

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF OHIO  
WESTERN DIVISION AT DAYTON**

**DOMINIC'S RESTAURANT OF DAYTON,  
INC., et al.,**

**Plaintiffs,**

**Case No. 3:09-cv-131**

**Judge Thomas M. Rose**

**-v-**

**CHRISTIE L. MANTIA, et al.,**

**Defendants.**

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**ENTRY AND ORDER GRANTING PLAINTIFFS' DEMAND FOR A  
PRELIMINARY INJUNCTION**

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The Court issued a Temporary Restraining Order ("TRO") in this matter on April 20, 2009, essentially restraining all of the Defendants from the use of the "Dominic's" name. On May 11, 2009, the Court determined that Powers, Lee and DRI were in contempt of the TRO.

On May 14, 2009, the Court issued a new and different Temporary Restraining Order ("TRO2") and imposed sanctions. TRO2 includes the same provisions as the TRO plus a provision increasing the bond to be posted by the Plaintiffs from \$10,000 to \$30,000 and a provision requiring Powers, Lee and DRI to immediately cease operation of the restaurant located at 630 East Dixie Drive in West Carrollton, Ohio.

TRO2 did not apply to Defendant Christie Mantia. The TRO remained in effect as to her until the Court issues an Order regarding Plaintiffs' demand for a preliminary injunction against Christie Mantia.

On May 15, 2009, the Plaintiffs filed an Amended and Restated Motion To Show Cause and Application for Additional Order of Contempt (doc. #32) and Defendants Powers, Lee and

DRI filed a Motion To Stay Entry & Order Granting Plaintiffs' Amended Motion To Show Cause & Application for Order of Contempt (doc. #35). On May 19, 2009, the Court conducted a hearing on both of these Motions, and on May 20, 2009, the Court overruled both of them.

On May 21, 2009, Defendants Powers, Lee and DRI changed counsel. On May 29, 2009, their new counsel filed a motion to amend their Answer and a motion to modify TRO2. (Doc. #49, 50.) On June 8, 2009, their motion to modify TRO2 was overruled (doc. #60) and their motion to amend their Answer was granted via notation order.

On June 6, 2009, the Plaintiffs and all of the Defendants agreed to continue the preliminary injunction hearing that had previously been set by the Court for June 8, 2009, to June 22, 2009. (Doc. #56.) They also agreed that TRO2 would remain in effect, unless earlier modified or resolved, until this Court has ruled on "Plaintiffs' motion for preliminary injunction."

Now before the Court is Plaintiffs demand<sup>1</sup> for a preliminary injunction. A hearing on this demand as it relates to Defendants Powers, Lee and DRI was conducted on June 22, 2009. The Parties did not seek further briefing. Therefore, the demand for a preliminary injunction as it relates to Defendants Powers, Lee and DRI is ripe for decision.

## **I. SUBJECT MATTER JURISDICTION**

During the Preliminary Injunction Hearing held on June 22, 2009, Powers', Lee's and DRI's current counsel again challenged this Court's subject matter jurisdiction to adjudicate Plaintiffs' Complaint. Their current counsel makes essentially the same arguments that one of

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<sup>1</sup>The Plaintiffs have not per se filed a motion for a preliminary injunction but they have filed a Motion for an Ex Parte Temporary Restraining Order (doc. #5) and their Complaint (doc. #1) seeks, among other things, a preliminary injunction.

their prior counsel made regarding subject matter jurisdiction (doc. #6).

For the reasons more fully set forth in this Court's Entry and Order dated April 20, 2009 (doc. #14), this Court again concludes that it has subject matter jurisdiction to adjudicate Plaintiffs' Complaint. This Court has federal question jurisdiction over Plaintiffs' claims that the Defendants have infringed on the "Dominic's" service mark. The "Dominic's" service mark is protected by federal trademark law. It exists, it has been used in interstate commerce and it has not been abandoned. Finally, as a result of having federal question subject matter jurisdiction over one of Plaintiffs' claims, this Court has pendant jurisdiction over Plaintiffs' remaining claims. The analysis next turns to Plaintiffs' demand for a preliminary injunction regarding Powers, Lee and DRI.

