

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

JEREMY LEBEWOHL, UNCLE ABIES DELI
INC. d/b/a 2nd AVE DELI, UNCLE ABIES DELI
ON FIRST INC., UNCLE ABIES DELI
SANDWICH TRADEMARKS LLC, and JACK
LEBEWOHL

CIVIL ACTION NO: 11-CIV-3153-PAE-
JCE

Plaintiffs,

v.

HEART ATTACK GRILL LLC, HAG LLC,
JON BASSO, DIET CENTER, LLC. (Texas),
and DIET CENTER LLC (Delaware)

Defendants.

SECOND AMENDED ANSWER AND COUNTERCLAIM

Defendants HEART ATTACK GRILL LLC, HAG LLC, JON BASSO, DIET CENTER, LLC (Texas), and DIET CENTER LLC (Delaware), (collectively, "Defendants" or "HAG") hereby file this Second Amended Answer and Counterclaims to Plaintiffs' JACK LEBEWOHL, JEREMY LEBEWOHL, UNCLE ABIES DELI INC. d/b/a 2nd AVE DELI, UNCLE ABIES DELI ON FIRST INC., UNCLE ABIES DELI SANDWICH TRADEMARKS LLC and JACK LEBEWOHL (collectively "Plaintiffs" or "2nd AVE DELI"), amended complaint filed October 26, 2011 (see D.E. 25) and state as follows:

PARTIES

1. HAG lacks knowledge or information sufficient to form a belief as to the allegations in paragraph 1 of the Amended Complaint (hereinafter the “Complaint”), and therefore denies same.
2. HAG lacks knowledge or information sufficient to form a belief as to the allegations in paragraph 2 of the Complaint, and therefore denies same.
3. HAG lacks knowledge or information sufficient to form a belief as to the allegations in paragraph 3 of the Complaint, and therefore denies same.
4. HAG lacks knowledge or information sufficient to form a belief as to the allegations in paragraph 4 of the Complaint, and therefore denies same.
5. HAG lacks knowledge or information sufficient to form a belief as to the allegations in paragraph 5 of the Complaint, and therefore denies same.
6. As to paragraph 6, HAG admits the allegations therein but denies the allegation that the company is no longer in business.
7. As to paragraph 7, Hag admits the allegations therein but denies the allegation that the company is no longer in business.
8. As to paragraph 8, admitted as to the first sentence. Denied as to the second sentence.
9. As to paragraph 9, HAG admits the allegations therein but denies the allegation that the company is no longer in business.
10. As to paragraph 10, HAG admits the allegations therein.

NATURE OF ACTION

11. Admitted that this is a declaratory judgements action but deny the remaining portions in paragraph 11 of the Complaint.

12. As to paragraph 12, admitted.
13. HAG admits that 2nd Ave Deli operates two restaurants in New York City and denies all other allegations in paragraph 13.
14. HAG admits that 2nd AVE DELI operates only in New York but lacks knowledge or information sufficient to form a belief as to the remaining allegations in paragraph 14 of the Complaint, and therefore denies same.
15. HAG admits that the March 29, 2011 letter asserted its rights and admits that “All of the alleged violations occurred in New York City” as indicated in paragraph 15 of the Complaint.
16. As to paragraph 16, admitted.
17. Admitted as to the first sentence. HAG denies the remaining allegations in paragraph 17 of the Complaint.

JURISDICTION AND VENUE

18. Denied as to subject matter jurisdiction under 28 U.S.C. 1367. HAG admits the remainder of paragraph 18 of the Complaint.
19. HAG admits that “Plaintiffs lack any jurisdictional nexus with any other state” but lacks knowledge or information sufficient to form a belief as to the remaining allegations in paragraph 19 of the Complaint, and therefore denies same.
20. As to paragraph 20, admitted.

DECLARATORY JUDGMENT OF NON-INFRINGEMENT

21. HAG re-alleges its previous answers set forth above in paragraphs 1-20.
22. HAG lacks knowledge or information sufficient to form a belief as to the allegations in paragraph 22 of the Complaint, and therefore denies same.

