

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, and DIET CENTER LLC (Texas),
and DIET CENTER LLC (Delaware)

Defendants.

DEFENDANTS' MOTION TO VOLUNTARILY DISMISS COUNTERCLAIMS

Defendants, HEART ATTACK GRILL LLC, HAG LLC, JON BASSO, DIET CENTER LLC (a Texas corporation), and DIET CENTER LLC (a Delaware corporation) (collectively, "Defendants" or "HAG"), hereby move the Court to voluntarily dismiss all counterclaims (Counts I - IV) without prejudice pursuant to Fed.R.Civ.P. 41(a)(2). That Rule permits HAG to dismiss its counterclaims "on terms that the court considers proper... Unless the order states otherwise, a dismissal under this paragraph (2) is without prejudice." See Rule 41(c) for its application to counterclaims.

In this case, Defendants sent Plaintiffs a cease and desist letter asserting trademark infringement. Plaintiffs then suddenly sued Defendants in New York seeking only a judicial declaration of no infringement (no damages requested). See Second Amended Complaint, D.E. 12.

Defendants counterclaimed asserting federal trademark dilution under Federal Trademark Dilution Act, Lanham Act § 43(c)(1), 15 U.S.C. § 1125(c)(1)(Count I); declaratory relief relating to Plaintiffs' pending federal trademark applications (Count II); declaratory relief relative to Plaintiffs' expansion of its use of certain terms (Count II); and, declaratory relief for concurrent use relative to the term "heart attack" (Count IV). See Second Amended Answer, D.E. 27. In light of the documentary evidence collected in this case and Plaintiffs' responses to Defendants' requests to admit, Defendants seek to greatly simplify the case and drop all counterclaims pursuant to Rule 41(a)(2) without prejudice.

FACTS

On March 29, 2011, HAG sent Plaintiffs, JEREMY LEBEWOHL, UNCLE ABIES DELI INC. d/b/a 2nd AVE DELI, UNCLE ABIES DELI ON FIRST INC., and UNCLE ABIES DELI SANDWICH TRADEMARKS LLC (collectively "Plaintiffs" or "2ND AVE DELI"), a cease and desist letter regarding trademark misuse and likelihood of confusion between:

- (i) HAG's federally registered marks HEART ATTACK GRILL and TRIPLE BYPASS BURGER; and
- (ii) 2nd AVE DELI's federal trademark applications for "Instant Heart Attack Sandwich" and "Triple Bypass Sandwich".

2nd AVE DELI sued on May 10. Its complaint alleges that it used "Instant Heart Attack Sandwich" since 2004 but discovery has revealed no written records to support that contention. "Triple Bypass Sandwich" has never been used by 2nd AVE DELI. See Admission No. 27 ("Plaintiffs never sold any goods under the Triple Bypass Sandwich trademark"), 2nd AVE DELI Response's to HAG's Request to Admit in the Notice of Filing 2nd AVE DELI Response's to HAG's Requests to Admit Nos. 1 - 114, filed concurrently herewith (herein referred to as "RTA No. xx").

As for documents of use of "Instant Heart Attack Sandwich," none exist prior to April 2008. See RTA No. 1. Other than a single memo for a press release (Bates page PLF 0431-32), a website and menus listing the food product "Instant Heart Attack Sandwich," there is no evidence of interstate use of "Instant Heart Attack Sandwich" by 2nd AVE DELI. See RTA No. 10 - 12. There is no evidence that the press release memo was ever published in New York City or published in any manner in any publication distributed in interstate commerce. See RTA No. 10 - 12.

The "Instant Heart Attack Sandwich" is not used on any signs or displays in the restaurant. RTA Nos. 73 - 77. The term is not used in television or radio ads, nor on FaceBook, My Space, Twitter or other social media. RTA Nos. 79 - 84. 2nd AVE DELI cannot locate any magazine or newspaper articles that discuss "Instant Heart Attack Sandwich" (RTA Nos. 89 - 91) and has not produced any documentary evidence that the term "Instant Heart Attack Sandwich" has been used in any television shows or magazines or newspaper articles which discuss general aspects of the 2nd AVE DELI restaurants.

Although the Amended Complaint alleges that 2nd AVE DELI is well known (D.E. 12, ¶ 24, 25), no documents of such fame as it relates to the "Instant Heart Attack Sandwich" have been produced.