## **II. PRELIMINARY INJUNCTION**

The legal provisions relevant to consideration of Plaintiffs' demand for a preliminary injunction will first be set forth. The Plaintiffs have only presented argument regarding injunctive relief pertaining to the use of the service mark "Dominic's." Thus, only this demand will be analyzed.

### **A. Relevant Legal Provisions**

When considering a motion for a preliminary injunction, courts balance four factors. *Tumblebus Inc. v Cranmer*, 399 F.3d 754, 759 (6th Cir. 2005)(citing *PACCAR Inc. v TeleScan Techs., L.L.C.*, 319 F.3d 243, 249 (6th Cir. 2003), *overruled in part on another basis*). The four factors to be balanced are: (1) whether the movant has a strong likelihood of success on the merits; (2) whether the movant would suffer irreparable injury without the injunction; (3) whether the issuance of the injunction would cause substantial harm to others; and (4) whether

the public interest would be served by issuance of the temporary restraining order or preliminary injunction.<sup>2</sup> *Id.* As the party seeking a restraining order, the Plaintiffs have the burden of persuasion on each of these factors. *Stenberg v. Cheker Oil Co.*, 573 F.2d 921, 925 (6th Cir. 1978).

These four factors are to be balanced - not all four need be met. *Worthington Foods, Inc. v. Kellogg Co.*, 732 F. Supp. 1417, 1428 (S.D. Ohio 1990). For example, in a Lanham Act case, a movant may merit preliminary injunctive relief by showing irreparable harm and either a likelihood of success on the merits or “sufficiently serious questions going to the merits to make them a fair ground for litigation and a balance of hardships tipping decidedly toward the party requesting the preliminary relief. *Id.* (citing *Frisch’s Restaurants, Inc. v. Elby’s Big Boy of Steubenville, Inc.*, 670 F.2d 642, 651 (6th Cir. 1982), *cert. denied*, 459 U.S. 916 (1982)). Each of these four factors will next be considered as they relate to this case.

#### **B. Likelihood of Success On the Merits**

Plaintiffs now argue that they are entitled to a preliminary injunction on their service mark infringement claim. Thus, to obtain an injunction, they must show a likelihood of success on the merits of this claim.

A section of the Lanham Act, specifically 15 U.S.C. § 1125(a), provides a federal cause of action for infringement of marks and trade dress that have not obtained federal registration.

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<sup>2</sup>The factors to be considered for a permanent injunction are slightly different. A plaintiff seeking a permanent injunction must demonstrate: (1) that it has suffered an irreparable injury; (2) that remedies available at law, such as monetary damages, are inadequate to compensate for that injury; (3) that, considering the balance of hardships between the plaintiff and defendant, a remedy in equity is warranted; and (4) that the public interest would not be disserved by a permanent injunction. *eBay, Inc. v. MercExchange, L.L.C.*, 547 U.S. 388, 391 (2006).

*Tumblebus*, 399 F.3d at 760-61. When considering a claim for infringement of an unregistered mark, a court must determine whether the mark is protectable and, if so, whether there is a likelihood of confusion as a result of the would-be infringer's use of the mark. *Id.*

### **1. Protectability**

The protectability of a mark depends upon the level of the mark's distinctiveness. *Id.* at 761. "Suggestive, arbitrary and fanciful marks are inherently distinctive and are protectable so long as the putative owner has actually used the mark. *Id.* "Merely descriptive marks are not 'inherently distinctive,' but can become protectable by developing a secondary meaning." *Id.* Generic marks receive no protection. *Id.*

A suggestive mark suggests rather than describes an ingredient or characteristic of the goods or services and requires the observer to use imagination and perception to determine the nature of the goods. *Id.* at 762 n.5. An arbitrary mark has a significance recognized in everyday life, but the thing it normally signifies is unrelated to the product or service to which the mark is attached. *Id.* n.6. Examples of arbitrary marks are CAMEL cigarettes and APPLE computers. *Id.* A fanciful mark is a combination of letters or symbols signifying nothing other than the product or service to which the mark has been assigned. *Id.* n.7. Examples of fanciful marks are EXXON and KODAK. *Id.* Finally, a merely descriptive mark often identifies a characteristic of the thing and is very similar to an adjective. *Id.* n. 8.

