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CONSUMER PROTECTION PROVISIONS
PROHIBITING "DECEPTIVE PRACTICES" AND "FALSE ADVERTISING": PROPER VEHICLES FOR THE PROTECTION OF INTELLECTUAL PROPERTY*

Hugh C. Hansen**

What role should §§ 349 and 350 of the New York General Business Law play in the protection of intellectual property? They were enacted to protect consumers against "deceptive practices" and "false advertising." Are these provisions, nevertheless, appropriate vehicles for businesses to fight passing-off by competitors, and trademark and trade dress infringement? The answer is important because both provisions allow the court to award attorney fees to prevailing plaintiffs.

The McKinney's Practice Commentary to §§ 349 and 350 argues that they should not be applicable to intellectual property claims. Without much discussion, two cases have followed this view while others have assumed, to the contrary, that they are applicable. This article takes the position that normal statutory construction, the legislative histories, and the policies behind §§ 349 and 350 all support the proposition that they are properly applicable to intellectual property claims.

LEGISLATIVE HISTORY

Article 22-A of the General Business Law (then §§ 350 — 350-d) was enacted in 1963. These provisions were aimed at combatting false advertising and were based upon a study and report prepared by the New York State Bar Association's Special Committee to Study the Antitrust Laws of New York. After some modification of the committee's proposal, New York's Attorney General sponsored a bill "designed to provide the needed authority to cope with the numerous, ever-changing types of false and deceptive business practices which plague consumers in our State."1 Patterned after the Federal

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1. Attorney General, Memorandum for the Governor re Senate Int. 1581, Pr. 1604, 1 (January 8, 1963).
Trade Commission model (15 U.S.C. § 41, et seq.), it looked to government enforcement of a prohibition against "false advertising in the conduct of any business, trade or commerce or in the furnishing of any service in this state." Gen. Bus. L. §§ 350, 350-d (formerly § 350-c). As with the FTC Act, the original version of Article 22-A did not permit private actions. Moreover, the Attorney General was required to notify persons against whom he contemplated taking action that they had an opportunity to "show either orally or in writing why such action should not be commenced." Gen. Bus. L. § 350-c (formerly 350-b).

Despite the provision in section 350-c which allows potential defendants to avoid prosecution by showing the Attorney General that their actions comply with FTC or New York State agency requirements, opponents of the legislation argued that it would subject businesses to overlapping and, perhaps, conflicting, interpretations of the New York and federal provisions. Governor Rockefeller rejected this argument and concluded that the statute would "promote uniform application of State and Federal Law," and that it represented "significant progress towards eradicating deceptive practices of unprincipled businessmen."  

Article 22-A was expanded in 1970 to include Gen. Bus. L. § 349 which barred any "deceptive acts or practices" by any business in New York. Gen. Bus. L. § 349(a). As was the case in the earlier legislation, this additional provision was based upon the FTC model. However, it was more limited than the federal version in that a prohibition against "unfair practices" was omitted. Once again, responsibility for enforcement was left to the Attorney General and included the authority to bring actions for restitution for those parties who were defrauded by the deceptive practices. Gen. Bus. L. § 349(b). The additional provision was thought to afford the state a "practical means of halting consumer frauds at their incipiency without the necessity to wait for development of persistent frauds."  

Because of the broad, open-ended standards of Gen. Bus. L.

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2. Letter from Arnold Witte, General Manager, Commerce and Industry Ass'n of New York to Sol N. Corbin, Counsel to the Governor (Rockefeller) (April 10, 1963). Another business group objected because, in its view, businesses would have to sustain the burden of proof with respect to alleged violations. Letter of John J. Roberts, Executive Vice President, Empire State Chamber of Commerce to Sol N. Corbin, Counsel to the Governor (April 17, 1963). There is, however, nothing in the statute to indicate such a burden, although Gen. Bus. L. § 350-c (now § 350-d) did set up an affirmative defense of compliance with FTC or state agency regulations.


