UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

JEREMY LEBEWOHL et al.,

Plaintiff,

-v-

HEART ATTACK GRILL, LLC et al.,

Defendants.

11 Civ. 3153 (PAE)

ORDER

PAUL A. ENGELMAYER, District Judge:

The Court has received defendants' December 6, 2011 motion to voluntarily dismiss all counterclaims against the plaintiffs, as well as defendants' December 6, 2011 letter (attached) seeking entry of summary judgment on plaintiffs' claim and dismissal of this action.

By Friday, December 16, 2011, plaintiffs shall submit any opposition to the motion to voluntarily dismiss all counterclaims without prejudice pursuant to Fed. R. Civ. P. 41(a)(2). If plaintiffs do not submit an opposition by that date, the Court will consider that motion to be unopposed.

As to defendants' application for summary judgment on plaintiffs' claim for declaratory relief, by Wednesday, December 14, 2011, plaintiffs shall submit to the Court a letter stating whether they oppose that motion, and, if so, stating the basis of their opposition, and specifically responding to the arguments made by defendants. If plaintiffs do not oppose defendants' request to move for summary judgment, plaintiffs shall submit a status letter by the same date, proposing a deadline by which the parties shall submit a stipulation of dismissal as to plaintiffs' claims.

SO ORDERED.

Paul A. Engelmayer
United States District Judge

Dated: December 9, 2011
New York, New York

Kain & Associates
Attorneys at Law

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900 Southeast Third Avenue, Suite 205
Fort Lauderdale, Florida 33316
Telephone: (954) 768-9002
Facsimile: (954) 768-0158

www.ComplexIP.com
Robert C. Kain, Jr. rkain@ComplexIP.com
Darren Spielman dspielman@ComplexIP.com

December 6, 2011
(Federal Express)

Paul A. Engelmayer
United States District Judge
United States District Court
Southern District of New York
500 Pearl Street, Room 670
New York, NY 10007
(212) 805-4893

Re: Lebewohl, 2nd Ave Deli v. Heart Attack Grill, LLC., HAG, LLC, and Jon Basso
U.S. District Court, S.D. New York, Case No. 11-CIV-3153-PAE-JCF
Our Ref.: 5087-23

Dear Judge Engelmayer:

We represent Defendants HAG in this action. HAG seeks to move for summary judgment at this time.

HAG has filed a motion to voluntarily dismiss all counterclaims (Counts I - IV) pursuant to Fed.R.Civ.P. 41(a)(2). The only remaining claim is 2nd AVE DELI's sole declaratory relief claim seeking a declaration of "no infringement." As set forth herein, (A) this Court no longer has a jurisdictional basis to keep this case because all violations occurred in New York City and there is no evidence of interstate commerce use of the asserted terms; and (B) JON BASSO (Defendant, trademark owner and manager-owner of the corporate Defendants) has filed a declaration that, based upon the current evidence, there is no likelihood of confusion.

Defendants sent Plaintiffs a cease and desist letter asserting trademark infringement then Plaintiffs suddenly sued Defendants in New York seeking only a declaration of no infringement (no damages requested). Complaint D.E. 12. Defendants counterclaimed asserting federal trademark dilution; and declaratory relief relating to (i) Plaintiffs' pending federal trademark applications; (ii) Plaintiffs' expansion of its use of certain terms; and (iii) relief for concurrent use relative to the term "heart attack." In light of the collected documentary evidence and Plaintiffs' responses to Defendants' Requests to Admit Nos. 1 - 114, Defendants filed a motion to voluntarily dismiss the

counterclaims without prejudice and now with this motion for summary judgment, seek a complete dismissal of Plaintiffs' complaint which only seeks a declaration of non-infringement.

LAW

To support a claim of trademark infringement, one must establish either actual consumer confusion or the likelihood of consumer confusion under a two-prong test. Gruner + Jahr USA Publ'g v. Meredith Corp., 991 F.2d 1072 (2d Cir. 1993). First, does plaintiff's mark merit protection. Second, is defendant's use of a similar mark likely to cause consumer confusion. Id., see also Erchonia Corp. v. Bissoon, 410 Fed. Appx. 416, 418 (2d Cir. N.Y. 2011); Tiffany Inc. v. eBay, Inc., 600 F.3d 93 (2d Cir. N.Y. 2010).

