

601 F.Supp.2d 571, 185 L.R.R.M. (BNA) 3417, 157 Lab.Cas. P 11,197, RICO Bus.Disp.Guide 11,675
(Cite as: 601 F.Supp.2d 571)

H

United States District Court,
S.D. New York.
CINTAS CORPORATION, Cintas Corporation No.
2, Cintas Corporation No. 3, and Cintas Holdings
LLC, Plaintiffs,
v.

UNITE HERE, Change to Win, International Brotherhood of Teamsters, Bruce Raynor, Ahmer Qadeer, Elizabeth Gres, Peter Demay, Katie Unger, Keith Mestrich, Stefan Antonowicz, and Does 1 through 100, Defendants.

No. 08 Civ. 2185 (WHP).
March 9, 2009.

Background: Largest uniform supplier in North America that employed more than 34,000 people filed action against labor unions and their employees claiming violation of Racketeer Influenced and Corrupt Organizations Act (RICO), Lanham Act, and state-law. Defendants moved to dismiss.

Holdings: The District Court, [William H. Pauley, III, J.](#), held that:

- (1) union's pursuit of card-check/neutrality agreement with employer did not rise to level of criminal extortion under Hobbs Act;
- (2) conduct that was not susceptible to classification as generic extortion was not actionable under Travel Act;
- (3) conduct that was not susceptible to classification as generic extortion could not serve as predicate act under RICO;
- (4) union's use of "cintasexposed.org" Internet domain name did not infringe upon employer's "CINTAS" mark;
- (5) union's use of "cintasexposed.org" Internet domain name did not unfairly compete with employer's "CINTAS" mark;
- (6) "CINTAS" trademark had not been diluted by www.cintasexposed.org Internet website;
- (7) employer did not have actionable cybersquat-

ting claim; and

(8) exercise of supplemental jurisdiction over state-law claims by federal district court in New York could not be justified.

Motion granted.

West Headnotes

[1] Racketeer Influenced and Corrupt Organizations 319H

319H Racketeer Influenced and Corrupt Organizations

319HI Federal Regulation

319HI(A) In General

319Hk3 k. Elements of violation in general. **Most Cited Cases**

To establish a civil Racketeer Influenced and Corrupt Organizations Act (RICO) claim, a plaintiff must allege (1) conduct (2) of an enterprise (3) through a pattern (4) of racketeering activity. **18 U.S.C.A. § 1962(c, d).**

[2] Extortion 164T

164T Extortion

164Tk18 Federal Offenses

164Tk22 k. Threat or duress. **Most Cited Cases**

(Formerly 165k25.1 Extortion and Threats)

Union's pursuit of card-check/neutrality agreement with employer did not rise to level of criminal extortion under Hobbs Act, despite employer's fear of economic loss from card-check/neutrality agreement with union, since employer did not have right to pursue its business free from criticism, organized or otherwise, from labor union because it would have received some benefit from agreement. **18 U.S.C.A. § 1951(b)(2).**

[3] Extortion 164T

164T Extortion

164Tk18 Federal Offenses

601 F.Supp.2d 571, 185 L.R.R.M. (BNA) 3417, 157 Lab.Cas. P 11,197, RICO Bus.Disp.Guide 11,675
(Cite as: 601 F.Supp.2d 571)

164Tk23 k. Money or property extorted.

Most Cited Cases

(Formerly 165k25.1 Extortion and Threats)

Generally, fear of economic loss is not inherently wrongful under the Hobbs Act, except when employed to achieve a wrongful purpose; one wrongful use of fear of economic loss is when a party obtains property to which it has no lawful claim. 18 U.S.C.A. § 1951(b)(2).

[4] Extortion 164T ↪22

164T Extortion

164Tk18 Federal Offenses

164Tk22 k. Threat or duress. **Most Cited Cases**

(Formerly 165k25.1 Extortion and Threats)

A Hobbs Act violation arises when a defendant exploits a plaintiff's fear of economic loss and receives property to which it has no lawful claim. 18 U.S.C.A. § 1951(b)(2).

[5] Extortion 164T ↪23

164T Extortion

164Tk18 Federal Offenses

164Tk23 k. Money or property extorted.

Most Cited Cases

(Formerly 165k25.1 Extortion and Threats)

When a party does not have the right to pursue its business interests unchecked and receives a benefit, it cannot be the victim of extortion under the Hobbs Act. 18 U.S.C.A. § 1951(b)(2).

[6] Commerce 83 ↪82.10

83 Commerce

83II Application to Particular Subjects and Methods of Regulation

83II(J) Offenses and Prosecutions

83k82.5 Federal Offenses and Prosecutions

83k82.10 k. Offenses involving activity unlawful under state law. **Most Cited Cases**

The Travel Act requires that a predicate act involving extortion must involve conduct which is

capable of being generically classified as extortionate. 18 U.S.C.A. § 1952.

[7] Extortion 164T ↪19

164T Extortion

164Tk18 Federal Offenses

164Tk19 k. In general. **Most Cited Cases**

(Formerly 165k25.1 Extortion and Threats)

Extortion is generically defined as obtaining something of value from another with his consent induced by the wrongful use of force, fear, or threats.