§§ 349 and 350, it was initially thought fitting to leave enforcement solely in the hands of the Attorney General who would be relied upon to exercise appropriate discretion in bringing actions. However, due to the meager enforcement resources at the Attorney General's disposal, it soon became apparent that such limited efforts would never be adequate. Moreover, by 1980, 42 other states and the District of Columbia had supplemented public enforcement of their "deceptive acts and practices" statutes with a private right of action. A New York proposal to add such a right to both Gen. Bus. L. §§ 349 and 350 was opposed by business interests. They argued that, since New York—unlike other states—had never defined "deceptive acts or practices," this open-ended standard would lead to "the abuse of legitimate businesses by irresponsible parties."

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However, heeding the advice of the Attorney General, consumer organizations and most bar groups, Governor Carey signed the amendments in 1980, stating that they would "encourage private enforcement of these consumer protection statutes, add a strong deterrent against deceptive business practices and supplement the activities of the Attorney General in the prosecution of consumer fraud.

5. See Memorandum of the New York Attorney General for the Governor on A 7223B, 2 (May 21, 1980) ("[The Attorney General's] resources are limited, and every complaint of consumer fraud cannot be investigated and litigated. The office must concentrate its efforts [on] those deceptive practices cases which affect significant numbers of consumers"); Letter from the Mayor of City of New York to Governor Hugh L. Carey (May 20, 1980) ("Existing State law makes it virtually impossible for the Attorney General, given the limited resources of that office, to provide more than minimal enforcement").

6. Letter of Raymond T. Schuler, President, Associated Industries of New York State, to Richard A. Brown, Counsel to the Governor, 1 (June 11, 1980). See also Letter of William D. Hassett, Jr., Commissioner, Department of Commerce, to Richard A. Brown (June 13, 1980) ("legislation unnecessary and in derogation of the economy of the State"); Letter of Patrick J. Mulhern, Senior Vice President and General Counsel, Citibank, to Richard Brown, 2 (June 20, 1980) (bill is "too open-ended and devoid of any procedural safeguards against abuse"). The Attorney General countered that there is a well-established body of federal and state law as to what is deceptive and that experience with other federal and state consumer statutes including some specific consumer frauds law in New York, demonstrated that "fears of a plethora of litigation are unfounded." See Memorandum of Attorney General, n.5 supra at 2, 3. Another business concern was the possibility of class actions being allowed especially when coupled with the $50.00 minimum damage award. Schuler letter, supra at 2.

The Business Law Committee of the New York State Bar Association objected to the private right of action in Gen. Bus. L. § 350 because it did not duplicate the defense available to an action by the Attorney General that the "advertisement is subject to and complies with the rules and regulations of, and the Statutes administered by the Federal Trade Commission [or state agency]." See Letter of Walter V. Ferris, New York State Bar Ass'n, to Richard A. Brown, Counsel to the Governor (June 5, 1980).
complaints.\textsuperscript{7}

In 1984, Gen. Bus. L. §§ 349(h) and 350-d were amended further to make it clear that a private action could be brought for either injunctive relief or damages, or both. This amendment was made in response to a New York City Civil Court decision which had determined that section 349(h) required that a plaintiff injured by deceptive trade practices must sue for both damages and injunctive relief, and not simply one or the other.\textsuperscript{8} The Civil Court's construction prevented plaintiffs from seeking inexpensive and simple redress in small claims court which cannot grant injunctive relief. The 1984 amendments make it clear that plaintiffs can choose small claims court over supreme court if they are willing to forego injunctive relief.\textsuperscript{9}

The most recent amendments to Gen. Bus. L. Article 22-A were enacted in 1988, 1989 and 1991. In 1988, Gen. Bus. L. § 350-a was amended to deal specifically with false advertising in employment situations.\textsuperscript{10} In 1989, a new section 350-b was added dealing with disclosures required when the title "doctor" is used in an advertisement.\textsuperscript{11} In 1991, this provision was amended to specify more precisely when the use of the title "doctor" is permissible.\textsuperscript{12}

\textbf{APPLICATION OF GENERAL BUSINESS LAW §§ 349 AND 350 TO INTELLECTUAL PROPERTY CLAIMS}

An account of the broad scope of coverage Gen. Bus. L. Article 22-A provides with regard to traditional unfair trade and consumer fraud issues involving false advertising or deceptive practices is beyond the scope of this Comment. The concern in this Comment is

\textsuperscript{7} Memorandum of the Governor on Approving L. 1980, Chs. 345 and 346 (June 19, 1980), 1980 Legislative Annual 1867.


