

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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

Plaintiffs,

-against-

Index No. 11-cv-3153 (PAE)

HEART ATTACK GRILL LLC, HAG LLC,
JON BASSO, DIET CENTER LLC (TEXAS) AND
DIET CENTER LLC (DELAWARE)

Defendants.

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**MEMORANDUM OF LAW IN OPPOSITION TO
DEFENDANTS' MOTION FOR SUMMARY JUDGMENT**

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PRELIMINARY STATEMENT

Plaintiffs filed this action seeking a clarification of their rights to the Instant Heart Attack Sandwich and Triple Bypass Sandwich marks. Plaintiffs had sought federal registration of these marks, which the Defendants opposed with threats of a lawsuit. Defendants now seek to dismiss the lawsuit in a manner that would still leave Plaintiffs vulnerable to suit if they seek registration of their marks—the exact situation they were in before filing this declaratory judgment action.

Defendants' motion rests upon several incorrect statements of law.

First, purely intrastate use of a trademark on a good can constitute use in interstate commerce for Lanham Act purposes so long as there is a substantial effect on interstate commerce, and more to the point, a Lanham Act lawsuit can be sustained if there is a likelihood of confusion caused by the intrastate sale of goods. This contradicts Defendants' central contention that the case should be dismissed because the intrastate nature of Plaintiffs' use of its marks cannot give rise to a trademark infringement action, and therefore there is no threat of suit.

Second, using a mark on a menu to refer to a food item constitutes use as a trademark under the Lanham Act; there is no requirement that a label or wrapper be used.

Third, the doctrine of concurrent use applies only if two marks are likely to cause confusion. The rationale behind concurrent use is to limit each party's use of otherwise conflicting marks so as to avoid confusion—for example, by restricting each user to distinct geographical regions. Defendants admit that there is no likelihood of confusion, so concurrent use does not apply. Consequently, Plaintiffs' marks can be registered without

any limitations as to the mode or manner of use, and the date of filing for Defendants' marks are irrelevant.

Finally, federal registration of a mark does not constitute trademark use. In fact, registration can be obtained only if the mark is used as a trademark in interstate commerce, or if there is a bona fide intent to do so. Registration of Plaintiffs' marks would not itself be an act of infringement or cause confusion, as Defendants allege.

Plaintiffs have sufficient evidence to withstand Defendants' motion for summary judgment. Plaintiffs have admissible documents showing that they have used the Instant Heart Attack Sandwich mark in reference to a latke sandwich as of at least 2004, that it was on the menu as of at least 2005, and that such use continues to the current day. Plaintiffs' restaurants are located close to interstate highways, the Instant Heart Attack Sandwich has been offered and sold to interstate travellers, and the Sandwich has been reviewed and discussed by publications with national and international reach as early as 2004.

Therefore, Defendants' motion for summary judgment should be denied in its entirety.

A. STRENGTH OF PLAINTIFFS' EVIDENCE NOT TO BE WEIGHED AT SUMMARY JUDGMENT STAGE

Defendants attack the strength of Plaintiffs' evidence regarding the date of first use of the Instant Heart Attack Sandwich mark, the nature of such use, and the degree of corroboration of Plaintiffs' testimony. (Defendants' Memo In Supp. pp. 3-4, 16-17.) However, summary judgment is proper only if there are no genuine issues of material fact that preclude judgment as a matter of law. Amnesty America v. Town of West Hartford, 361 F.3d 113, 122 (2d Cir. 2004). Weighing the evidence is improper at the summary judgment stage. Id.

Furthermore, Defendants have offered no admissible evidence to contradict Plaintiffs' evidence, which is sufficient, at the very least, to withstand summary judgment. Plaintiffs have admissible documents showing that they have used the Instant Heart Attack Sandwich mark in reference to a latke sandwich as of at least 2004, as shown by the May 19, 2004 Chowhound article (SUF Ex. A)¹ and the July 2004 Morning Calm article (SUF Ex. B). There is documentary proof that it was on the menu as early as 2005, as shown by the menu with the Deli's old location that closed at the end of 2005 (SUF Ex. E, Lebewohl Decl. ¶¶ 2, 8), the invoice for that menu dated August 10, 2005 (SUF Ex. F). The documents corroborate the declaration of Jack Lebewohl, which states that the Instant Heart Attack Sandwich was on the menu in 2004 and is still on the menu. (Lebewohl Decl. ¶¶ 6, 8.)

The trademark law is meant to allow the public to identify goods as coming from a specific source, and it is undeniable that the public had associated the Instant Heart Attack Sandwich trademark with Plaintiffs' restaurants as early as 2004.