[8] Commerce 83 ↪82.10

83 Commerce

83II Application to Particular Subjects and Methods of Regulation

83II(J) Offenses and Prosecutions

83k82.5 Federal Offenses and Prosecutions

83k82.10 k. Offenses involving activity unlawful under state law. **Most Cited Cases**

Conduct that was not susceptible to classification as generic extortion was not actionable under Travel Act. 18 U.S.C.A. § 1952.

[9] Racketeer Influenced and Corrupt Organizations 319H ↪8

319H Racketeer Influenced and Corrupt Organizations

319HI Federal Regulation

319HI(A) In General

319Hk4 Racketeering or Criminal Activity

319Hk8 k. Extortion. **Most Cited Cases**

Conduct that was not susceptible to classification as generic extortion could not serve as predicate act under Racketeer Influenced and Corrupt Organizations Act (RICO). 18 U.S.C.A. § 1962(c, d).

[10] Trademarks 382T ↪1084

382T Trademarks

601 F.Supp.2d 571, 185 L.R.R.M. (BNA) 3417, 157 Lab.Cas. P 11,197, RICO Bus.Disp.Guide 11,675
(Cite as: 601 F.Supp.2d 571)

[382TIII](#) Similarity Between Marks; Likelihood of Confusion

[382Tk1083](#) Nature of Confusion

[382Tk1084](#) k. In general. [Most Cited](#)

Cases

Trademarks 382T 1421

[382T](#) Trademarks

[382TVIII](#) Violations of Rights

[382TVIII\(A\)](#) In General

[382Tk1418](#) Practices or Conduct Prohibited in General; Elements

[382Tk1421](#) k. Infringement. [Most](#)

[Cited Cases](#)

To establish a trademark infringement claim for a registered trademark or for an unregistered trademark, a plaintiff must establish (1) it has a valid mark that is entitled to protection under the Lanham Act; and that (2) the defendant used the mark, (3) in commerce, (4) in connection with the sale or advertising of goods or services, (5) without the plaintiff's consent and (6) that defendant's use of that mark is likely to cause confusion as to the affiliation, connection, or association of defendant with plaintiff, or as to the origin, sponsorship, or approval of the defendant's goods, services, or commercial activities by plaintiff. Lanham Act, §§ 32, 43(a), [15 U.S.C.A. §§ 1114, 1125\(a\)](#).

[11] Trademarks 382T 1116

[382T](#) Trademarks

[382TIII](#) Similarity Between Marks; Likelihood of Confusion

[382Tk1116](#) k. Internet cases. [Most Cited](#)
Cases

Union's use of "cintasexposed.org" Internet domain name solely to criticize employer's corporate practices did not infringe upon employer's "CINTAS" mark in violation of Lanham Act, since there was no proximity between parties' goods or services, there was no likelihood that either employer or union would enter others' field, employer's customer base was sophisticated corporate audience that was not likely to be confused by uni-

on's actions, and there was no plausible inference of intentional deception. Lanham Act, § 32, [15 U.S.C.A. § 1114](#).

[12] Trademarks 382T 1116

[382T](#) Trademarks

[382TIII](#) Similarity Between Marks; Likelihood of Confusion

[382Tk1116](#) k. Internet cases. [Most Cited](#)
Cases

Union's use of "cintasexposed.org" Internet domain name solely to criticize employer's corporate practices did not unfairly compete with employer's "CINTAS" mark in violation of Lanham Act, since there was no proximity between parties' goods or services, there was no likelihood that either employer or union would enter others' field, employer's customer base was sophisticated corporate audience that was not likely to be confused by union's actions, union was using mark solely to criticize employer's corporate practices, and there was no plausible inference of intentional deception. Lanham Act, § 43(a), [15 U.S.C.A. § 1125\(a\)](#).

[13] Trademarks 382T 1116

[382T](#) Trademarks

[382TIII](#) Similarity Between Marks; Likelihood of Confusion

[382Tk1116](#) k. Internet cases. [Most Cited](#)
Cases

Initial interest trademark confusion in violation of the Lanham Act arises when a consumer who searches for the plaintiff's website with the aid of a search engine is directed instead to the defendant's site because of a similarity in the parties' website addresses. Lanham Act, §§ 32, 43(a), [15 U.S.C.A. §§ 1114, 1125\(a\)](#).

[14] Trademarks 382T 1116

[382T](#) Trademarks

[382TIII](#) Similarity Between Marks; Likelihood of Confusion

[382Tk1116](#) k. Internet cases. [Most Cited](#)

601 F.Supp.2d 571, 185 L.R.R.M. (BNA) 3417, 157 Lab.Cas. P 11,197, RICO Bus.Disp.Guide 11,675
(Cite as: 601 F.Supp.2d 571)

Cases

Internet initial interest confusion in violation of the Lanham Act requires a showing of intentional deception because consumers diverted on the Internet can more readily get back on track than those in actual space, thus minimizing the harm to the owner of the searched-for site from consumers becoming trapped in a competing site. Lanham Act, §§ 32, 43(a), 15 U.S.C.A. §§ 1114, 1125(a).