\textsuperscript{9} Subd. 3, L. 1984, Ch. 157, § 2, eff. Sept. 1, 1984. Ironically, the legislation was not necessary to correct the Civil Court interpretation as the Appellate Division, First Department, had reversed in Beslity v. Manhattan Honda, 120 Misc. 2d 848, 467 N.Y.S.2d 471 (App. T. 1st Dept. 1983). It noted that the legislative intent had been to provide for cumulative or alternative remedies. When the statute authorized a private action to enjoin "and" recover damages, the court held that it could "substitute 'or' for 'and' in a statute where it is necessary to carry out legislative intent." Id. 120 Misc. 2d at 853, 467 N.Y.S.2d at 474.

The legislature also amended the relevant small claims statutes to allow representation of corporations by authorized officers, directors or employees instead of legal counsel to defend actions brought under Gen. Bus. L. §§ 349 and 350.

\textsuperscript{10} L. 1988, Ch. 615, § 1, eff. Sept. 1, 1988.

\textsuperscript{11} L. 1989, Ch. 65, § 1, eff. July 20, 1989. In addition, the later sections were renumbered and the word "evidence" was added to the renumbered Gen. Bus. L. § 350-c. Id. at §§ 1, 2.

\textsuperscript{12} L. 1991, Ch. 165, § 1, eff. May 31, 1991.
with the extent to which sections 349 and 350 can be used in an intellectual property case and, more specifically, in a trademark or trade dress context, to redress deception as to the source of the goods. The answer lies in the resolution of two issues: (1) whether non-consumer businesses, usually competitors, have standing to sue as "injured persons;" and (2) whether "false advertising" and "deceptive practices" will be construed to include passing off, and trademark and trade dress infringement. Issue one, the more general issue of the standing of non-consumer businesses, presents the same questions for resolution in actions tied to deception as to the source of goods as it does in the more traditional unfair trade and consumer fraud actions. Issue two is narrower and concerns the scope of protection provided under sections 349 and 350.

Standing

Both the Attorney General and "injured persons" have standing to bring actions under Gen. Bus. L. §§ 349 and 350. However, due to scarce resources and lack of expertise, the Attorney General's Office is unlikely to use either section to bring passing-off, or trademark or trade dress infringement actions. Individual consumers injured by such practices are also unlikely to have the expertise to recognize the nature of such violations or the resources to bring actions under Gen. Bus. L. §§ 349 and 350. On the other hand, it is possible that an intellectual property attorney could identify and organize a group of injured consumers and bring a class action on their behalf under these provisions. Consumer class actions, however, do not adequately represent the interests of businesses which may be sorely injured by deceptions practiced by competitors as to the source of goods.

It is unclear under the language of Gen. Bus. L. §§ 349 and 350 whether a business injured by passing off and infringement activity is an "injured person" within the meaning of these provisions. In determining whether businesses have standing as "injured persons," it is important to keep in mind that while Article 22-A is entitled "Consumer Protection from Deceptive Acts and Practices," the intent of the substantive provisions was to "protect both consumers and honest businessmen from the many varied forms of deception." Thus, when the legislature authorized private actions under

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the provisions, it would have made no sense for it to allow one
group it intended to protect (consumers) to bring actions, while de-
nying the other protected group (honest businessmen) the same
right of action.

Furthermore, while it is not disputed that the 1980 private action
amendments to Gen. Bus. L. §§ 349(h) and 350-d (now § 350-e) pri-
marily focused upon suits by consumers, the legislative intent was
to allow businesses to bring actions as well. This additional intent is
illustrated by the language of the provisions and their legislative
history.