Regarding distinctiveness, personal names, including both surnames and first names are generally regarded as descriptive terms which require proof of secondary meaning. 815 *Tonawanda Street Corp. v. Fay's Drug Co., Inc.*, 842 F.2d 643, 648 (2d Cir. 1988). Secondary meaning has been defined as "[t]he power of a name or other configuration to symbolize a

particular business, product or company." *Id.* at 647(quoting *Dallas Cowboys Cheerleaders, Inc. v. Pussycat Cinema, Ltd.*, 604 F.2d 200, 203 n.5 (2d Cir. 1979)). Said another way, a mark has acquired secondary meaning when its use has been uniquely associated with a specific source. *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 766 n.4 (1992).

The "Dominic's" service mark is not suggestive, arbitrary or fanciful and thus not inherently distinctive. It also is not merely generic. The "Dominic's" mark is, however, descriptive and may be protectable if it has developed a secondary meaning.

The Sixth Circuit set forth seven (7) factors that a court is to consider when determining whether a particular trade dress has acquired a secondary meaning. *Abercrombie & Fitch Stores, Inc. v. American Eagle Outfitters, Inc.*, 280 F.3d 619, 640 n.14 (6th Cir. 2002). These factors were set forth in the context of summary judgment and a determination of whether to grant a permanent injunction.

The issue before the Court here, however, is whether to grant a preliminary injunction, not a permanent injunction, and the issue here is in regard to a service mark and not trade dress. In the context of determining whether to grant a preliminary injunction in the context of a service mark, the Court will look only to the definition of secondary meaning and whether the use of the marks in this case have been uniquely associated with a specific source. A service mark has acquired secondary meaning when its use has been uniquely associated with a specific source.

To begin, there is a strong likelihood that Plaintiffs own the "Dominic's" service mark. For over fifty years, Dominic's has been a leading Italian food business in the greater Dayton area, marketing Italian-related foods, sauces and dressings, and previously operating a restaurant in Dayton, Ohio. Dominic Mantia, the founder of Dominic's, opened Dominic's restaurant on

March 17, 1957. Dominic Mantia was helped by his son Dick and Dick's wife, Anne Mantia, in the operation of the restaurant. Following the deaths of Dominic and Dick, Anne Mantia has continued to guide the company.

In 2005, Christie Mantia, Dominic's granddaughter, sold her interest in the business to Anne B. Mantia. Anne Mantia is currently the President of Dominic's Restaurant of Dayton, Inc and Dominic's Foods of Dayton, Inc. d/b/a Dominic's.

There is also a strong likelihood that Plaintiffs have used and are using the Dominic's mark in interstate commerce. The "Dominic's" restaurant served clients for more than fifty (50) years, some of whom were from throughout the country. A portion of the food and supplies used by "Dominic's" restaurant moved in interstate commerce. "Dominic's" also used advertising that reached outside of Ohio. Further, the Anna Mantia label dressing that includes a "Dominic's" logo is currently being marketed interstate. Although "Dominic's" restaurant closed on July 1, 2007, the "Dominic's" service mark has continued to be used on salad dressing labels and in attempts to open another restaurant and to franchise.

Also, it is clear from the evidence presented that the "Dominic's" service mark at issue in this case have been uniquely associated with Dominic's restaurant, a specific source. The Dominic's marks at issue in this case symbolize a particular business and the products and services associated with that particular business. There is evidence before the Court, both in the form of affidavits and testimony, that Dominic's Restaurant was a "leading" Italian food business located in the Dayton area marketing Italian-related foods, sauces and dressings. Dominic's restaurant provided high quality Italian cuisine at reasonable prices while maintaining the highest standards of business ethics. Therefore, for purposes of a preliminary injunction, there is

a strong likelihood that the "Dominic's" service mark has acquired a secondary meaning and is, thus, protectable.