[15] Trademarks 382T 1469

382T Trademarks

382TVIII Violations of Rights

382TVIII(B) Dilution

382Tk1469 k. Nature of defendant's use; use in commerce. [Most Cited Cases](#)

The “commercial use in commerce” requirement of a trademark dilution claim must be performed for profit. Lanham Act, § 43(c), 15 U.S.C.A. § 1125(c).

[16] Trademarks 382T 1470

382T Trademarks

382TVIII Violations of Rights

382TVIII(B) Dilution

382Tk1470 k. Internet use. [Most Cited Cases](#)

Cases

Trademarks 382T 1610

382T Trademarks

382TIX Actions and Proceedings

382TIX(C) Evidence

382Tk1601 Presumptions and Burden of Proof

382Tk1610 k. Knowledge, intent, and motive; bad faith. [Most Cited Cases](#)

“CINTAS” trademark had not been diluted by www. cintasexposed. org Internet website that linked to union's website, which in turn linked to union's store where union sold t-shirts, pins, and other sundry items, by union's attempt to obtain card-check/neutrality agreement, and union's desire to gain pension and union dues from owner's em-

ployees, since two links were too attenuated to establish that use of mark was for profit, effort to obtain card-check/neutrality agreement did not represent attempt to profit, and attempt to obtain union dues and pension contributions from employees did not allow for inference that use was attempt to profit. Lanham Act, § 43(c), 15 U.S.C.A. § 1125(c).

[17] Trademarks 382T 1502

382T Trademarks

382TVIII Violations of Rights

382TVIII(C) Misuse of Internet Domain Names; Cyberpiracy and Cybersquatting

382Tk1502 k. Knowledge, intent, and motives; bad faith. [Most Cited Cases](#)

Trademarks 382T 1610

382T Trademarks

382TIX Actions and Proceedings

382TIX(C) Evidence

382Tk1601 Presumptions and Burden of Proof

382Tk1610 k. Knowledge, intent, and motive; bad faith. [Most Cited Cases](#)

Union's use of “cintasexposed.org” Internet domain name, that linked to union's website, which in turn linked to union's store where union sold t-shirts, pins, and other sundry items, and union's desire to gain pension and union dues from owner's employees, was not for profit, as required for employer that used “CINTAS” mark to have actionable cybersquatting claim under Lanham Act, since two links were too attenuated to establish that use of mark was for profit and attempt to obtain union dues and pension contributions from employees did not allow for inference that use was attempt to profit. Lanham Act, § 43(d), 15 U.S.C.A. § 1125(d)

[18] Federal Courts 170B 14.1

170B Federal Courts

170BI Jurisdiction and Powers in General

170BI(A) In General

601 F.Supp.2d 571, 185 L.R.R.M. (BNA) 3417, 157 Lab.Cas. P 11,197, RICO Bus.Disp.Guide 11,675
(Cite as: 601 F.Supp.2d 571)

[170Bk14](#) Jurisdiction of Entire Controversy; Pendent Jurisdiction

[170Bk14.1](#) k. In general. [Most Cited Cases](#)

Once a district court's discretion to exercise supplemental jurisdiction over state-law claims is triggered, it balances the traditional values of judicial economy, convenience, fairness, and comity in deciding whether to exercise jurisdiction. [28 U.S.C.A. § 1367\(c\)\(3\)](#).

[19] Federal Courts [170B](#) [18](#)

[170B](#) Federal Courts

[170BI](#) Jurisdiction and Powers in General

[170BI\(A\)](#) In General

[170Bk14](#) Jurisdiction of Entire Controversy; Pendent Jurisdiction

[170Bk18](#) k. Validity or substantiality of federal claims and disposition thereof. [Most Cited Cases](#)

Exercise of supplemental jurisdiction over state-law claims by federal district court in New York could not be justified following dismissal of all federal claims, where there was no diversity between parties, discovery had not yet begun, action was in its infancy, convenience and comity weighed heavily against court retaining jurisdiction, and remaining claims arose under Ohio law and plaintiff and its counsel were based in Ohio and many of defendants were not from New York. [28 U.S.C.A. § 1367\(c\)\(3\)](#).

Trademarks [382T](#) [1800](#)

[382T](#) Trademarks

[382TXI](#) Trademarks and Trade Names Adjudicated

[382Tk1800](#) k. Alphabetical listing. [Most Cited Cases](#)

CINTAS.

Trademarks [382T](#) [1800](#)

[382T](#) Trademarks

[382TXI](#) Trademarks and Trade Names Adjudicated

ated

[382Tk1800](#) k. Alphabetical listing. [Most Cited Cases](#)

[www.cintasexposed.org](#).

[*574 Drew M. Hicks](#), Esq., [Patricia Hogan](#), Esq., [Christy M. Nageleisen-Blades](#), Esq., [Jamie M. Ramsey](#), Esq., [Gregory M. Utter](#), Esq., Keating, Muething & Klekamp, P.L.L., Cincinnati, OH, [Jonathan M. Wagner](#), Esq., Kramer Levin Naftalis & Frankel, LLP, New York, NY, [George R. Blakey](#), Esq., Notre Dame Law School, Notre Dame, IN, for Plaintiffs.

[Irwin Rochman](#), Esq., Tesser, Ryan & Rochman, LLP, New York, NY, for Defendants UNITE HERE, Bruce Raynor, Ahmer Qadeer, Keith Mestrich, Elizabeth Gres, Peter Demay, Katie Unger, and Stefan Antonowicz.

