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Online Tie Retailer Escapes NC Artist's Copyright Suit

By **Ivan Moreno**

Law360 (August 31, 2023, 5:55 PM EDT) -- A North Carolina federal judge has dismissed a copyright case from an artist who accused an online tie seller of stealing one of her designs, saying the court doesn't have jurisdiction over the business because its sales to the state have been minimal and none included the allegedly infringing ties.

Chief U.S. District Judge Martin Reidinger dismissed Megan Lee Studio LLC's complaint without prejudice, saying in a Tuesday **opinion** that sales to North Carolina from TieGuys.com Inc. account for 0.45% of its total revenue since 2014. The company, which does business as Three Rooker Necktie Company, is based in Florida.

Judge Reidinger said the court could only have general jurisdiction over TieGuys "if its contacts with the state render it essentially 'at home' in North Carolina."

"TieGuys' contacts, however, fall well below that high bar," the judge said.

Megan Lee Studio sued TieGuys and its director and bookkeeper in July 2022, alleging one of the company's ties has a design for which the studio has had a copyright since 2017. The design is a mosaic created by Asheville-based artist Megan Lee Welch that features illustrations of inventions and the names and birth years of the scientists behind them. The work, titled the "50 Rock Star Scientists Mosaic," is sold on stickers, T-shirts and prints, Megan Lee Studio said.

The allegedly infringing ties also have an illustration of an invention and a scientist's name and birth year, arranged in a mosaic pattern, Megan Lee Studio's complaint said.

Judge Reidinger said the court didn't have specific jurisdiction over the defendants either, rejecting an argument from Megan Lee Studio that TieGuys targets North Carolina customers by selling ties with the insignia of North Carolina colleges and sports teams.

"The fact that TieGuys sold products that may be of interest to North Carolina residents alongside products of interest to residents of every other state does not demonstrate that it purposefully availed itself of the privilege of conducting activities in North Carolina," Judge Reidinger said.

The judge also cited the fact that no ties with the allegedly infringing design have been sold in the state.

"The plaintiff does not allege that the design of the allegedly infringing tie took place in North Carolina or that any sales of the infringing tie occurred in North Carolina," Judge Reidinger said. "The fact that the defendants may have sold and shipped other products to the forum state is unrelated to the present action."

Counsel for TieGuys praised the decision in a statement to Law360 Thursday.

"We are very pleased that the court affirmed what we knew to be true all along. Suing in the wrong venue is not allowed and the court affirmed this with their decision," said Thomas Stanton of Stanton IP Law Firm PA.

Counsel for Megan Lee Studio declined to comment Thursday,

Megan Lee Studio is represented by Jason Matthew Sneed and Megan Elizabeth Sneed of Sneed

PLLC.

TieGuys is represented by Christina Davidson Trimmer and Tom BenGera of Shumaker Loop & Kendrick LLP and Thomas H. Stanton of Stanton IP Law Firm PA.

The case is Megan Lee Studio LLC v. TieGuys.com Inc. et al., case number 1:22-cv-00139, in U.S. District Court for the Western District of North Carolina.

--Editing by Dave Trumbore.

Update: Story has been updated to add statement from defendant's counsel.

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