23. HAG lacks knowledge or information sufficient to form a belief as to the allegations in paragraph 23 of the Complaint, and therefore denies same.
24. HAG lacks knowledge or information sufficient to form a belief as to the allegations in paragraph 24 of the Complaint, and therefore denies same.
25. HAG lacks knowledge or information sufficient to form a belief as to the allegations in paragraph 25 of the Complaint, and therefore denies same.
26. As to paragraph 26, admitted.
27. As to paragraph 27, HAG admits the allegations therein but denies its food is “unhealthy.”
28. As to paragraph 28, admitted.
29. Admitted that HAG operates a restaurant in Las Vegas, Nevada and that 2nd AVE DELI “operates solely in New York City” but HAG denies the remaining allegations set forth in paragraph 29.
30. HAG lacks knowledge or information sufficient to form a belief as to the allegations in paragraph 30 of the Complaint, and therefore denies same.
31. HAG lacks knowledge or information sufficient to form a belief as to the allegations in paragraph 31 of the Complaint, and therefore denies same.
32. Admitted that a judicial determination is necessary as to 2nd AVE DELI’s use of INSTANT HEART ATTACK SANDWICH and TRIPLE BYPASS SANDWICH. HAG denies the remaining allegations set forth in paragraph 32.
33. As to paragraph 33, admitted.

PRAYER FOR RELIEF

HAG denies all the relief requested in 2nd AVE DELI’s prayer for relief.

AFFIRMATIVE DEFENSES

- A. 2nd AVE DELI is estopped to assert claims in this action because, upon information and belief, they knew of HAG's rights for many years prior to this suit and failed to act.
- B. 2nd AVE DELI cannot assert rights to the marks in this action due to laches and waiver because, upon information and belief, they knew of HAG's rights for many years prior to this suit and failed to act.
- C. Plaintiffs do not own rights to "instant heart attack sandwich" or "triple bypass sandwich."
- D. Plaintiffs have no enforceable trademark rights to "instant heart attack sandwich" or "triple bypass sandwich."

COUNTERCLAIMS

Counterclaim Plaintiffs, HAG, LLC., an Arizona corporation, DIET CENTER, LLC d/b/a HEART ATTACK GRILL, a Delaware corporation, and its president-managing member, JON BASSO, an individual (hereinafter collectively "HAG") hereby file this Second Amended Counterclaim against Counterclaim Defendants JEREMY LEBEWOHL, UNCLE ABIES DELI INC. d/b/a 2nd AVE DELI, UNCLE ABIES DELI ON FIRST INC., UNCLE ABIES DELI SANDWICH TRADEMARKS LLC, and JACK LEBEWOHL (collectively "2nd AVE DELI") , and state as follows:

JURISDICTION AND VENUE

1. This is an action under the Federal Trademark Dilution Act, Lanham Act § 43(c)(1), 15 U.S.C. § 1125(c)(1)(Count I); a declaratory judgments action relating to Plaintiffs' pending federal trademark applications (Count II); and a declaratory judgments action relative to Plaintiffs' expansion of its use of certain terms (Count II); and a declaratory judgments action for concurrent use relative to the term "heart attack" (Count IV).

2. Jurisdiction is expressly conferred on this Court by 28 U.S.C. §1331, 1338, 2201 and 2202, the Lanham Act § 37, 15 U.S.C. § 1119 (the Federal Trademark Act) and Lanham Act § 2(d), 15 U.S.C. 1052(d).

3. Venue is proper in this judicial district pursuant to 28 U.S.C. §1391 because 2nd AVE DELI is located in New York, New York, and the individual counterclaim Defendant resides within the Court's jurisdiction, that is, within the Southern District of New York.

THE PARTIES

4. Counter-Plaintiff, HAG, LLC., is an Arizona limited liability company. HAG, LLC operated a business at 6185 W Chandler Blvd, Chandler, Arizona, 85226, a suburb of Phoenix, Arizona.

5. Counter-Plaintiff, Diet Center LLC, d/b/a HEART ATTACK GRILL, is a Delaware limited liability company having a principal place of business at 450 Fremont St., Las Vegas, NV, 89101.

6. Plaintiff, JON BASSO, is president-managing member of HAG, LLC and of DIET CENTER LLC (Delaware) and the owner of the federally registered marks. He resides in Scottsdale, Arizona, but has moved or will soon move to Las Vegas, Nevada.