[Andrew D. Roth](#), Esq., [Matthew Clash-Drexler](#), Esq., [Leon Dayan](#), Esq., [Robert M. Weinberg](#), Esq., Bredhoff & Kaiser, P.L.L.C., Washington, DC, for Defendants Change to Win and International Brotherhood of Teamsters.

[Tobin J. Romero](#), Esq., Williams & Connolly LLP, Washington, DC, for Defendant UNITE HERE.

MEMORANDUM & ORDER

[WILLIAM H. PAULEY, III](#), District Judge:

In a sprawling 334 paragraph amended complaint larded with seventy-nine exhibits (the "Complaint"), Plaintiffs Cintas Corporation, Cintas Corporation No. 2, Cintas Corporation No. 3, and Cintas Holdings LLC (collectively, "Cintas") bring claims under the Racketeer Influenced and Corrupt Organizations Act ("RICO"), the Lanham Act, and Ohio state-law claims against Defendants UNITE HERE, Change To Win, the International Brotherhood of Teamsters (the "Teamsters"), Bruce Raynor, Ahmer Qadeer, Keith Mestrich, Elizabeth Gres, Peter Demay, Katie Unger, Stefan Antonowicz, and numerous John Doe Defendants (collectively, the "Defendants").

Defendants move pursuant to [Fed.R.Civ.P. 12\(b\)\(6\)](#) to dismiss the RICO and Lanham Act claims. For the following reasons, Defendants' motion to dismiss is granted. Because this Court declines to exercise supplemental jurisdiction over the remaining state law claims, this action is dismissed.

BACKGROUND

On a motion to dismiss, this Court accepts the allegations of the Complaint as true. The Complaint is not the “short and plain statement” contemplated by Rule 8; it is a manifesto by a Fortune 500 company that is more a public relations piece than a pleading. Nevertheless, this Court has waded through the pleading to summarize the material allegations.

Cintas is the largest uniform supplier in North America and employs more than 34,000 people. (First Amended Complaint dated June 3, 2008 (“Amended Complaint”) ¶ 3.) It owns numerous trademark registrations for the use of the “CINTAS” mark. (Amended Complaint ¶¶ 248–50.) Defendants UNITE HERE and the Teamsters are two labor unions, which are members of Defendant Change to Win, an unincorporated association of labor unions. (Amended Complaint ¶¶ 21–23.) The individuals*575 named as defendants are employees of UNITE HERE. (Amended Complaint ¶¶ 24–30.)

As part of their campaign to organize Cintas employees, Defendants seek a “card-check/neutrality agreement” requiring Cintas to recognize UNITE HERE and the Teamsters as the employees' bargaining agents, if the unions can obtain cards signed by a majority of eligible workers stating a desire to join a union. (Amended Complaint ¶ 9.) Such an agreement allows a union to be recognized as the bargaining agent without a secret ballot election regulated by the National Labor Relations Board. (Amended Complaint ¶ 9.) In order to secure this agreement, Defendants have engaged in a so-called “Corporate Campaign” against Cintas, which includes “[f]alsely portraying Cintas as a company with ‘a long history of anti-unionism’

that ‘bullies, harasses, intimidates and terminates workers who want to join unions,’ [and painting] Cintas as a company bent on racist, sexist and illegal acts.” (Amended Complaint ¶ 94.) Defendants reached out to Cintas's customers, especially small minority owned businesses to pressure Cintas. (Amended Complaint ¶ 98.) Defendants also communicated “disparaging information about Cintas to Cintas's stakeholders by mailing and faxing letters and flyers containing misleading and/or negative statements about Cintas, distributing newsletters, posting press releases, creating web pages, and sending anti-Cintas letters to investors and stock analysts.” (Amended Complaint ¶ 102.)

UNITE HERE operates the “Cintas Exposed” website located at www.cintasexposed.org, which targets Cintas's customers. (Amended Complaint ¶¶ 111–12.) The website includes informational postings, labeled “Consumer Bulletins,” one of which encourages Cintas's customers to “check their weekly invoices, ‘object to unauthorized products and services,’ ‘demand notification of changes in products and services,’ ‘refuse so-called trial products and services,’ and to ‘know your contract.’” (Amended Complaint ¶ 115.) Some of the bulletins incorporate the “CINTAS” trademark. (Amended Complaint ¶¶ 115–16.) The website also allows Cintas customers to generate complaint letters, cancellation letters, “stop auto-renewal letter[s]” (which prevent Cintas from renewing annual contracts automatically), and a complaint log to document problems with Cintas's service. (Amended Complaint ¶ 123.) It also advises customers to check their invoices, object to price increases, and demand notification of price increases. (Amended Complaint ¶ 123.) Finally, the website provides sample Cintas contracts with explanations of the “fine print” in the contract (Amended Complaint ¶ 124), and a forum for the public to share negative stories about Cintas. (Amended Complaint ¶ 125.)