First, traditional statutory construction considers businesses to be
legal persons, and there is no question that a business can be injured
by competitors' false advertising and deceptive business practices.
Second, there are numerous statements in the legislative history in-
dicating that the statute was intended to permit businesses to sue in
their own right and there is no record of anyone opposing this inter-
pretation. For instance, the Attorney General stated that "a business
itself will be able to use the private right of action against another
business engaged in deceptive practices and thereby obtain in-
creased legal protection." In addition, the senator who drafted
the private action amendment stated that "[t]his bill gives consumers
and businessmen the right to bring suit where they have been in-
jured . . . and will allow business to regulate itself." The New York
State Council of Retail Merchants, Inc., noted that the provision
"protects both the consumer and legitimate businesses by providing
competitor policing of false advertising." Likewise, the New York
State Consumer Protection Board found that the bill "affords a legal
remedy to consumers and business persons injured by the deceptive
act of false advertising."

Finally, businesses, because of their greater resources and access
to counsel, and their greater injury and damages, are the most likely
private parties to accomplish the policy goals of the 1980 private
action amendments, namely, "to encourage private enforcement of
these consumer protection statutes, add a strong deterrent against

14. See "Bill to give consumers new clout," Albany Times-Union, June 1, 1980,
   at F-7.

15. See Memorandum of the Attorney General for the Governor, n.5 supra at 3.
    Legislative Annual - 1980, 146.

17. The New York State Council of Retail Merchants, Inc. Memorandum of Janu-
    ary 11, 1980, p. 2 (written when only private action for Gen. Bus. L. § 350 had
    been introduced).

18. Memorandum of Rosemary S. Pooler, Chairwoman and Executive Director
    of the New York State Consumer Protection Board to the Senate Consumer Protec-
    tion Committee, 1 (January 15, 1980) (at this time there was only proposed an
    amendment to Gen. Bus. L. § 350-d; this memorandum suggested a similar amend-
deceptive business practices and supplement the activities of the Attorney General.\textsuperscript{19}

It is not surprising, therefore, that courts have generally allowed suits by businesses.\textsuperscript{20} Richard Givens, in his McKinney's Practice Commentary on Gen. Bus. L. §§ 349 and 350, argues that the provisions only permit businesses to sue when they function as consumers.\textsuperscript{21} This argument is without merit. One court specifically addressed the issues raised by Givens' Practice Commentary and concluded that non-consumer businesses do have standing under both sections 349 and 350.\textsuperscript{22} Moreover, Givens improperly cites a New York Supreme Court case, Sulner v. General Acc. Fire and Life Assur. Corp.,\textsuperscript{23} to support the proposition that businesses can sue as consumers only where the transaction is potentially recurring and affects the public. While the Sulner court did hold that a business consumer can sue under Gen. Bus. L. § 349, it did not view the transaction upon which the plaintiff's claim was based as affecting the public generally or as potentially recurring. In fact, the Sulner court did not address the issue of whether a non-consumer business could sue.

\textsuperscript{19} See Memorandum of the Governor on approving L. 1980, Chs. 345 and 346, dated June 19, 1980.


\textsuperscript{23} See Sulner v. General Acc. Fire and Life Assur. Corp., 122 Misc. 2d 597, 471 N.Y.S.2d 794 (Sup. Ct. N.Y. Co. 1984) (Baer, J.) (plaintiff relied upon defendant insurer's claims adjuster representation that damaged documents were covered and that it was no longer necessary to retain the damaged items; after plaintiff disposed of items, it was advised that defendant disclaimed coverage; though nothing in the facts indicated that transaction was capable of recurring nor that it affected the public generally, court held that the adjuster's statements were deceptive acts within the scope of Gen. Bus. L. § 349, noting the rule that "remedial statutes are liberally construed [in order] to carry out the reforms intended"). Id. 122 Misc. 2d at 600, 471 N.Y.S.2d at 797. The Sulner court's construction was much broader than that of Judge Weinfeld in a similar situation. See Genesco Entertainment v. Koch, 593 F. Supp. 743, 750-53 (S.D.N.Y. 1984) (discussed at Ns. 34-38 and accompanying text infra).
Scope of Protection