7. Upon information and belief, Counter-Defendant UNCLE ABIES DELI INC. d/b/a 2nd AVE DELI, is a New York corporation having a principal place of business at 162 East 33rd Street, New York, New York, 10016.

8. Upon information and belief, Counter-Defendant UNCLE ABIES DELI SANDWICH TRADEMARKS LLC is a New York corporation with its principal place of business at 162 East 33rd St., New York, New York 10016.

9. Upon information and belief, Counter-Defendant UNCLE ABIES DELI ON FIRST INC. is a New York corporation with its principal place of business at 162 East 33rd St., New York, New York 10016.

10. Upon information and belief, Counter-Defendant JEREMY LEBEWOHL is an individual residing at 157 East Houston St., 2nd Floor, New York, New York 10002.

11. Upon information and belief, JEREMY LEBEWOHL directs, actively participates in, controls, and benefits from the business of 2nd AVE DELI. Upon information and belief, JEREMY LEBEWOHL directed, actively participated in, controlled and benefitted from the conduct of 2nd AVE DELI as alleged in these Counterclaims. In addition, JEREMY LEBEWOHL's conduct was in furtherance of 2nd AVE DELI' goals, inured to the benefit of 2nd AVE DELI, and was within the course and scope of JEREMY LEBEWOHL's employment or agency relationship with 2nd AVE DELI. Further, upon information and belief, JEREMY LEBEWOHL induced 2nd AVE DELI to engage in the acts alleged in these Counterclaims.

12. Upon information and belief, Counter-Defendant JACK LEBEWOHL is an individual residing at 20 E 9th Street, New York, New York 10002.

13. Upon information and belief, JACK LEBEWOHL directs, actively participates in, controls, and benefits from the business of 2nd AVE DELI. Upon information and belief, JACK LEBEWOHL directed, actively participated in, controlled and benefitted from the conduct of 2nd AVE DELI as alleged in these Counterclaims. In addition, JACK LEBEWOHL's conduct was in furtherance of 2nd AVE DELI' goals, inured to the benefit of 2nd AVE DELI, and was within the course and scope of JACK LEBEWOHL's employment or agency relationship with 2nd AVE DELI. Further, upon information and belief, JACK LEBEWOHL induced 2nd AVE DELI to engage in the acts alleged in these Counterclaims.

FACTS RELATIVE TO ALL COUNTS

14. HAG operated its unique medically themed, HEART ATTACK GRILL restaurant since 2005 in Chandler, Arizona, a suburb of Phoenix. In May 2011, HAG, and more specifically DIET CENTER LLC (Texas), opened a second HEART ATTACK GRILL in Dallas, Texas. In September, 2011, HAG opened another HEART ATTACK GRILL restaurant in Las Vegas, Nevada, under a limited territorial license to Diet Center LLC, a Delaware corporation.

15. Since 2005, HAG has used in interstate commerce the distinctive and famous marks (i) HEART ATTACK GRILL; (ii) SINGLE BYPASS BURGER; (iii) DOUBLE BYPASS BURGER; (iv) TRIPLE BYPASS BURGER; and (v) QUADRUPLE BYPASS BURGER in its restaurant and as trademarks to promote and sell its prepared foods, for consumption on and off the premises, namely, restaurant menu items in the nature of hamburger and cheeseburger sandwiches.

16. Since 2005, HAG has used in interstate commerce the distinctive mark A TASTE WORTH DYING FOR in connection with its restaurant business and for its hamburger and cheeseburger sandwiches made-to-order for consumption on or off the premises.

17. Since 2005, HAG has used in interstate commerce the distinctive mark FLATLINER FRIES in connection with its restaurant business and for its french fries.

18. HAG owns the following federal registrations for goods and services related to the HEART ATTACK GRILL restaurant (collectively herein after the “HEART ATTACK GRILL Marks”) (see Counterclaim Exhibit A):

<u>Registration No.</u>	<u>Mark</u>	<u>Date of Registration</u>
3,128,169	HEART ATTACK GRILL (for restaurant services)	08/08/06 (filed June 9, 2005; 1 st use June 1, 2005)
3,146,924	TASTE WORTH DYING FOR (for hamburger ... sandwiches)	09/19/06 (filed June 9, 2005)