B. THE LANHAM ACT HAS JURISDICTION OVER PURELY INTRASTATE USE

Defendants urge the Court to find that there is "no longer a threat of infringement" to Plaintiffs "as there is no current federal trademark infringement" because Plaintiffs use the marks only in New York City. (Memo In Supp. pp. 15.) Alternatively, Defendants argue that without interstate sale of goods, the Court lacks jurisdiction over this case. (Id.)

However, the law is clear that the intrastate use of a contested mark on a good can give rise to jurisdiction under the Lanham Act. Dawn Donut Co. v. Hart's Food Stores, Inc., 67 F.2d 358, 365 (2d Cir. 1959) (intrastate sale of donut mix can support Lanham Act

¹ SUF Ex. __ refers to the corresponding Exhibit to the COUNTER-STATEMENT TO DEFENDANTS' STATEMENT OF FACTS PURSUANT TO LOCAL RULE 56.1.

infringement action); Franchised Stores of New York, Inc. v. Winter, 394 F.2d 664, 670 (2d Cir. 1968) (intrastate sale of unlicensed ice cream in a single Carvel franchise justifies Lanham Act infringement suit); Coca-Cola Co. v. Stewart, 621 F.2d 287, 290-91 (8th Cir. 1980) (intrastate sale of soda); Maier Brewing Co. v. Fleischmann Distilling Corp., 390 F.2d 117 (9th Cir. 1968) (intrastate sale of beer bearing trademark); Pure Foods v. Minute Maid Corp., 214 F.2d 792 (5th Cir. 1954) (intrastate sale of meat bearing trademark); World Carpets, Inc. v. Dick Littrell's New World Carpets, 438 F.2d 482, 489 (5th Cir. 1971) (intrastate sales of carpets bearing trademark); See Shatel Corp. v. Mao Tao Lumber and Yacht Corp., 697 F.2d 1352, 1356-57 (11th Cir. 1983) (advertising and solicitation of sales of a boat across state lines constitutes use in commerce despite the absence of interstate sale of a good).

Defendants claim that goods and services should be considered differently under the Lanham Act with respect to “commerce.” (Memo In Supp., pp. 8.) While the Lanham Act does provide separate definitions of “use in commerce” for goods and services, both definitions refer to the same meaning of “commerce”—“all commerce which may lawfully be regulated by Congress.”² 15 U.S.C. § 1127; In Re Silenus Wines, Inc., 557 F.2d 806, 808 (Fed. Cir. 1977) (definition of “commerce” includes intrastate commerce when such

² The relevant portion of 15 U.S.C. § 1127 states:

The term “use in commerce” means the bona fide use of a mark in the ordinary course of trade, and not made merely to reserve a right in a mark. For purposes of this chapter, a mark shall be deemed to be in use in commerce—(1) on goods when—(A) 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 (B) the goods are sold or transported *in commerce*, and (2) on services when it is used or displayed in the sale or advertising of services and the services are rendered *in commerce*, or the services are rendered in more than one State or in the United States and a foreign country and the person rendering the services is engaged *in commerce* in connection with the services. (*emphasis added*).

commerce “directly affects other commerce which Congress may lawfully regulate”; this applies to goods as well as services for both infringement and trademark use purposes) (holding that trademark for wine can be federally registered though sold only intrastate, as importation of wine affects international commerce).

Thus, purely intrastate activities become subject to the provisions of the Lanham Act when they have a substantial effect on interstate commerce. E.g. Vanity Fair Mills v. T. Eaton Co., 234 F.2d 633, 641 (2d Cir. 1956); Franchised Stores of New York, Inc., 394 F.2d at 669-70; See Katzenbach v. McClung, 379 U.S. 294, 302 (1964) (restaurants offering to serve interstate travelers or serving food, a substantial portion of which has moved in interstate commerce, can be regulated under Commerce Clause).

Plaintiffs have shown that their use of the Instant Heart Attack Sandwich mark has had a substantial impact on interstate commerce. The sandwich is routinely offered and sold to travellers in interstate commerce, and Plaintiffs’ restaurants are located close to major interstate highways. (Lebewohl Decl. ¶¶ 13, 14.) See Patsy’s Italian Restaurant, Inc. v. Banas, 958 F.3d 254, 268 (2d Cir. 2011) (considering these factors in holding restaurant services were offered in interstate commerce). The Instant Heart Attack Sandwich has been the subject of multiple reviews in national and international publications such as the New York Times (SUF Ex. G), the Morning Calm newsletter for Korean Airlines (SUF Ex. B), Internet publications such as Chowhound (SUF Exhibits A and C), and Bloomberg News (SUF Ex. H). See Patsy’s, supra.