In the case at bar, given JON BASSO's Declaration, currently there is no evidence of confusion nor 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).

Further, since Defendants have moved to voluntarily dismiss all counterclaims, there is no standing for this Court to rule on this dispute since the parties agree the only violations occur in New York City. The alleged mark "The Instant Heart Attack Sandwich" is never used in interstate commerce. "Both § 32 and § 43(a) prohibit the 'use in commerce' of a registered mark or false description of fact, respectively. The phrase 'use in commerce' is defined in 15 U.S.C. § 1127, and distinguishes between uses in commerce that relate to goods and those that relate to services. See Rescuecom Corp. v. Google Inc., 562 F.3d 123, 139 (2d Cir. 2009). 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, or if the nature of the goods makes such placement impracticable, then on documents associated with the goods or their sale,' and on services 'when it is used or displayed in the sale or advertising of services and the services are rendered in commerce.' 15 U.S.C. § 1127. Famous Horse does not claim that Appellees attached the V.I.M. mark to the goods they were selling. Famous Horse thus did not state a claim for trademark infringement under § 32 with respect to Appellees' sale of goods." Famous Horse Inc. v. 5th Ave. Photo Inc., 624 F.3d 106 (2d Cir. N.Y. 2010). This Court's jurisdiction can only be based upon interstate activity and when JON BASSO states "there is no likelihood of confusion" given the documents produced to date, and all parties agree that any alleged violation of rights occurred only in New York City, there is no interstate commerce dispute. Silverstar Enterprises, Inc. v. Aday, 537 F. Supp. 236, 241-242 (S.D.N.Y. 1982)(the court dismissed the trademark infringement case when both the plaintiff and defendant were planning to buy branded product from the same supplier, because there would be no consumer confusion when the supplier was authorized by the trademark owner).

FACTS

In March 2011, HAG sent 2nd AVE DELI a cease and desist letter regarding HAG's federally registered marks HEART ATTACK GRILL and TRIPLE BYPASS BURGER; and 2nd AVE DELI's federal trademark applications for "Instant Heart Attack Sandwich" (hereinafter "IHAS") and "Triple Bypass Sandwich". 2nd AVE DELI sued HAG on May 10. Its complaint, D.E. 12, alleges that it used IHAS 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 RTA Admission No. 27 ("Plaintiffs never sold any goods under the Triple Bypass Sandwich trademark"). As for documents of use of IHAS, 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 IHAS, there is no evidence of interstate use of IHAS by 2nd AVE DELI. See RTA No. 10 - 12. There is no documentary evidence that the press release memo was ever published ANYWHERE. IHAS 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 IHAS (RTA Nos. 89 - 91) and has not produced any documentary evidence that the term has been used in any television shows or magazines or newspaper articles which discuss general aspects of the 2nd AVE DELI restaurants. Most importantly, 2nd AVE DELI admits that there is no confusion nor likelihood of confusion. RTA No. 110, see also, Complaint ¶ 29 ("There is no likelihood of confusion").

The parties admitted certain facts in their respective pleadings. **(a)** Compl't ¶ 13: "Plaintiffs ... 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." **(b)** 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..." **(c)** 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." **(d)** 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 2nd AVE DELI 'operates solely in New York City' but HAG denies the remaining allegations ..."

BASSO's Declaration states that, based upon the documentary evidence produced in this litigation at ths time, there is no actual consumer confusion nor is there a likelihood of consumer confusion. Therefore, the statements in the cease and desist letter are not longer a threat of infringement. There is no current federal trademark infringement. More importantly, since both parties agree that the only violations of law, if any, occur in New York City, this Court lacks any jurisdictional basis, that is standing, to rule on this dispute.

WHEREFORE, HAG requests entry of summary judgment and dismissal of this action.

Sincerely,
/s/ RobertKain
Robert C. Kain, Jr., for the Firm

RCK/cjp
cc: William Chuang, Esq. via email