3,180,518	SINGLE BYPASS BURGER (for hamburger sandwiches)	12/05/06 (filed Dec. 27, 2005)
3,137,271	DOUBLE BYPASS BURGER (for prepared food ... namely ... hamburger[s])	08/29/06 (filed June 9, 2005)
3,180,519	TRIPLE BYPASS BURGER (for hamburger sandwiches)	12/05/06 (filed Dec. 27, 2005, 1 st use June 9, 2005)
3,180,520	QUADRUPLE BYPASS BURGER (for hamburger sandwiches)	12/05/06 (filed Dec. 27, 2005)
3,938,031	FLATLINER FRIES (for french fries)	03/29/11 (filed Aug. 11, 2010)

19. HAG also owns HEART ATTACK CAFÉ for cafe and restaurant services, subject to Trademark Application Serial No. 85101637, filed August 6, 2010.

20. HAG and JON BASSO have devoted substantial time and effort to advertise, promote, and otherwise market their unique products and services to the general public under its marks throughout the United States, on the Internet and on television. Consumers have sought out HAG's and HEART ATTACK GRILL restaurant services from all parts of the U.S. Long prior to the acts complained of herein, the HAG marks and HEART ATTACK GRILL restaurant services became famous and still are famous in the U.S. and throughout the world.

21. The HEART ATTACK GRILL marks are famous and have national and worldwide recognition, established by its pervasive media presence, featured or discussed on the following media outlets: CBS Sunday Morning News, Good Morning America, The Food Network, The Travel Channel (including the show Extreme Pigouts and the show Top 101 Tastiest Places to Chowdown where Heart Attack Grill was ranked #27 in America), ABC's Dateline, Fox News Neil Cavuto, ABC's 20/20 with John Stossel, The Rush Limbaugh Show, The Geraldo Rivera Show, The Howard Stern Show, Inside Edition, Comedy Central, The Jimbo Hannon Show, The Jay Leno

Show, Rachel Ray, The Doctors, The National Enquirer, Inc. Magazine, Entrepreneur Magazine, Paul Harvey, America In The Morning, Japanese Television, Pro Zeben's TaffTime (Germany), TF1 (France), Voice of America Television (China), Jay Thomas Show on Sirius, Maurice Boland show (Spain), and Telemundo News (Mexico), among others.

22. 2nd AVE DELI filed a trademark application alleging rights to INSTANT HEART ATTACK SANDWICH, Serial No. 85140751 (herein “the ‘751 application”). In the ‘751 application, 2nd AVE DELI asserts that it is the owner of the alleged mark “instant heart attack sandwich,” it used the alleged mark since May 19, 2004, no other person has rights to the alleged mark, and that no confusion would arise when the alleged mark “instant heart attack sandwich” is used in interstate commerce.

23. The U.S. Patent and Trademark Office (“USPTO”), in an Office Action on January 13, 2011, rejected 2nd AVE DELI’s ‘751 application based upon a likelihood of confusion between the proposed mark and HAG’s HEART ATTACK GRILL mark.

24. The USPTO Examining Attorney indicated that the registered mark and the ‘751 application share the identical wording “HEART ATTACK”. The USPTO further explained that the mere addition of the word “INSTANT” merely reinforces the shared wording, and thus does not obviate the similarity between the marks. Additionally, the USPTO noted that the wording “SANDWICH” is descriptive, requires disclaimer, and that disclaimed matter is less significant when comparing marks.

25. The USPTO also explained that the goods and services between the federally registered HEART ATTACK GRILL mark and the alleged mark in the application INSTANT HEART ATTACK SANDWICH are closely related.

26. 2nd AVE DELI also filed a trademark application seeking rights to TRIPLE BYPASS SANDWICH, Serial No. 85140776 (herein “the ‘776 application”). In the ‘776 application, 2nd AVE DELI asserts that it is the owner of the alleged mark “triple bypass sandwich,” it has only an “intention” to use the mark (it has not yet used the alleged mark), no other person has rights to the alleged mark, and that no confusion would arise when the alleged mark “triple bypass sandwich” is used in interstate commerce.

27. The USPTO, in an Office Action on January 13, 2011, rejected 2nd AVE DELI's ‘776 application based upon a likelihood of confusion between the proposed mark and four of HAG's marks, including the federally registered marks for (i) SINGLE BYPASS BURGER; (ii) DOUBLE BYPASS BURGER; (iii) TRIPLE BYPASS BURGER; and (iv) QUADRUPLE BYPASS BURGER.