As noted above, the second issue for determination is the extent to which Gen. Bus. L. §§ 349 and 350 can be used in an intellectual property context to redress deception as to the source of goods. In other words, the issue is whether "false advertising" and "deceptive practices"—provisions which were aimed at traditional consumer fraud—should be construed to include passing off, and trademark and trade dress infringement. In construing the words of these sections, it takes no stretch of the imagination to conclude that deceiving consumers as to the source of the goods that they are buying is a "deceptive practice." Likewise, it is not difficult to determine that advertisements which deceive consumers as to the source of goods are false. This construction is consistent with Governor Rockefeller's statement that Gen. Bus. L. § 350 "adds an important new assurance to the people of this State that the goods and services they purchase are as represented." Application of sections 349 and 350 to trademark and trade dress infringement actions is further supported by the fact that proof of deceptive intent is not required by these provisions to establish a violation of either section. This is compatible with the rule for establishing trademark and trade dress infringements, which similarly does not require a showing of deceptive intent.

In his McKinney's Practice Commentary, Richard Givens objects to applying Gen. Bus. L. §§ 349 and 350 to redress deceptions of the public as to the source of goods. One of Givens' objections is that such an application "would bring the 'one-way' prevailing plaintiff attorney's fee provisions of § 349(h) and § 350-d to bear in a context totally different from that originally contemplated." In fact, however, the original context—false advertising, deceptive acts and practices—is not substantially different from deception as to the source of goods (i.e., passing off, trademark and trade dress infringement) context. In both situations, consumers are deceived with regard to the products or services that they are buying. Furthermore, both types of deception result in harm to "consumers and

24. Governor's Memorandum, n.3 supra at 466.
27. See Givens Practice Commentary, n.21 supra.
28. Id. at 570.
honest businessmen." In any case, "one-way" attorney's fees awards that favor plaintiffs are not necessarily inappropriate in intellectual property cases. For instance, the United States Circuit Court of Appeals for the Second Circuit has taken the neutral two-way "prevailing party" attorney fee provision of the Copyright Act of 1976 and has construed it in a nearly "one-way" manner to favor prevailing plaintiffs. More importantly, as Judge Mukasey has noted, the award of attorney's fees under Gen. Bus. L. §§ 349 and 350 is entirely discretionary, and a court may always deny the award to a prevailing plaintiff where it is not appropriate.

Case law has provided little reported analysis on the question of whether sections 349 and 350 can be applied in the trademark and unfair competition context. Many courts have simply assumed that these sections are applicable and have applied them without providing discussion or independent analysis. On the other hand, two courts, again without independent analysis, have followed the McKinney's Practice Commentary and refused to apply these sections.

Two other courts have examined the scope of Gen. Bus. L. § 349 in contexts outside of the usual consumer protection model. While neither court specifically addressed the question of whether the sec-

29. See n.13 and accompanying text supra.
30. See, e.g., Diamond v. Am-Law Publishing Corp., 745 F.2d 142, 148 (2d Cir. 1984) (Winter, J.) ("Because Section 505 is intended in part to encourage the assertion of colorable copyright claims and to deter infringement, fees are generally awarded to prevailing plaintiffs. Fees to a prevailing defendant should not be awarded when the plaintiff's claim is colorable since such awards would diminish the intended incentive to bring such claims. When the plaintiff's claims are objectively without arguable merit, however, a prevailing defendant may recover attorney's fees.") (citations omitted).
tion would apply in a trademark or unfair competition context, their reasoning lends support to the conclusion that it would. In the first case, *Genesco Entertainment v. Koch*, a concert promoter brought an action against New York City, its officials and others for their failure to lease Shea Stadium to the promoter for a country and western music concert. The plaintiff alleged, *inter alia*, a violation of Gen. Bus. L. § 349 based upon the defendants' misrepresentations regarding their intent to lease the stadium. Judge Weinfeld granted the defendants' summary judgment on this claim for two reasons: (1) the alleged misrepresentations did not constitute a "deceptive practice" within the meaning of Gen. Bus. L. § 349; and (2) to construe the section to apply to a breach of a private contract affecting no one but the parties would "alter completely the legal duties governing commercial relationships in New York." This radical alteration would occur because section 349 does not require proof of intent to deceive. Thus, if it was applied to this type of two-party transaction it "would mean that the essential requirements for fraud in commercial dealings would effectively be nullified." Judge Weinfeld further stated that the "deceptive practices this statute [Gen. Bus. L. § 349] seeks to combat involve recurring transactions of a consumer type" and concluded that this "single shot transaction" involving complex arrangements, knowledgeable and experienced parties and large sums of money was beyond the scope of Gen. Bus. L. § 349.