Cintas alleges that this website “compete[s] unfairly” and generates profits for Defendants by

“disparaging Cintas and its business practices, products and services, confusing Cintas's customers, diverting customers, sales and profits away from Cintas and portraying Cintas in a bad light to the general consuming public.” (Amended Complaint ¶ 111.) According to the Amended Complaint, some of Cintas's customers decline to do any further business with Cintas after viewing the materials on [www. cintasexposed. org](http://www.cintasexposed.org). (Amended Complaint ¶¶ 151–59.)

The cintasexposed.org website links to the UNITE HERE homepage, which includes the “UNITE HERE Store.” (Amended Complaint ¶ 241.) The “UNITE HERE Store” sells personal apparel and other sundry items bearing the union's logo. (Amended Complaint ¶ 242.) The UNITE HERE homepage also links to *576 “Buy Union” websites promoting “Union Made Work Uniforms” and “Union Made Apparel and Products.” Those webpages in turn link to webpages containing PDF lists of uniform manufacturers who employ unionized workers. (Amended Complaint ¶¶ 243–45.) Many of those companies compete with Cintas. (Amended Complaint ¶ 245.)

The cintasexposed.org website has a disclaimer stating “CintasExposed.org is an independent website posted by the labor union UNITE. It contains criticism and information about the uniform and facilities services rental company Cintas....” (Amended Complaint Ex. 78: Google® Search Results.) However, the disclaimer does not appear on every search engine. (Amended Complaint ¶ 257.) Cintas alleges that the website's name “Cintas Exposed” creates “initial interest confusion,” and draws in unsuspecting users who believe the website is related to Cintas. (Amended Complaint ¶¶ 254, 257, 260.)

Defendants also maintain another website, [www. uniformjustice. org](http://www.uniformjustice.org), targeted at Cintas employees. (Amended Complaint ¶¶ 130–31.) This website includes a “health and safety survey” that Cintas alleges is “designed to solicit information from disgruntled employees that can be used by De-

fendants....” (Amended Complaint ¶ 133.)

Change to Win's website includes a “Hall of Shame” accusing Cintas of “Creating Poverty Level Jobs,” “Corporate Greed and Excess,” along with discrimination, “Putting Workers and Communities at Risk,” and “Breaking U.S. Laws.” (Amended Complaint ¶ 137.) UNITE HERE'S and the Teamsters's websites also contain similar charges against Cintas. (Amended Complaint ¶¶ 139–42.)

According to the Complaint, Defendants also attempted to convince NASCAR to drop Cintas as a preferred supplier. (Amended Complaint ¶¶ 143–44.) Defendants “employ[] such colorful slogans as ‘Cintas Stains NASCAR’ and ‘Race Naked’ (which encourages drivers to race naked rather than wear a Cintas uniform).” (Amended Complaint ¶ 147.) In addition, Defendants distribute anti-Cintas literature at NASCAR races and maintain a website, [www. notonmytrack. info](http://www.notonmytrack.info), that targets NASCAR fans. (Amended Complaint ¶¶ 148–49.)

Finally, the Complaint alleges Defendants contacted investment analysts covering Cintas and made “numerous derogatory, negative, and misleading statements about Cintas ...” in an effort to drive down Cintas's stock price. (Amended Complaint ¶ 160–68.)

DISCUSSION

I. Legal Standard

On a motion to dismiss, the Court must accept the material facts alleged in the complaint as true and construe all reasonable inferences in the plaintiff's favor. *Grandon v. Merrill Lynch & Co.*, 147 F.3d 184, 188 (2d Cir.1998). Nonetheless, “factual allegations must be enough to raise a right of relief above the speculative level, on the assumption that all of the allegations in the complaint are true.” *Bell Atl. Corp. v. Twombly*, 550 U.S. 544, —, 127 S.Ct. 1955, 1965, 167 L.Ed.2d 929 (2007) (requiring plaintiff to plead “enough fact[s] to raise a reasonable expectation that discovery will reveal evidence of [his claim]”); see also *ATSI Commc'ns, Inc. v. Shaar Fund, Ltd.*, 493 F.3d 87,

601 F.Supp.2d 571, 185 L.R.R.M. (BNA) 3417, 157 Lab.Cas. P 11,197, RICO Bus.Disp.Guide 11,675
(Cite as: 601 F.Supp.2d 571)

98 (2d Cir.2007) (“We have declined to read *Twombly*'s flexible ‘plausibility standard’ as relating only to antitrust cases.”).

A court may also consider “documents appended to the complaint or incorporated in the complaint by reference, and to matters of which judicial notice may be taken.” *577 *Allen v. West-Point–Pepperell, Inc.*, 945 F.2d 40, 44 (2d Cir.1991).

II. RICO Claims

[1] To establish a civil RICO claim, a plaintiff must allege “(1) conduct (2) of an enterprise (3) through a pattern (4) of racketeering activity.” *Sedima S.P.R.L. v. Imrex Co., Inc.*, 473 U.S. 479, 496, 105 S.Ct. 3275, 87 L.Ed.2d 346 (1985) *see also* 18 U.S.C. §§ 1962(c), 1962(d). A “pattern of racketeering activity” requires at least two “predicate acts” in a ten-year period. *See* 18 U.S.C. § 1961(5). Cintas alleges three predicate acts: (1) attempted extortion under the Hobbs Act, 18 U.S.C. § 1951; (2) violations of the Travel Act, 18 U.S.C. § 1952; and (3) violations of Ohio's extortion statute, Ohio Rev.Code § 2905.11. *See* 18 U.S.C. § 1961(1).