28. The USPTO Examining Attorney indicated that the respective marks share the identical wording "BYPASS". The USPTO further explained that the mere addition of the word "TRIPLE" merely reinforces the shared wording, and thus does not obviate the similarity between the marks. Additionally, the USPTO noted that the wording "SANDWICH" is descriptive, requires disclaimer, and that disclaimed matter is less significant when comparing marks.

29. The USPTO also explained that the goods and services between the proposed TRIPLE BYPASS SANDWICH mark and HAG's marks for (i) SINGLE BYPASS BURGER; (ii) DOUBLE BYPASS BURGER; (iii) TRIPLE BYPASS BURGER; and (iv) QUADRUPLE BYPASS BURGER, are related because they are identical with respect to sandwiches.

COUNT I - FEDERAL TRADEMARK DILUTION ACT

30. HAG repeats the allegations of the above paragraphs 1-29 as if fully set forth herein.

31. This is an action under the Federal Trademark Dilution Act for dilution by blurring and tarnishment under Lanham Act § 43(c)(1), 15 U.S.C. § 1125(c)(1).

32. The HEART ATTACK GRILL mark is famous and widely recognized by the general consuming public in the U.S.

33. Upon information and belief, 2nd AVE DELI's use of the term "instant heart attack sandwich" did not distinguish its products as a trademark. Further, the phrase did not and does not identify 2nd AVE DELI's restaurant services. It does not operate as a trademark for goods or services. 2nd AVE DELI's use of the term began after the HEART ATTACK GRILL mark became famous.

34. There is a likelihood of dilution between HAG's HEART ATTACK GRILL mark for restaurant services and the use by 2nd AVE DELI of the term "instant heart attack sandwich." Further, 2nd AVE DELI's efforts to federally register the term "instant heart attack sandwich" as a national mark dilutes HAG's HEART ATTACK GRILL mark for restaurant services.

35. There is a likelihood of dilution between HAG's HEART ATTACK GRILL mark for restaurant services and the use by 2nd AVE DELI of the term "instant heart attack sandwich" because 2nd AVE DELI's use of the term "instant heart attack sandwich" in its "Kosher Jewish Delicatessen" tarnishes HAG's medically themed hamburger restaurant and grill branded as the HEART ATTACK GRILL.

36. 2nd AVE DELI's complaint alleges it serves "the best kosher New York Delicatessen food" and is "one of the few kosher Jewish Delicatessens of its kind left in New York... serv[ing] traditional Jewish fare." HAG's HEART ATTACK GRILL hamburger restaurant and grill uses a medical theme throughout its entire restaurant as entertainment for its patrons while serving high quality hamburgers and related food products.

37. 2nd AVE DELI's efforts to federally register the term "instant heart attack sandwich" as a nationally registered mark dilutes the quality and character and consistent thematic restaurant services of HAG's HEART ATTACK GRILL mark and dilutes the value of HAG's marks when used in connection with its restaurant services. The intrusion by 2nd AVE DELI with a series of identical medically themed food products is contrary to 2nd AVE DELI's statements that it is one of "the best kosher New York Delicatessen[s]" and "one of the few kosher Jewish Delicatessens of its kind left in New York... serv[ing] traditional Jewish fare."

38. There is a likelihood of dilution between HAG's HEART ATTACK GRILL mark for restaurant services and the use by 2nd AVE DELI of the term "instant heart attack sandwich" because 2nd AVE DELI's use of the term "instant heart attack sandwich" in its "Kosher Jewish Delicatessen" causes blurring in the marketplace in light of HAG's medically themed hamburger restaurant branded as the HEART ATTACK GRILL.

39. The (i) SINGLE BYPASS BURGER; (ii) DOUBLE BYPASS BURGER; (iii) TRIPLE BYPASS BURGER; and (iv) QUADRUPLE BYPASS BURGER marks are famous and widely recognized by the general consuming public in the U.S.

40. 2nd AVE DELI's filing of an "intent-to-use" trademark application for the term "triple bypass sandwich" swears and confirms that 2nd AVE DELI has not used the term "triple bypass sandwich" in connection with any goods or services.

