, at least in some stores, are displayed side by side. (Dkt. No. 8-1 at 3.) This factor cuts both ways. On the one hand, it is undisputed that the two brands directly compete with each other in the keratin-based conditioner market. On the other hand, it is also undisputed that the Harmon product—like store brands generally—is aimed at more price-conscious consumers who are willing to forgo the national brand name. *See Pfizer, Inc. v. Perrigo Co.*, 988 F. Supp. 686, 699 (S.D.N.Y. 1997) (Chin, J.) (noting that, in applying the proximity factor, side-by-side sale favors the national brand “in the traditional sense,” but recognizing that it cuts both ways where “the differences between [the] two products become more apparent when they are sold side by side”). At this juncture, however, since the products directly compete against each other, the Court finds that this factor tips slightly in favor of New 10.

D. Likelihood that the Prior Owner will Bridge the Gap Between the Products

“This factor considers the likelihood that plaintiff will enter into the defendant’s market—it protects the plaintiff’s interest in being able to enter a related field at some future time.” *Cartier, Inc. v. Sardell Jewelry, Inc.*, 294 F. App’x 615, 619 (2d Cir. 2008). Since the New 10 product and the Harmon product already compete in the same market, this factor favors New 10. *See Pfizer*, 988 F. Supp. at 699.

E. Evidence of Actual Confusion

New 10 has not presented any evidence of actual confusion. It contends that this is in part because it only learned about the competing product relatively recently. (*See* Dkt. No. 18 at 10.) Accordingly, this factor tips slightly in favor of Defendants. *See Life Indus. Corp. v. Star Brite Distrib., Inc.*, 31 F.3d 42, 47 (2d Cir. 1994) (“Although [evidence of actual confusion] is

difficult to obtain and is not a prerequisite to finding likelihood of confusion, its absence nevertheless weighs against that finding.”).

F. Defendant’s Bad Faith

“The *Polaroid* good faith factor ‘looks to whether the defendant adopted its mark with the intention of capitalizing on plaintiff’s reputation and goodwill and any confusion between his and the senior user’s product.’” *Nora Beverages*, 269 F.3d at 124 (quoting *Lang*, 949 F.2d at 583). “While intentional copying can raise a presumption of consumer confusion, ‘the intent to compete by imitating the successful features of another’s product is vastly different from the intent to deceive purchasers as to the source of the product.’” *Id.* (quoting *Streetwise Maps, Inc. v. VanDam, Inc.*, 159 F.3d 739, 745 (2d Cir. 1998) (citations and alteration omitted)).

In this case, New 10 has not produced any evidence that Defendants adopted their trade dress with the intent of confusing consumers. New 10, in arguing that Defendants acted in bad faith, relies mostly on the act of copying itself, coupled with the fact that the products were displayed side by side. (Dkt. No. 7 at 12–13.) However, the Second Circuit has held that “in the absence of evidence, apart from proof of copying, that the defendant sought to confuse consumers, bad faith should not be inferred simply from the fact of copying.” *Fun-Damental Too*, 111 F.3d at 1005. Accordingly, the Court finds that this factor favors Defendants.

G. Quality of Defendant’s Product

This factor is inapplicable, as there has been no evidence introduced on the respective quality of the two products.

H. Sophistication of the Relevant Consumer Group

“This final factor recognizes that the likelihood of confusion between the products at issue depends in part on the sophistication of the relevant purchasers.” *Arrow Fastener*, 59 F.3d

at 398. “Generally, the more sophisticated and careful the average consumer of a product is, the less likely it is that similarities in trade dress or trade marks will result in confusion concerning the source or sponsorship of the product.” *Bristol-Myers Squibb*, 973 F.2d at 1046.

In this circuit, the spectrum of consumer refinement ranges from unsophisticated buyers of toilet-shaped piggy banks, *Fun-Damental Too*, 111 F.3d at 1004, to highly sophisticated buyers of Cartier watches. *Cartier*, 294 F. App’x at 620. Consumers of keratin-based conditioners are likely somewhere in the middle, closer to consumers of analgesic sleep aids, *Bristol-Myers Squibb*, 973 F.2d at 1046 (“not typically careful or sophisticated”), and consumers of plaque-loosening dental rinses, *Pfizer*, 988 F. Supp. at 700 (“the level of consumer attentiveness is presumed to be low”). However, as the *Pfizer* court pointed out, “most consumers who purchase the types of products in question—personal care items—shop for these products often and they understand the differences between private label (or generic) products and national brand products.” *Id.* For that reason, like the court in *Pfizer*, the Court finds that this factor weighs, at best, only slightly in favor of New 10.

I. Weighing the Polaroid Factors in Combination

Some of the *Polaroid* factors favor Defendants (strength of trade dress; similarity between products; bad faith; evidence of actual confusion) while others favor New 10 (proximity in the marketplace; bridging the gap; sophistication of the consumer group). On balance, however, New 10 has not shown that “an appreciable number of ordinarily prudent purchasers are likely to be misled, or indeed simply confused, as to the source of the goods in question.” *Centaur Commc’ns*, 830 F.2d at 1225 (quoting *Mushroom Makers, Inc. v. R. G. Barry Corp.*, 580 F.2d 44, 47 (2d Cir. 1978) (internal quotation mark omitted)). The Court’s finding that there is no likelihood of confusion is primarily based on three factors: the overall dissimilarity of the

products, the prominently displayed Harmon Face Values mark, and the fact that shoppers in Defendants' stores are likely to be familiar with the Harmon Face Values brand. *See Pfizer*, 988 F. Supp. at 698 (finding that some factors favored plaintiff while others favored defendant, but that, taken together, there was no showing of likelihood of confusion).