A. Attempted Extortion

[2][3][4] Attempted extortion under the Hobbs Act is defined as attempting to “obtain[] the property of another, with his consent, induced by the wrongful use of actual or threatened force, violence, or fear.” 18 U.S.C. § 1951(b)(2). Cintas alleges that Defendants attempted to obtain property—the card-check/neutrality agreement—through fear of economic loss. Generally, fear of economic loss is not inherently wrongful, except “when employed to achieve a wrongful purpose....” *United States v. Clemente*, 640 F.2d 1069, 1077 (2d Cir.1981). One “wrongful use” of fear of economic loss is when a party “obtains property to which ‘[it] has no lawful claim.’ ” *Clemente*, 640 F.2d at 1076 (quoting *United States v. Enmons*, 410 U.S. 396, 400, 93 S.Ct. 1007, 35 L.Ed.2d 379 (1973)). A Hobbs Act violation arises under the *Enmons*–*Clemente* framework when a defendant ex-

ploits a plaintiff's fear of economic loss and receives property to which it has no lawful claim. *See Viacom Int'l, Inc. v. Icahn*, 747 F.Supp. 205, 213 (S.D.N.Y.1990), *aff'd on other grounds*, 946 F.2d 998 (2d Cir.1991).

While Cintas's Complaint is silent on the question of whether a card-check/neutrality agreement confers any benefit on an employer, courts have held uniformly that such an agreement provides benefits to both an employer and a union. *See Hotel Employees & Rest. Employees Union, Local 57 v. Sage Hospitality Res., LLC*, 390 F.3d 206, 219 (3d Cir.2004) (“[A] Neutrality Agreement ... benefits both parties with efficiency and cost saving”); *see also Hotel & Rest. Employees Union Local 217 v. J.P. Morgan Hotel*, 996 F.2d 561, 566 (2d Cir.1993) (“[Under a card-check/neutrality agreement, the employer and union] each g[i]ve[s] up rights under the [National Labor Relations Act]—the union agree[s] to forgo picketing and the [employer] agree [s] to accept the results of a card check—in an effort to make the union recognition process less burdensome for both.”). Thus, Cintas receives something of value from reaching an agreement with UNITE HERE and the Teamsters.

[5] Where a victim receives something of value in return for capitulating to fear of economic loss, the exchange of property may be the product of lawful “hard-bargaining” or unlawful extortion. *See Viacom*, 747 F.Supp. at 213. The distinction between lawful and unlawful conduct in such a circumstance is drawn by examining whether the victim has a “preexisting right to pursue his business interests free of the fear he is quelling....” *Viacom*, 747 F.Supp. at 213. When a party does not have the right to pursue its business interests unchecked and receives a benefit, it cannot be the victim of extortion. *See Viacom*, 747 F.Supp. at 213; *see also Brokerage Concepts, Inc. v. U.S. Healthcare, Inc.*, 140 F.3d 494, 523–25 (3d Cir.1998).

Because Cintas would receive some benefit from a card-check/neutrality *578 agreement, it must show that it has a right to pursue its business

free from Defendants' activities. However, Cintas does not have a right to operate free from any criticism, organized or otherwise. See *Metro. Opera Ass'n v. Local 100*, *HERE*, 239 F.3d 172, 177–78 (2d Cir.2001) (“[W]ithin the labor context, in seeking to exert social pressure on [plaintiff], the Union's methods may be harassing, upsetting or coercive, but unless we are to depart from settled First Amendment principles, they are constitutionally protected.”); see also *Beverly Hills Foodland v. United Food & Commercial Workers Local 655*, 39 F.3d 191, 197 (8th Cir.1994) (“[T]he prime directive in the Union [organizing] campaign, a boycott of [the target employer] is ... constitutionally safeguarded,” as is the accompanying “activity of peaceful pamphleteering.”). To the extent that any of Defendants' statements are defamatory, then Cintas can pursue those claims under state tort laws. Accordingly, Cintas's allegations do not rise to the level of criminal extortion.^{FN1}

^{FN1} Cintas's reliance on *A. Terzi Prods. v. Theatrical Protective Union*, 2 F.Supp.2d 485 (S.D.N.Y.1998), is misplaced. In that case, Defendants sought a wrongful purpose—a collective bargaining agreement without any process to recognize them as the collective bargaining agent—and wrongful means—the use of violence and threats of violence—to achieve their goal.