41. There is a likelihood of dilution between HAG's (i) SINGLE BYPASS BURGER; (ii) DOUBLE BYPASS BURGER; (iii) TRIPLE BYPASS BURGER; and (iv) QUADRUPLE BYPASS BURGER marks for hamburger sandwiches and the proposed use by 2nd AVE DELI of the term "triple bypass sandwich." Further, 2nd AVE DELI's efforts to federally register the term "triple bypass sandwich" as a national mark dilutes HAG's (i) SINGLE BYPASS BURGER; (ii)

DOUBLE BYPASS BURGER; (iii) TRIPLE BYPASS BURGER; and (iv) QUADRUPLE BYPASS BURGER marks for hamburger sandwiches.

42. There is a likelihood of dilution between HAG's (i) SINGLE BYPASS BURGER; (ii) DOUBLE BYPASS BURGER; (iii) TRIPLE BYPASS BURGER; and (iv) QUADRUPLE BYPASS BURGER marks for hamburger sandwiches and the use by 2nd AVE DELI of the term "triple bypass sandwich" because 2nd AVE DELI's proposed use of the term "triple bypass sandwich" in its "Kosher Jewish Delicatessen" tarnishes HAG's medically themed hamburger restaurant branded as the HEART ATTACK GRILL and its nearly identical marks (i) SINGLE BYPASS BURGER; (ii) DOUBLE BYPASS BURGER; (iii) TRIPLE BYPASS BURGER; and (iv) QUADRUPLE BYPASS BURGER..

43. 2nd AVE DELI's complaint alleges it serves "the best kosher New York Delicatessen food" and is "one of the few kosher Jewish Delicatessens of its kind left in New York... serv[ing] traditional Jewish fare." HAG's HEART ATTACK GRILL hamburger restaurant uses a medical theme throughout its entire restaurant as entertainment for its patrons while serving high quality hamburgers utilizing the marks (i) SINGLE BYPASS BURGER; (ii) DOUBLE BYPASS BURGER; (iii) TRIPLE BYPASS BURGER; and (iv) QUADRUPLE BYPASS BURGER and related food products.

44. 2nd AVE DELI's efforts to federally register the term "triple bypass sandwich" as a nationally registered mark dilutes the quality and character and consistent thematic restaurant style of HAG's (i) SINGLE BYPASS BURGER; (ii) DOUBLE BYPASS BURGER; (iii) TRIPLE BYPASS BURGER; and (iv) QUADRUPLE BYPASS BURGER marks and the value of HAG's marks used in connection with its hamburger sandwiches and restaurant services. The intrusion by 2nd AVE DELI with a series of identical medically themed food products is contrary to 2nd AVE

DELI's statements that it is one of "the best kosher New York Delicatessen[s]" and "one of the few kosher Jewish Delicatessens of its kind left in New York... serv[ing] traditional Jewish fare."

45. There is a likelihood of dilution between HAG's (i) SINGLE BYPASS BURGER; (ii) DOUBLE BYPASS BURGER; (iii) TRIPLE BYPASS BURGER; and (iv) QUADRUPLE BYPASS BURGER marks for hamburger sandwiches and restaurant services and the proposed use by 2nd AVE DELI of the term "triple bypass sandwich" because 2nd AVE DELI's use of the term "triple bypass sandwich" in its "Kosher Jewish Delicatessen" causes blurring in the marketplace in light of HAG's famous (i) SINGLE BYPASS BURGER; (ii) DOUBLE BYPASS BURGER; (iii) TRIPLE BYPASS BURGER; and (iv) QUADRUPLE BYPASS BURGER marks and its medically themed hamburger restaurant branded as the HEART ATTACK GRILL.

46. HAG has been damaged by 2nd AVE DELI's efforts to dilute HAG's marks.

COUNT II - DECLARATORY JUDGMENT ON PLAINTIFFS'

FEDERAL TRADEMARK APPLICATIONS

47. HAG repeats the allegations of the above paragraphs 1-46 as if fully set forth herein

48. This is an action for declaratory judgment seeking judicial rulings on 2nd AVE DELI's efforts to federally register the terms "instant heart attack sandwich" and "triple bypass sandwich" as trademarks. As stated earlier, 2nd AVE DELI has sought to register the terms, INSTANT HEART ATTACK SANDWICH (the '751 Application) and TRIPLE BYPASS SANDWICH (the '776 Application) with the USPTO.