## **2. Likelihood of Confusion**

To recover on an unregistered mark infringement claim, a mark's owner must establish not only that the mark is protectable, but also that the use of the mark by the opposing party is likely to cause confusion. *Tumblebus*, 399 F.3d at 763. When considering the likelihood of confusion, the court is to balance the following eight (8) factors: (1) the strength of the plaintiff's mark; (2) the relatedness of the goods; (3) the similarity of the marks; (4) evidence of actual confusion; (5) marketing channels used; (6) the likely degree of purchaser care; (7) the defendant's intent in selecting the mark; and (8) the likelihood of expansion of the product lines. *Id.*(citing *Frisch's*, 670 F.2d at 648. These factors are simply a guide and imply no mathematical precision. *AutoZone, Inc. v. Tandy Corp.*, 373 F.3d 786, 793 (6th Cir. 2004). Not all of these factors may be helpful in each case. *Id.*

### **a. Strength of Plaintiffs' Mark**

"The strength of a mark is a factual determination of the mark's distinctiveness." *AutoZone*, 373 F.3d at 793. "A mark is strong and distinctive when the public readily accepts it as the hallmark of a particular source; such acceptance can occur when the mark is unique, when it has received intensive advertisement or both." *Id.*(citing *Daddy's Junky Music Stores, Inc. v. Big Daddy's Family Music Center*, 109 F.3d 275, 280 (6th Cir. 1997.)) In general, the stronger the mark, the greater the likelihood of confusion. *Id.*

In this case, the "Dominic's" service mark is strong as it relates to Dominic's restaurant and the services provided thereby. Not only was Dominic's restaurant in business for over fifty



(50) years at the same location, there is evidence that it had a national reputation as Dayton's best Italian restaurant and served customers from outside the Dayton area and outside Ohio. Finally, the restaurant has used "widespread" media advertising and has been the subject of multiple news articles in the Dayton Daily News and other print media.

**b. Relatedness of the Goods**

The Sixth Circuit has used three (3) criteria for testing the relatedness factor. *AutoZone*, 373 F.3d at 797 (citing *Kellogg Co. v. Toucan Golf, Inc.*, 337 F.3d 616, 624 (6th Cir. 2003)). The three (3) criteria are: (1) if the parties compete directly, confusion is likely if the marks are sufficiently similar; (2) if the goods and services are somewhat related, but not competitive, then the likelihood of confusion will turn on other factors; and (3) if the products are unrelated, confusion is highly unlikely. *Id.* Thus, the relatedness factor focuses on whether goods or services with comparable marks that are similarly marketed and appeal to common customers are likely to lead consumers to believe that they come from the same source or are somehow connected with or sponsored by a common company. *Id.* (citing *Therma-Scan, Inc. v. Thermoscan, Inc.*, 295 F.3d 623, 636 (6th Cir. 2002)).

In this case, there is a likelihood that, if the Defendants use the "Dominic's" mark, they will be competing directly. Although since abandoned, the Defendants incorporated a business under the name of Dominic's Restaurant, Inc. Further, they indicated to the media that they were opening a new restaurant in the Dayton area that will feature the original recipes from Dominic's.

Thus, for purposes of determining whether to restrain the use of the "Dominic's" service mark, the Court will assume, based upon the evidence and argument presented, that Powers, Lee and DRI have used the "Dominic's" service mark regarding a restaurant. By using the

"Dominic's" service mark, they are likely to lead consumers to believe that they come from the same source as the "Dominic's" mark and are connected with or sponsored by a common company.

**c. Similarity of the Marks**

When examining similarity, courts should examine the pronunciation, appearance, and verbal translation of conflicting marks. *AutoZone*, 373 F.3d at 795. A side-by-side comparison is not necessarily appropriate and courts must determine whether a given mark would confuse the public when viewed alone. *Id.*

In this case, the marks being considered for purposes of this preliminary injunction are identical. The mark being considered for both Plaintiffs and Powers, Lee and DRI is "Dominic's." Therefore, there is a strong likelihood that the public would be confused.

**d. Evidence of Actual Confusion**

Evidence of actual confusion is obviously the best evidence of a likelihood of confusion but is not required. *AutoZone*, 373 F.3d at 798. However, in this case, there is evidence of actual confusion.