There was nothing in Judge Weinfeld's opinion or reasoning to support the proposition that non-consumer businesses lacked standing to sue for violations within the scope of Gen. Bus. L. § 349. He did not hold that the plaintiff lacked standing, but merely that the injury alleged did not implicate the public interest. Moreover, while he did not have occasion to address the issue of whether Gen. Bus. L. § 349 would apply to deceptive practices in the trademark and unfair competition context, such an application would fit into his "recurring transactions of a consumer type" model. Finally, application of sections 349 and 350 to trademark and unfair competition offenses—unlike their application to a breach of a private contract—would not alter completely the legal duties governing com-

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36. *Id.*
37. *Id.* at 752-53.
38. *Id.* at 752.
mmercial relationships in New York since the law that normally applies to trademark and unfair competition offenses also does not require an intent to deceive.

The second court to address the scope of Gen. Bus. L. § 349 outside the consumer protection context viewed the section’s scope more broadly than did Judge Weinfeld. In Sulner v. General Acc. Fire and Life Assur. Corp., the plaintiff, a forensic document examiner, suffered water damage to documents in its care. The defendant insurer’s claims adjuster examined the damage on a number of visits, and allegedly told the plaintiff that it had coverage and that it was no longer necessary to retain the damaged documents. After the documents were disposed of, plaintiff was advised that the defendant disclaimed coverage. In determining whether Gen. Bus. L. § 349 applied to the defendant’s actions, Justice Baer did not impose Judge Weinfeld’s “recurring transactions of a consumer type” requirement. In holding that the adjuster’s alleged statements were deceptive acts within the scope of Gen. Bus. L. § 349, Justice Baer noted that “remedial statutes are liberally construed [in order] to carry out the reforms intended.” This rule of construction, which allowed relief on a one-shot transaction outside of the normal consumer protection model, should, a fortiori, construe consumer deception in the trademark and unfair competition context to be within the scope of the statute.

None of the foregoing discussion is meant to suggest that reasons could not be found for holding that deceptive practices and false advertising in the trademark context are outside the scope of Gen. Bus. L. §§ 349 and 350. One possible reason would be a finding of the legislature’s hostility to trademark claims as evidenced in either the legislative histories of these provisions or other contexts. However, the legislative histories demonstrate no hostility to such claims. On the contrary, as the volume of New York trademark and trademark-related legislation set out in this publication illustrates, the

41. Id. 122 Misc. 2d at 600, 471 N.Y.S.2d at 797.
42. Some hostility to intellectual property protection appears to have motivated the author of the Practice Commentary:

While trademark infringement involves an element of consumer deception, trademark and trade dress infringement cases can also involve close judgment calls balancing risks of confusion against the risk of competition which may be helpful to the consumer.

Givens, Practice Commentary, n.21 supra at 570 (emphasis in original).

There are two responses to this statement. One is that when there is consumer confusion, competition is never helped nor is the consumer. The second is that competition may be hurt if the scope of trademark protection is too broad, i.e., if generic or functional items are protected. Trademark law itself recognizes this problem. Proper interpretation of the provisions involved is the appropriate response, not denying all protection.
legislature has in a number of contexts sought to prevent the type of conduct that leads to such infringement claims.

The existence of other parallel state and federal provisions has been suggested as another reason for restricting the application of sections 349 and 350 in the trademark context. However, the existing federal and state complementary statutory schemes relating to both consumer protection and trademarks do not appear to support this argument. For example, in the consumer protection context the scope of Gen. Bus. L. §§ 349 and 350 has not been restricted, even though other applicable federal and New York statutes exist. Furthermore, federal trademark and unfair competition doctrines regularly overlap with similar state provisions. The existence of this overlap has never been used to restrict the scope of any of these applicable state or federal doctrines.
§ 349. Deceptive acts and practices unlawful

(a) Deceptive acts or practices in the conduct of any business, trade or commerce or in the furnishing of any service in this state are hereby declared unlawful.

