

**William Chuang**

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**From:** Robert Kain  
**Sent:** Saturday, July 28, 2012 9:31 AM  
**To:** Robert Kain; william@jclawllp.com  
**Cc:** Darren Spielman; Robert Kain  
**Subject:** RE: Lebewohl v. HAG

William: We do not believe your proposed motion is proper nor correct. The Court made many findings in its summary judgment (“SJ”) order, including the lack of evidence and the dismissal without prejudice of HAG’s claims to oppose the DELI marks, and HAG’s claim for concurrent use. To put all the findings in the final judgment is not proper. Stated another way, if the final judgment were to list all the things the court did not decide, the final judgment would be as long as the SJ order. Further, your clients should know and understand that HAG will not permit DELI to register the DELI marks on the federal register. As aptly stated by your clients during one of the settlement conferences “We have nothing to lose.” As I explicitly stated during that same settlement conference, DELI has plenty to lose in the form of lawyers fees. HAG cannot and will not permit DELI to register the DELI marks on the Federal Trademark register. The Court’s SJ order was clear that the evidence was lacking on both sides and this lack of evidence prompted the Court to rule very narrowly on the concurrent use rights. DELI’s efforts to continue to seek federal trademark rights which, by the simple fact of registration, gives DELI some “federal” rights in some part of the U.S. will be resisted completely by HAG. HAG’s position is that the Court gave DELI limited rights under common law, not federal law. HAG will take this concept all the way to the Court of Appeals for the Federal Circuit. Not only will DELI be forced into a 2<sup>nd</sup> litigation over the same issue, but this time, HAG is armed with the SJ order (the order sets a floor for “minimum rights” for DELI under common law – limited use in Manhattan) and HAG will engage in complete discovery. DELI will be the subject of at least 8 depositions. One depo for each individual, and one 30-b-6 depo for each company. Each depo will be 8 hours. We will need to split the depositions into two, one week sessions. Due to the different knowledge and experience of each person, the depositions cannot be combined. You should read up on the admissibility of website evidence in TTAB opposition procedures. You will find that the TTAB is not so generous as the NY court. HAG plans to spend about \$80,000 on the oppositions against DELI’s marks. This includes extensive discovery, motions for summary judgment, and then the TTAB trial briefs, opposition briefs and the reply briefs. The TTAB action will last 3 – 4 years. If HAG loses, we will appeal to the Federal Circuit. This is a quite unique issue (common law concurrent use rights versus federal trademark law). You should search under my name for Federal Circuit Court appeals and note that every case I have appealed makes the top 10 decision list for that year. Please ask your clients how many INSTANT HEART ATTACK sandwiches they need to sell to cover \$80,000 worth of attorneys fees – when a NY court has only given DELI very limited use of the mark in Manhattan. As for TRIPLE BYPASS – you know the TTAB will bar any registration because DELI never used the mark in interstate commerce. On this point, the New York court was wrong, but HAG has decided that the favorable findings by the Court outweigh this legal error by the Court.

I enjoy working with you and look forward to many, many years of re-litigating these issues because I look forward to getting my name in the Federal Circuit appeals court book again. As aptly stated by your clients, “I have nothing to lose.” This is not entirely true because I do like making new law in the Federal Circuit court of appeals.

Let me concisely respond to your question posed in your email: HAG will oppose all efforts by DELI to federally register because the NY court made a narrow ruling based on common law equitable principles – not federal trademark law. The Court explicitly ruled that HAG can re-litigate the same issues under federal law principles in the USPTO now, and more importantly, in the future – when HAG enters the Manhattan marketplace. At some point in the future, HAG will open an establishment in Times Square and HAG will be prepared to re-litigate the same issues raised in the present case. Lastly, your thoughts and arguments that all those receipts for food product – which receipts never list INSTANT HEART ATTACK – will not be accepted by the TTAB as evidence on interstate use. Why? – because if your theory is correct, then every store anywhere that buys goods, creates a product, brands the product but then only sells the product in store has “interstate use.” This is not the law.

Sincerely,  
/s/RobertKain

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**From:** Robert Kain  
**Sent:** Monday, July 23, 2012 4:56 PM  
**To:** william@jclawllp.com  
**Cc:** Darren Spielman; Robert Kain  
**Subject:** RE: Lebewohl v. HAG

Dear William – We are quite busy this week. I will respond to your request next week in an effort to then schedule a telephone call for a meet and confer.

/s/RobertKain

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**From:** William Chuang [<mailto:william@jclawllp.com>]  
**Sent:** Monday, July 23, 2012 11:55 AM  
**To:** Robert Kain  
**Cc:** Darren Spielman  
**Subject:** Lebewohl v. HAG

Dear Robert:

On page 29 of the opinion and order, the Court explicitly refused to rule on whether the Deli could offer its sandwich outside of Manhattan or if HAG could sell in New York. The Court explicitly left that to the USPTO or another court to resolve on a full record and in the context of a concrete controversy. However, the judgment itself, which is attached, is less clear on this point. It states that there is a concurrent use order permitting the Deli to use the IHAS mark in New York but does not allow the Deli to seek further rights in the USPTO or in another court case as the Opinion stated. If the Deli were to pursue further proceedings in the USPTO, would HAG oppose on the ground that there was a concurrent use order entered in this case? If not, would HAG oppose a motion altering the judgment to make clear that the Court did not decide if the Deli could operate outside of NY or if HAG could sell in New York?

Thanks.

Yours,  
William

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William W. Chuang, Esq.  
Jakubowitz & Chuang LLP  
Phone | (212) 898-3700  
Fax | (347) 532-1344  
325 Broadway, Suite 301  
New York, NY 10007  
[www.jakubowitzchuang.com](http://www.jakubowitzchuang.com)

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