49. 2nd AVE DELI, through its trademark applications, seeks to use the above identified product names in a trademark sense.

50. 2nd AVE DELI seeks to benefit from HAG's nationally established goodwill encompassed by the HEART ATTACK GRILL Marks. 2nd AVE DELI seeks to trade on HAG's well known marks associated with HAG's medically themed restaurant, all made famous by HAG extensive and consistent media campaigns.

51. The 2nd AVE DELI trademark applications were both filed long after the HEART ATTACK GRILL family of trademarks gained fame throughout the U.S. and worldwide.

52. If 2nd AVE DELI is permitted to register the terms "instant heart attack sandwich" and "triple bypass sandwich," there is a likelihood of consumer confusion relative to both applications and HAG will be damaged thereby.

53. Upon information and belief, 2nd AVE DELI did not use the term "instant heart attack sandwich" as a trademark.

54. Upon information and belief, 2nd AVE DELI has not yet used the term "triple bypass sandwich" on any product at the time of these counterclaims.

55. Since the use of the terms "instant heart attack sandwich" and "triple bypass sandwich" dilutes HAG's rights or is likely to dilute HAG's rights, 2nd AVE DELI should not be permitted to register these terms.

COUNT III - DECLARATORY JUDGMENT RELATIVE TO
PLAINTIFFS'S EXPANSION OF USE

56. HAG repeats the allegations of the above paragraphs 1-55 as if fully set forth herein

57. This is an action for declaratory judgment seeking a judicial ruling on 2nd AVE DELI's efforts to expand its use of the term "instant heart attack sandwich" and to initiate use of the term "triple bypass sandwich" as trademarks. 2nd AVE DELI has sought to register the proposed

terms, INSTANT HEART ATTACK SANDWICH (the ‘751 Application) and TRIPLE BYPASS SANDWICH (the ‘776 Application) with the USPTO.

58. 2nd AVE DELI, through these trademark applications, seeks to expand its use of the term “instant heart attack sandwich” to cover restaurant services. Additionally, 2nd AVE DELI seeks to expand its rights geographically with a national registration.

59. The expansion of use of the term “instant heart attack sandwich” to restaurant services and the proposed geographic expansion is likely to cause confusion among the public regarding HEART ATTACK GRILL restaurant services.

60. 2nd AVE DELI seeks to benefit from HAG’s goodwill associated with the HEART ATTACK GRILL Marks and further to trade on HAG’s well known medically themed restaurant services and marks made famous by HAG.

61. The trademark application for the term “instant heart attack sandwich” was filed long after the HEART ATTACK GRILL family of trademarks gained fame throughout the U.S. and worldwide.

62. 2nd AVE DELI’s efforts to federally register the terms “instant heart attack sandwich” and “triple bypass sandwich” shows that 2nd AVE DELI seeks to use those terms in connection with its restaurant services and to expand its use to interstate commerce.

63. If 2nd AVE DELI is permitted to expand its use of the term “instant heart attack sandwich” to restaurant services, and to use the term “triple bypass sandwich,” and to expand its geographic use, there is a likelihood of consumer confusion relative to both uses and HAG will be damaged thereby.

64. Upon information and belief, 2nd AVE DELI did not use the term “instant heart attack sandwich” as a trademark.

65. Upon information and belief, 2nd AVE DELI has not yet used the term “triple bypass sandwich” on any product at the time of this counterclaim.

COUNT IV - DECLARATORY JUDGMENT FOR CONCURRENT USE

66. HAG repeats the allegations of the above paragraphs 1-65 as if fully set forth herein

67. As an alternative to the relief requested above, this is an action for declaratory judgment regarding the concurrent use of the phrase HEART ATTACK in the New York area pursuant to the Lanham Act § 2(d), 15 U.S.C. 1052(d). HAG, in the alternative, seeks a ruling permitting the concurrent use of (i) the alleged mark “instant heart attack sandwich” for sandwiches by 2nd AVE DELI in the New York City and (ii) HEART ATTACK GRILL for restaurant services by HAG throughout the U.S.