B. Remaining Predicate Acts

[6][7][8][9] The Travel Act makes it a crime to travel between states with the intent to commit specified crimes listed in the statute. 18 U.S.C. § 1952. The only crimes alleged in the Complaint are extortion under the Hobbs Act and Ohio state law. Because Cintas has not pled a violation of the Hobbs Act, the only remaining crime is extortion under Ohio law. However, RICO and the Travel Act require that a predicate act involving extortion must involve conduct which is “capable of being generically classified as extortionate.” *Scheidler v. Nat'l Org. for Women, Inc.*, 537 U.S. 393, 409, 123 S.Ct. 1057, 154 L.Ed.2d 991 (2003); see also *United*

States v. Nardello, 393 U.S. 286, 296, 89 S.Ct. 534, 21 L.Ed.2d 487 (1969) (adopting the generic definition of extortion for Travel Act purposes). Extortion is generically defined as “obtaining something of value from another with his consent induced by the wrongful use of force, fear, or threats.” *Scheidler*, 537 U.S. at 410, 123 S.Ct. 1057. Because the differences between generic extortion and Hobbs Act extortion as alleged in the Complaint are immaterial, Defendants' conduct is not susceptible to classification as generic extortion. Thus, regardless of what extortion is under Ohio state law, Defendants' conduct does not establish a Travel Act violation or a predicate act under RICO, and Cintas's RICO claims are dismissed.

III. The Lanham Act Claims

A. Trademark Infringement and Unfair Competition

[10] To establish a trademark infringement claim under 15 U.S.C. § 1114 for a registered trademark or under 15 U.S.C. § 1125(a) for an unregistered trademark, a plaintiff must establish “(1) it has a valid mark that is entitled to protection under the Lanham Act; and that (2) the defendant used the mark, (3) in commerce, (4) in connection with the sale or advertising of goods or services, (5) without the plaintiff's consent ... [and] [(6)] that defendant's use of that mark is likely to cause confusion as to the affiliation, connection, or association of defendant with plaintiff, or as to the origin, sponsorship, or approval of the defendant's goods, services, or commercial activities by plaintiff.” *5791–800 *Contacts, Inc. v. WhenU.Com, Inc.*, 414 F.3d 400, 406–07 (2d Cir.2005) (internal citation and quotation marks omitted).

In assessing the last factor, the likelihood of confusion, this Court considers the following eight factors: (1) strength of the senior user's mark; (2) degree of similarity between the marks; (3) competitive proximity of the product; (4) likelihood that the senior user will bridge the gap; (5) evidence of actual confusion; (6) defendant's bad faith; (7) the

quality of defendant's product; and (8) sophistication of the relevant group. *Polaroid Corp. v. Polaroid Elec. Corp.*, 287 F.2d 492, 495 (2d Cir.1961). “[T]he evaluation of the *Polaroid* factors is not a mechanical process where the party with the greatest number of factors weighing in its favor wins. Rather a court should focus on the ultimate question of whether consumers are likely to be confused.” *Nabisco, Inc. v. Warner–Lambert Co.*, 220 F.3d 43, 45–46 (2d Cir.2000).

[11][12] At least four of the factors weigh heavily in Defendants' favor. First, there is no proximity between the parties' goods or services. Defendants and Cintas occupy entirely distinct spheres. Second, “[b]ridging the gap refers to the senior user's interest in preserving avenues of expansion and entering into related fields.” *Hormel Foods Corp. v. Jim Henson Prods., Inc.*, 73 F.3d 497, 504 (2d Cir.1996) (citation and quotation marks omitted). Here, there is no likelihood that either Cintas or Defendants will enter the others' field. Third, bad faith depends on “whether the [Defendants] adopted [Cintas's] mark with the intention of capitalizing on [Cintas's] reputation and goodwill and any confusion between [their] and the senior user's product.” *Cadbury Beverages, Inc. v. Cott Corp.*, 73 F.3d 474, 482–83 (2d Cir.1996). Cintas does not allege any effort by Defendants to associate themselves with Cintas. On the contrary, Defendants' entire effort is directed at attacking Cintas. Finally, Cintas's customer base is institutional and commercial users of uniforms, a sophisticated corporate audience that is not likely to be confused by Defendants' actions.

Moreover, Defendants are not using the “CINTAS” mark as a “source identifier”, but rather solely to criticize Cintas's corporate practices. See *United We Stand Am., Inc. v. United We Stand Am. N.Y., Inc.*, 128 F.3d 86, 92–93 (2d Cir.1997) (noting there is no justification for relief under Section 1114 and 1125(a), when “the defendants ... us[e] plaintiff's mark not in a manner that would create confusion as to the source, but rather as part

of a message whose meaning depend[s] on reference to plaintiff's product”). While the materials available on Defendants' websites may disparage Cintas, the likelihood that Cintas's actual or potential customers would be confused about who provides CINTAS goods and services is remote.

[13][14] “[Initial interest] confusion arises when a consumer who searches for the plaintiff's website with the aid of a search engine is directed instead to the defendant's site because of a similarity in the parties' website addresses.” *Savin Corp. v. The Savin Group*, 391 F.3d 439, 462 n. 13 (2d Cir.2004). However, “[b]ecause consumers diverted on the Internet can more readily get back on track than those in actual space, thus minimizing the harm to the owner of the searched-for site from consumers becoming trapped in a competing site, Internet initial interest confusion requires a showing of intentional deception.” *Savin*, 391 F.3d at 462 n. 13. Here, the allegations do not create any plausible inference of intentional deception. First, no consumer looking for a uniform company's website would mistakenly visit “cintasexposed.org” or any of the affiliated websites. Second, the website, all of its content, and its prominent disclaimer*580 show that the Defendants were transparent in their disdain for Cintas. The likelihood of confusion among consumers visiting their websites is implausible. Accordingly, Cintas's trademark infringement and unfair competition claims are dismissed.