(b) Whenever the attorney general shall believe from evidence satisfactory to him that any person, firm, corporation or association or agent or employee thereof has engaged in or is about to engage in any of the acts or practices stated to be unlawful he may bring an action in the name and on behalf of the people of the state of New York to enjoin such unlawful acts or practices and to obtain restitution of any moneys or property obtained directly or indirectly by any such unlawful acts or practices. In such action preliminary relief may be granted under article sixty-three of the civil practice law and rules.

(c) Before any violation of this section is sought to be enjoined, the attorney general shall be required to give the person against whom such proceeding is contemplated notice by certified mail and an opportunity to show in writing within five business days after receipt of notice why proceedings should not be instituted against him, unless the attorney general shall find, in any case in which he seeks preliminary relief, that to give such notice and opportunity is not in the public interest.

(d) In any such action it shall be a complete defense that the act or practice is, or if in interstate commerce would be, subject to and complies with the rules and regulations of, and the statutes administered by, the federal trade commission or any official department, division, commission or agency of the United States as such rules, regulations or statutes are interpreted by the federal trade commission or such department, division, commission or agency, or the federal courts.

(e) Nothing in this section shall apply to any television or radio broadcasting station or to any publisher or printer of a newspaper, magazine or other form of printed advertising, who broadcasts, publishes, or prints the advertisement.

(f) In connection with any proposed proceeding under this section, the attorney general is authorized to take proof and make a determination of the relevant facts, and to issue subpoenas in accordance with the civil practice law and rules.

(g) This section shall apply to all deceptive acts or practices declared to be unlawful, whether or not subject to any other law of this state, and shall not supersede, amend or repeal any other law of this state.
(h) In addition to the right of action granted to the attorney general pursuant to this section, any person who has been injured by reason of any violation of this section may bring an action in his own name to enjoin such unlawful act or practice, an action to recover his actual damages or fifty dollars, whichever is greater, or both such actions. The court may, in its discretion, increase the award of damages to an amount not to exceed three times the actual damages up to one thousand dollars, if the court finds the defendant willfully or knowingly violated this section. The court may award reasonable attorney's fees to a prevailing plaintiff.

(Added L. 1970, c. 43, § 2; amended L. 1980, c. 346, § 1; L. 1984, c. 157, § 1.)

§ 350. False advertising unlawful
(Added L. 1963, c. 813, § 1.)

§ 350-a. False advertising

1. The term "false advertising" means advertising, including labeling, of a commodity, or of the kind, character, terms or conditions of any employment opportunity if such advertising is misleading in a material respect. In determining whether any advertising is misleading, there shall be taken into account (among other things) not only representations made by statement, word, design, device, sound or any combination thereof, but also the extent to which the advertising fails to reveal facts material in the light of such representations with respect to the commodity to which the advertising relates under the conditions prescribed in said advertisement, or under such conditions as are customary or usual. For purposes of this article, with respect to the advertising of an employment opportunity, it shall be deemed "misleading in a material respect" to either fail to reveal whether the employment available or being offered requires or is conditioned upon the purchasing or leasing of supplies, material, equipment or other property or whether such employment is on a commission rather than a fixed salary basis and, if so, whether the salaries advertised are only obtainable if sufficient commissions are earned.

2. An employer shall not be liable under this section as a result of a failure to disclose all material facts relating to terms and conditions of employment if the aggrieved person has not suffered actual pecuniary damage as a result of the misleading advertising of an employment opportunity or if the employer has, prior to the aggrieved person suffering any pecuniary damage, disclosed in writing to that person a full and accurate description of the kind, character, terms and conditions of the employment opportunity.