68. 2nd AVE DELI seeks to expand its use of the term “instant heart attack sandwich” from a food product listed only on its menu to a federally registered mark for all sandwiches and, potentially as a trademark for 2nd AVE DELI’s restaurant services. 2nd AVE DELI has sought to register the proposed mark, INSTANT HEART ATTACK SANDWICH (the ‘751 Application) with the USPTO.

69. 2nd AVE DELI, through its trademark application, seeks to expand its use of the term “instant heart attack sandwich” from an in-store food product to restaurant services. Geographic expansion is also asserted beyond New York City.

70. HAG has national trademark rights to HEART ATTACK GRILL for restaurant services and is seeking to register HEART ATTACK CAFÉ for restaurant services.

71. The expansion of use of the term “instant heart attack sandwich” by 2nd AVE DELI to restaurant services (that is, more specifically, beyond its current potato pancake sandwich to services or to other food products) and to other geographic areas beyond the New York City is likely

to cause confusion among the public regarding HEART ATTACK GRILL restaurant services and food products sold from HEART ATTACK GRILL restaurants.

72. HAG seeks a judicial determination limiting the mode of use of these terms, the goods and services and the place of use of the term “heart attack” as confined to the goods and services of the respective parties.

RELIEF REQUESTED

WHEREFORE, Defendants' respectfully request judgment in its favor and against Plaintiffs holding:

I. That Plaintiffs, and all persons in active concert or participation with any of them, be enjoined and restrained from, in any manner, either directly or indirectly:

(1) Committing any act which constitutes dilution of HAG's federally registered or unregistered trademarks or which constitutes conduct likely to cause confusion, mistake, deception dilution, blurring or tarnishment with respect to HAG's trademarks;

(2) Making any statement or representation or performing any act which is likely to lead the public or individual members of the public to believe that the Plaintiffs are, in any manner, directly or indirectly, associated or connected with, or licensed, authorized, or approved by or on behalf of HAG, or to believe that any products or services offered for sale or distribution by Plaintiffs are products or services offered by HAG;

(3) Committing any act which constitutes conduct which is a false or misleading description of fact concerning the origin, sponsorship and/or approval of the Defendants' goods or, in commercial advertising or promotion, constitutes a misrepresentation of the nature, characteristics, and/or qualities of the Plaintiffs' goods as the same relates to HAG's goods or services;

(4) Committing any act of dilution with respect to HAG and its trademarks; and

(5) Using any key words or sponsored advertising with HAG's registered or unregistered trademarks, or the use of other words or symbols which are likely to cause confusion, mistake or deception with respect to HAG's trademarks.

II. Permanent injunctive relief prohibiting Plaintiffs' trademark infringement.

III. That Plaintiffs be required to account to HAG for any and all profits derived by them or any of them, and be required to compensate HAG for all actual damages sustained by HAG by reason of the acts of Plaintiffs described herein.

IV. That HAG receive pre and post judgment interest.

V. That Plaintiffs be required to deliver up, for destruction:

(1) All promotional materials that show trademarks identical to, substantially similar to, or are colorable imitations of HAG's trademarks;

(2) All signs, menus, marketing materials, ads, websites, promotional CDs, and brochures that are in the possession, custody or control of the Plaintiffs that show trademarks identical to, substantially similar to, or which are colorable imitations of HAG's trademarks.

VI. That HAG be awarded its attorneys fees, costs and expenses in this action.

VII. That the Court issue orders directing the USPTO deny registration of 2nd AVE DELI's trademark applications, and other orders consistent with the relief requested herein.

VIII. Alternatively, that the Court issue a concurrent use order regarding the phrase "heart attack" and the mode of use, the goods and services used in connection with the subject phrase, and the permitted place of use.

IX. That the Court award HAG such other and further relief as the Court may deem just and proper.

HAG demands a jury trial.

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CERTIFICATE OF SERVICE

I hereby certify that on Nov. 4, 2011, I electronically filed the foregoing document with the Clerk of the Court using CM/ECF. I also certify that the foregoing document is being served this day on all counsel of record or pro se parties identified on the attached Service List in the manner specified, either via transmission of Notices of Electronic Filing generated by CM/ECF or in some other authorized manner for those counsel or parties who are not authorized to receive electronically Notices of Electronic Filing.

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