B. Trademark Dilution

[15] To establish a trademark dilution claim under the Lanham Act, a plaintiff must show that: (1) its mark is famous; (2) the defendant is making commercial use of the mark in commerce; (3) the defendant's use began after the mark became famous; and (4) the defendant's use of the mark dilutes the quality of the mark by diminishing the capacity of the mark to identify and distinguish goods and services. See *Savin*, 391 F.3d at 448–49 (citing 15 U.S.C. § 1125(c)). The “commercial use in commerce” requirement of Section 1125(c) must be performed for profit. *SMJ Group, Inc. v. 417 Lafay-*

ette Rest., LLC, 439 F.Supp.2d 281, 292 (S.D.N.Y.2006).

[16] Cintas alleges that Defendants are using the “CINTAS” marks for profit based on the fact that the [www. cintasexposed. org](http://www.cintasexposed.org) website links to the UNITE HERE website, which in turn links to the UNITE HERE store where the union sells t-shirts, pins and other sundry items; Defendants' are attempting obtain a card-check/neutrality agreement; and Defendants' desire to gain pension and union dues from Cintas's employees. The twice-removed links to a union “store” is at least one bridge too far and insufficient to establish the use of the CINTAS mark for profit. See *Utah Lighthouse Ministry v. Found., for Apologetic Info. & Research*, 527 F.3d 1045, 1053 (10th Cir.2008) (holding that “the roundabout path to the commercial advertising of others is simply ‘too attenuated’”) (quoting *Bosley Med. Inst. v. Kremer*, 403 F.3d 672, 679 (9th Cir.2005)).^{FN2} Second, an effort to obtain a card-check/neutrality agreement does not represent an attempt to profit. See *Adcock v. Freightliner LLC*, 550 F.3d 369, 374 (4th Cir.2008) (holding that concessions made by employer in a card-check/neutrality agreement do not represent a thing of monetary value to a union). Finally, for Defendants to obtain union dues and pension contributions from Cintas's employees, the employees must sign cards accepting UNITE HERE or the Teamsters as their union. This is too attenuated and independent from the accused conduct to support any inference that the use is an attempt to profit. See *Playtex Prods., Inc. v. Procter & Gamble Co.*, No. 02 Civ. 8046(WHP), 2003 WL 21242769, at *5 (S.D.N.Y. May 28, 2003) (requiring a link between the conduct and damages). Accordingly, Cintas's claim for trademark dilution is dismissed.

^{FN2}. At argument, Cintas's counsel argued that the Uniform Resource Locator (“URL”) [www. cintasexposed. net](http://www.cintasexposed.net) takes the user directly to the UNITE HERE website, which in turn contains a link to the UNITE HERE store. However, there is no

allegation that any search engine will take a user to this URL or that besides typing the URL in directly any user would arrive there. Thus, this Court will not consider this conclusory allegation.

C. Cybersquatting

[17] To state a claim for Cybersquatting under 15 U.S.C. § 1125(d), plaintiff must be the owner of a “famous mark” and show; (1) that a domain name “is identical or confusingly similar to, or dilutive of” the owner's mark; and (2) that the defendant registered the domain name with a “bad faith intent to profit” from the name. See 15 U.S.C. § 1125(d). As discussed above, the allegations by Cintas are insufficient to establish that the Defendants' use is for profit. Accordingly, Cintas's cybersquatting*581 claim under 15 U.S.C. § 1125(d) is dismissed.

IV. The State Law Claims

[18] A court “may decline to exercise supplemental jurisdiction over a [pendent state law] claim” if the court “has dismissed all [federal] claims over which it has original jurisdiction.” 28 U.S.C. § 1367(c)(3). “Once [a court's] discretion is triggered under § 1367(c)(3), it balances the traditional values of judicial economy, convenience, fairness, and comity in deciding whether to exercise jurisdiction.” *Kolari v. N.Y.–Presbyterian Hosp.*, 455 F.3d 118, 122 (2d Cir.2006) (internal citation and quotation marks omitted).

[19] There is no diversity between the parties. Discovery has not yet begun, and the action is in its infancy. Convenience and comity weigh heavily against this Court retaining jurisdiction. The remaining claims arise under Ohio state law. Cintas and its counsel are based in Ohio, and many of the Defendants are not from New York. There is no reason compelling a New York court to hear these Ohio state law claims. Accordingly, Defendants' motion to dismiss the state law claims for lack of subject matter jurisdiction is granted.

CONCLUSION

For the foregoing reasons, Defendants' motion

601 F.Supp.2d 571, 185 L.R.R.M. (BNA) 3417, 157 Lab.Cas. P 11,197, RICO Bus.Disp.Guide 11,675
(Cite as: **601 F.Supp.2d 571**)

to dismiss the First Amended Complaint is granted.
The Clerk of the Court is directed to dismiss all
pending motions as moot and to mark this case as
closed.

SO ORDERED.

S.D.N.Y.,2009.

Cintas Corp. v. Unite Here

601 F.Supp.2d 571, 185 L.R.R.M. (BNA) 3417,
157 Lab.Cas. P 11,197, RICO Bus.Disp.Guide
11,675

END OF DOCUMENT