C. USE OF INSTANT HEART ATTACK SANDWICH ON MENU WAS USE AS A TRADEMARK

Defendants do not cite any authority for their proposition that a trademark for a food product must “be on the food product label or displayed on a sign...” (Memo In Supp.

pp. 15.) The Lanham Act provides that if the trademark cannot be practicably placed on the goods, their containers, associated displays, or affixed tags or labels, then the trademark can be used “on documents associated with the goods or their sale.” The use of the trademark Instant Heart Attack Sandwich on menus along with a description of the sandwich constituted use on goods under the Lanham Act. In Re Marriot Corp., 59 C.C.P.A. 1055, 1056 (CCPA 1972) (menu describing sandwich’s ingredients sufficiently associate a trademark with the sandwich); see Lands’ End, Inc. v. Manback, 797 F.Supp. 511, 514 (E.D. Va. 1992) (use of trademark in mail order catalogue sufficient to constitute use with respect to a good).

D. CONCURRENT USE DOES NOT APPLY ABSENT A LIKELIHOOD OF CONFUSION

Typically, a mark cannot be registered if it so resembles another mark as to be likely to cause confusion, or to cause mistake, or to deceive. 15 U.S.C. § 1052(d). In such a case, concurrent use registration may be had if the likelihood of confusion can be avoided by placing limitations on the use of the conflicting marks. 15 U.S.C. § 1052(d)(3).

In the alternative to a finding of no likelihood of confusion—which the parties concur does not exist—Defendants seek concurrent use rights in the Heart Attack Grill mark throughout the United States while limiting Plaintiffs to using the Instant Heart Attack Sandwich trademark only on its menus in reference to sandwich goods sold in Manhattan. (Memo In Supp. pp. 18.)³ Concurrent use is appropriate if the likelihood of

³ Defendants’ motion is ambiguous on this point. While Defendants seek concurrent use as an alternative to a finding of no infringement, Memo. In Supp. pp. 4, they justify concurrent use as its “services do not conflict with the IHA sandwich sold by DELI.” (Id. pp. 18 (C-1)(ii).) To the extent that Defendants seek concurrent use in the absence of a likelihood of confusion, its request should be denied. Concurrent use is inapplicable where there is no likelihood of confusion between the marks. Omicron Capital, LLC v. Omicron Capital, LLC, 433 F.Supp.2d 382, 395 (S.D.N.Y. 2006); see

confusion between conflicting marks can be avoided by imposing limitations on the “mode or place of use of the marks or the goods on or in connection with which such marks are used...” 15 U.S.C. § 1052(d); Houlihan v. Parliament Import Co., 921 F.2d 1258, 1262 (Fed. Cir. 1990) (upholding concurrent use registration where geographic limitations prevented likelihood of confusion).

Defendants do not address the Polaroid factors regarding likelihood of confusion. Polaroid Corp. v. Polarad Elects. Corp., 287 F.2d 492 (2d Cir. 1961). Courts in the Second Circuit consider the following Polaroid factors to ascertain the likelihood of confusion: the strength of the allegedly-infringed mark, the degree of similarity between the two marks, the proximity of the products, the likelihood of bridging the gap, actual confusion, the alleged infringer’s good faith in adopting its own mark, the quality of his product, and the sophistication of the buyers. Polaroid, supra at 496. These factors do not include priority of use, which is considered in concurrent use cases.

If there is a likelihood of confusion now, with Plaintiffs operating restaurants in New York City and Defendants operating a single restaurant location in Las Vegas, it is difficult to see how confusion can be avoided by allowing Defendants to enter the New York market. “In the restaurant industry, especially where individual restaurants rather than chains are competing, physical separation seems particularly significant to the inquiry into consumer confusion.” Brennan’s, Inc. v. Brennan’s Restaurant, LLC, 360 F.3d 125, 134 (2d Cir. 2004).

In short, if there is a likelihood of confusion under the current circumstances, a proper application of the concurrent use doctrine would exclude Defendants from using

Trademark Manual of Examining Procedure § 1207.04(a) referring to a “conflicting mark”). The Court should not impose limitations on the mode or place of use on marks where these limitations are not needed to prevent confusion.

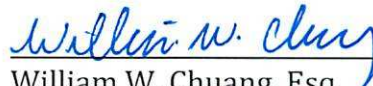
their marks in Plaintiffs' home market, which is the tri-state New York area where it offers to sell and sells the Instant Heart Attack Sandwich. (Lebewohl Decl. ¶ 13.)

E. CONCLUSION

As Defendants' motion for summary judgment relies on misstatements of law, and does not include any admissible evidence to contract Plaintiffs' factual showing, it should be denied in its entirety.

Dated: New York, New York
April 16, 2012

Respectfully Submitted,



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