Most importantly, 2nd AVE DELI admits that there is no confusion nor likelihood of confusion. RTA No. 110. See also, Amended Complaint ¶ 29 ("There is no likelihood of confusion").

"In order to state a claim under § 1125(a) [15 U.S.C. § 1125 of the Federal Trademark Act] the plaintiff must allege that the false description or association will result in a likelihood of consumer confusion." Silverstar Enterprises, Inc. v. Aday, 537 F. Supp. 236, 241-242 (S.D.N.Y.

1982), citing Exquisite Form Industries, Inc. v. Exquisite Fabrics of London, 378 F. Supp. 403, 410, 413 (S.D.N.Y.1973).

The admitted pleadings in this case establish that the only activity associated with "Instant Heart Attack Sandwich" are geographically limited to New York, and do not involve any interstate commerce. The following summary lists the allegations from the Amended Complaint (D.E. 12) as "Compl't" and the Second Amended Answer (D.E. 27) as "Ans."

Compl't ¶ 13: "Plaintiffs UNCLE ABIES DELI INC. and UNCLE ABIES DELI ON FIRST INC. each operate a 2ND AVE DELI restaurant in New York."

Ans. ¶ 13: "HAG admits that 2nd Ave Deli operates two restaurants in New York City and denies all other allegations in paragraph 13."

Compl't ¶ 14: "... The 2nd Ave Deli operates only within New York."

Ans. ¶ 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."

Compl't ¶ 15: "... All of the alleged violations occurred in New York City."

Ans. ¶ 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."

Compl't ¶ 29: "... Defendants operate solely in Las Vegas, Nevada, and the 2nd Ave Deli operates solely in New York City. ..."

Ans. ¶ 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."

Therefore, the pleadings filed by the Parties admit that all violations occurred, if any, solely in New York City and that 2nd AVE DELI operates only in New York City. Further, the documents do not show any interstate use of the term "Instant Heart Attack Sandwich". Use on menus is not use of the term as a trademark and there are no documents showing any interstate advertising of the term "Instant Heart Attack Sandwich". Famous Horse Inc. v. 5th Ave. Photo Inc., 624 F.3d 106 (2d Cir. N.Y. 2010)("A mark is used in commerce on goods when 'it is placed in any manner on the

goods or their containers or the displays associated therewith or on the tags or labels affixed thereto”). Oral testimony by the owners of 2nd AVE DELI, without documentary confirmation, will not establish interstate use of a trademark. Crystal Entm't & Filmworks, Inc. v. Jurado, 643 F.3d 1313, 1322 (11th Cir. 2011).

2nd AVE DELI has admitted that it has not used the other complained-of term, "Triple Bypass Sandwich.” See RTA No. 27 (“Plaintiffs never sold any goods under the Triple Bypass Sandwich trademark”).

Lastly, JON BASSO’s Declaration, filed herewith, states that he has reviewed the evidence in this case and, based upon the present collection of information, there is no likelihood of confusion solely by use of the term "Instant Heart Attack Sandwich" as currently used by 2nd AVE DELI. Further, to date, there are no monetary damages. As for the federal trademark applications, BASSO’s Declaration indicates that there may be a likelihood of consumer confusion if the Trademark Office (“USPTO”) approves 2nd AVE DELI’s federal trademark applications. Therefore, he reserves the right to petition the USPTO with respect to the federal applications for "Instant Heart Attack Sandwich" and "Triple Bypass Sandwich.” See 15 U.S.C. §1063 (right to oppose federal applications) and 37 C.F.R. §2.101 (filing an opposition).

For the foregoing reasons, HAG requests that the Court dismiss its counterclaims I - IV for trademark dilution and declaratory relief WITHOUT PREJUDICE.

In summary, the reasons for dismissal without prejudice are: (A) there is no violation involving interstate commerce per the parties’ pleadings; (B) HAG can seek nearly the same relief in the USPTO; (C) HAG could not determine the scope of 2nd AVE DELI’s rights until documentary discovery was complete and, based thereupon, JON BASSO’s Declaration indicates that, under the current set of known facts, there is no likelihood of confusion; and (D) Plaintiffs are not seeking

monetary relief. Lastly, 2nd AVE DELI has never answered HAG's counterclaims now subject to this dismissal.

Dated: Dec 6, 2011

Respectfully submitted,

By: /RobertKain/

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CERTIFICATE OF SERVICE

I hereby certify that on Dec. 6, 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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