**e. Marketing Channels Used**

This factor considers how and to whom the respective goods or services of the parties are sold. *Champions Golf Club, Inc. v. The Champions Golf Club, Inc.*, 78 F.3d 1111, 1120 (6th Cir. 1996)(citing *Homeowners Group, Inc. v. Home Marketing Specialists, Inc.*, 931 F.2d 1100, 1110 (6th Cir. 1991)). Dissimilarities between the predominant customers of a plaintiff's and a defendant's goods or services lessens the possibility of confusion. *Id.*

Plaintiffs and Defendants have and are using the same local media that has covered

Dominic's restaurant for more than fifty (50) years. Further, since both Dominic's restaurant and the restaurant that the Defendants have announced that they are opening are in the same geographical area and have and are offering the same type of food, the customers can reasonably be expected to be the same. The marketing channels are or will be very similar if not identical.

**f. Likely Degree of Purchaser Care**

The standard normally used to determine the likely degree of purchaser care is the typical buyer exercising ordinary caution. *Champions*, 78 F.3d at 1120. When goods or services are sold to more sophisticated buyers or when the goods or services are expensive or unusual, other things being equal, there is less likelihood of confusion. *Id.* By the same token, the less care that a purchaser is likely to take in comparing products or services, the greater likelihood of confusion. *Wynn Oil Co. v. American Way Service Corp.*, 943 F.2d 595, 602 (6th Cir. 1991).

In this case, there is a minimum likely degree of purchaser care and thus a likelihood of confusion. The services are not necessarily expensive and are not unusual and most of the customers are not likely to be more sophisticated than any typical restaurant customer would be.

**g. Defendant's Intent In Selecting the Mark**

Proving intent is not necessary to demonstrate the likelihood of confusion but the presence of intent strengthens the likelihood of confusion. *AutoZone*, 373 F.3d at 799. Further, circumstantial evidence of copying, particularly the use of a contested mark with knowledge of the protected mark, is sufficient to support an inference of intentional infringement. *Id.* A defendant who purposely chooses a particular mark because it is similar to that of an existing mark "is saying, in effect that he thinks there is at least a possibility that he can divert some business from the existing user and the defendant ought to know at least as much about the

likelihood of confusion as the trier of fact." *Little Caesar Enterprises, Inc. v. Pizza Caesar, Inc.*, 834 F.2d 568, 572 (6th Cir. 1987).

In this case, there is at least circumstantial evidence that the Defendants intend to copy the "Dominic's" mark. Christie Mantia and Lee were well aware of the existence of Dominic's restaurant for a long period of time. Powers incorporated a business under the name of Dominic's Restaurant, Inc. and the Defendants indicated to the media that they were opening a new restaurant in the Dayton area that will feature the original recipes from Dominic's.

Although the restaurant opened, after issuance of the TRO as the "Restaurant With No Name," credit card receipts and the fax machine continued to indicate that the place of business was called "Dominic's." Further, the wait staff told customers that, although they could not call the restaurant "Dominic's," the restaurant had the same chef as the original "Dominic's" restaurant. Thus, there is evidence that Powers, Lee and DRI intentionally infringed on the "Dominic's" service mark.

#### **h. Likelihood of Expansion of the Product Lines**

This factor concerns expansion in the types of services offered by the parties. *Champions*, 78 F.3d at 1121. A strong possibility that either party will expand his or her business to compete with the other or be marketed to the same consumers weighs in favor of a likelihood of confusion. *Id.* However, a finding that neither party will expand does not address whether there is a likelihood of confusion. *Id.* Thus, an affirmative finding of the likelihood of expansion provides a strong indication of a likelihood of confusion while a negative finding is not a strong indication that there will not be a likelihood of confusion. *Id.*

As indicated above, there is a strong possibility that the Defendants will expand, or in

this case, operate their business to compete with the "Dominic's" service mark and will be marketing to the same customers. Therefore, this factor weighs in favor of a likelihood of confusion.

### **3. Conclusion On Likelihood of Success On the Merits**

There is a strong likelihood that the Plaintiffs will be successful on their service mark infringement claim. The "Dominic's" mark is protectable. Further, all of the relevant factors considered weigh in favor of a likelihood of confusion and none of the factors weigh against a likelihood of confusion.