(Added L. 1988, c. 615, § 1.)
§ 350-b. Disclosures required in advertisements using the title "doctor"

1. Any person who uses the title "doctor" in making representations for the purpose of inducing, or which are likely to induce, directly or indirectly, the purchase of (a) drugs, devises or cosmetics, as defined in section sixty-eight hundred two of the education law, or (b) other goods or services intended to diagnose, treat, mitigate, prevent or cure any human disease, pain, injury, deformity, nutritional deficiency or physical condition, or which are intended to appear to the purchaser of such goods or services to have done so, shall conspicuously disclose the profession in which he or she is licensed, except that, where no license is required by the department of education, such person shall conspicuously disclose the major subject in which the degree was earned and the name of the institution that issued the degree. For the purposes of the of this section, "conspicuously" shall mean equally in size, type or prominence and positioned adjacent to the title "doctor". The requirements of this subdivision supplement, and shall not be construed to limit, the obligations of health professionals pursuant to the education law and regulations thereunder, not shall they be construed to authorize the practice of any licensed profession not the offer of professional services by any unlicensed person.

2. In addition to any civil penalty available under section three hundred fifty-d of this article, whenever there shall be an actual or threatened violation of this section an application may be made to a court or justice having jurisdiction to issue an injunction, upon notice to the defendant of not less than five days, to enjoin and restrain such actual or threatened violation; if it shall appear to the satisfaction of the court or justice that the defendant is in fact assuming, adopting or using such title or is about to assume, adopt or use such title and that the assumption, adoption or use of such title may deceive or mislead the public, an injunction may be issued by said court or justice enjoining and restraining such actual or threatened violation without requiring proof that any person has in fact been deceived or misled thereby.

(Added L. 1989, c. 65 § 1.)

§ 350-c. Notice of proposed action

Before the attorney-general commences an action pursuant to section three hundred fifty-c of this article he shall be required to give the person against whom such action is contemplated appropriate notice by certified mail and an opportunity to show either orally or in writing why such action should not be commenced. In such showing, said person may present, among other things, that the advertisement is subject to and complies with the rules and regulations of, and the statutes administered by the Federal Trade Commission or
any official department, division, commission or agency of the state of New York.
(Formerly § 350-b, added L. 1963, c. 813, § 1; renumbered § 350-c and amended L. 1989, c. 65, §§ 1, 2.)

§ 350-d. Civil penalty

Any person, firm, corporation or association or agent or employee thereof who engages in any of the acts or practices stated in this article to be unlawful shall be liable to a civil penalty of not more than five hundred dollars for each violation, which shall accrue to the state of New York and may be recovered in a civil action brought by the attorney-general. In any such action it shall be a complete defense that the advertisement is subject to and complies with the rules and regulations of, and the statutes administered by the Federal Trade Commission or any official department, division, commission or agency of the state of New York.
(Formerly § 350-c, added L. 1963, c. 813, § 1; renumbered § 350-d, L. 1989, c. 65, § 1.)

§ 350-e. Construction

1. This article neither enlarges nor diminishes the rights of parties in private litigation except as provided in this section.

2. This article does not repeal the provisions of subdivision twelve of section sixty-three of the executive law.

3. Any person who has been injured by reason of any violation of section three hundred fifty or three hundred fifty-a of this article may bring an action in his own name to enjoin such unlawful act or practice, an action to recover his actual damages or fifty dollars, whichever is greater, or both such actions. The court may, in its discretion, increase the award of damages to an amount not to exceed three times the actual damages up to one thousand dollars, if the court finds the defendant willfully or knowingly violated this section. The court may award reasonable attorney's fees to a prevailing plaintiff.
(Formerly § 350-d, added L. 1963, c. 813, § 1; amended L. 1980, c. 345, § 1; L. 1984, c. 157, § 2; renumbered § 350-e, L. 1989, c. 65, § 1.)

§ 350-f. Exceptions

Nothing in this article shall apply to any television or sound radio broadcasting station or to any publisher or printer of a newspaper, magazine, or other form of printed advertising, who broadcasts, publishes, or prints such advertisement.
(Formerly § 350-e, added L. 1963, c. 813, § 1; renumbered § 350-f, L. 1989, c. 65, § 1.)