Particularly relevant are the differences in the markings that appear on the products. *See Bristol-Myers Squibb*, 973 F.2d at 1046 (“The presence and prominence of markings tending to dispel confusion as to the origin, sponsorship or approval of the goods in question is highly relevant to an inquiry concerning the similarity of the two dresses.”). Those differences, described above, are “prominently displayed” and “go far towards eliminating any possible confusion.” *Id.* In *Bristol-Myers Squibb*, the Second Circuit reversed a district court finding of a likelihood of confusion between Tylenol PM’s trade dress and Excedrin PM’s trade dress. Though recognizing that there was bad-faith copying and that the trade dresses were similar, the court nonetheless concluded that “the trade name is the most prominent and distinctive feature in each of the two trade dresses. The fact that they each are nationally prominent names and are different on the respective packages outweighs the evidence that tends to demonstrate a likelihood of confusion.” *Id.* at 1046. Here, the “it’s a 10[®]” and “HARMON[®] FACE VALUES[™]” trade names are also prominently displayed and nationally known trade names, outweighing the scant evidence of likelihood of confusion adduced by New 10.

While there is no direct Second Circuit precedent on trade dress infringement specific to the store-brand-versus-national-brand context, other courts of appeals have reached similar conclusions in analogous cases. For example, in *McNeil Nutritionals, LLC v. Heartland Sweeteners, LLC*, 511 F.3d 350 (3d Cir. 2007), the maker of Splenda artificial sweeteners sued the maker of similar store-brand products for trade dress infringement. The Third Circuit found

that the “the most important difference is that the trade name ‘Splenda’ is not present, but the name and logo of the respective stores are.” *Id.* at 360. Here, too, the Harmon product does not display the “it’s a 10[®]” logo, but rather its own name and logo. The Federal Circuit likewise has held that prominent store markings on a store-brand Vaseline product, coupled with consumers’ familiarity with store brands generally, eliminated any likelihood of confusion. *See Conopco, Inc. v. May Dep’t Stores Co.*, 46 F.3d 1556, 1570 (Fed. Cir. 1994); *see also Gray v. Meijer, Inc.*, 295 F.3d 641 (6th Cir. 2002).

New 10’s strongest argument is that, unlike some of the other cases on store-brand products, the Harmon product is also sold in non-Harmon stores, namely Bed Bath & Beyond and Christmas Tree Shops. Nevertheless, even in those stores, consumers are likely to be familiar with the store-brand-next-to-national-brand arrangement—and specifically with the Harmon Face Values brand—since, as the parties conceded at oral argument, Defendants’ stores carry many other Harmon-brand items sold alongside their national-brand counterparts. While Harmon Face Values may not be as nationally recognized a brand name as Tylenol PM—the product at issue in *Bristol-Myers Squibb*—it is nonetheless likely to be recognized by those who shop in Defendants’ stores. *See Warner Lambert Co. v. McCrory’s Corp.*, 718 F. Supp. 389, 398–99 (D.N.J. 1989) (denying injunction against maker of store-brand mouthwash because of the distinctive packaging, the prominence of “compare and save” signs, and the likelihood that shoppers are aware of the difference between store brands and generic brands).

Because the Court finds there is no likelihood of confusion, there is neither a “likelihood of success on the merits,” *Winter*, 555 U.S. at 20, nor a “sufficiently serious questions going to the merits to make them a fair ground for litigation,” *Louboutin*, 696 F.3d at 215. As a result,

New 10 is not entitled to a preliminary injunction under either the *Winter* standard or the Second Circuit formulation.

J. Dilution

Finally, New 10 claims that the Harmon product violates New York’s anti-dilution statute. *See* N.Y. Gen. Bus. Law § 360-1 (2012) (“Likelihood of injury to business reputation or of dilution of the distinctive quality of a mark or trade name shall be a ground for injunctive relief. . . .”). “In order to establish a dilution claim, two elements must be shown: (1) ownership of a distinctive mark, and (2) a likelihood of dilution.” *Hormel Foods Corp. v. Jim Henson Prods., Inc.*, 73 F.3d 497, 506 (2d Cir. 1996). Though New York law does not require a finding of likelihood of confusion, New 10 has not established that the design of the keratin product line is particularly strong or distinctive, as discussed in the first *Polaroid* factor. Accordingly, New 10’s state law claim does not support an injunction. *See Bristol-Myers Squibb*, 973 F.2d at 1049; *see also Malaco Leaf, AB v. Promotion In Motion, Inc.*, 287 F. Supp. 2d 355, 367 (S.D.N.Y. 2003) (“New York’s anti-dilution law only protects ‘extremely strong marks.’”) (quoting *BigStar Entm’t, Inc. v. Next Big Star, Inc.*, 105 F. Supp. 2d 185, 218 (S.D.N.Y. 2000)).

III. Conclusion

For the foregoing reasons, the motion for a preliminary injunction is DENIED. The Clerk of Court is directed to close the motion at Docket Number 6.

SO ORDERED.

Dated: July 28, 2017
New York, New York



J. PAUL OETKEN
United States District Judge