#### **C. Irreparable Injury**

"In general, a party seeking an injunction must show that, absent the injunctive relief, he or she would suffer irreparable harm." *Wynn Oil*, 943 F.2d at 608. However, in the context of an infringement action, a finding of a likelihood of confusion or possible risk to reputation usually results in irreparable injury. *Id.* "The irreparable injury usually flows 'both from the potential difficulty of proof of plaintiff's damages, and also from the impairment of intangible values....'" *Id.*(quoting *Koppers Co., Inc. v. Krupp-Koppers GmbH*, 517 F. Supp. 836, 849 (W.D. Pa. 1981)). The intangible values include damage to reputation that may result from the inability of the victim to control the nature and quality of the defendant's goods. *Processed Plastic Co. v. Warner Communications, Inc.*, 675 F.2d 852, (7th Cir. 1982).

In this case, Plaintiffs have shown a likelihood of confusion regarding the "Dominic's" service mark. If the Defendants are permitted to continue to use or trade on the "Dominic's" service mark, there is a likelihood that Plaintiffs will suffer, among other things, damages to their reputation that cannot be fairly recognized by a monetary award.

Powers, Lee and DRI argue that the longstanding rule that a court typically needs to only find infringement for it to award injunctive relief **may** have been displaced by the United States Supreme Court's decision in *eBay*, 547 U.S. 388. In *eBay*, the Supreme Court vacated a lower court opinion that granted a permanent injunction because the lower court did not directly address all of the factors, specifically irreparable harm, that must be shown to obtain a permanent injunction. *Id.* at 394. The court below had applied the longstanding rule that an injunction normally follows proof of infringement and validity.

However, *eBay* is inapplicable here for two reasons. First, the Supreme Court in *eBay* was addressing permanent injunctive relief and not a preliminary injunction as is being addressed here. Second, here, the Court has addressed irreparable harm and has not merely concluded that irreparable harm automatically flows from a finding of infringement and validity.

Thus, this factor weighs in favor of granting a preliminary injunction. The next factor to be considered regarding whether to grant a preliminary injunction is whether the issuance of the injunction would cause substantial harm to others.

#### **D. Substantial Harm To Others**

"In a trademark case, if the movant can show a likelihood of success on the merits, then the harm to others caused by an injunction will likely consist in part of the non-movant's lost profits from sales of the apparently infringing articles and a loss of the money expended on promotional materials and advertising." *Worthington Foods*, 732 F. Supp. at 1461. However, such harm to apparent infringers is not entitled to consideration. *Id.*(citing *Central Benefits Mutual Insurance Co. v. Blue Cross and Blue Shield Association*, 711 F. Supp. 1423, 1435 (S.D. Ohio 1989)).

In this case, the Plaintiffs argue that the only entities that may be harmed by a preliminary injunction are the Defendants. The Defendants essentially agree arguing that they would be harmed by an injunction against the use of the "Dominic's" service mark. An injunction would cause significant and substantial harm by delaying plans, increasing costs and perhaps preventing any re-opening of the restaurant that they have once opened and subsequently closed. They further argue that they would be harmed because they have spent in excess of \$10,000 for signage.

Powers, Lee and DRI have also presented evidence that their employees would be economically harmed if their restaurant is prevented from re-opening. However, while this harm may be real, it may not be appropriately considered here because harm to the employees, as agents of the alleged infringers, is not entitled to consideration.

Since harm to an apparent infringer is not entitled to consideration and no other harm is argued nor is this Court aware of any other harm to others, this factor weighs in favor of granting a preliminary injunction. The final factor to be considered regarding whether to grant a preliminary injunction is whether the public interest would be served by issuance of a preliminary injunction.

#### **E. Public Interest Served**

If an injunction would bring disastrous results to the public, a preliminary injunction may not be appropriate even if all of the other factors weigh in favor of granting a preliminary injunction. *Worthington*, 732 F. Supp. at 1463. However, if a preliminary injunction would create a public benefit by, for example, enjoining some seriously injurious activity, the public interest would favor granting the preliminary injunction. *Id.*

In a trademark case, for instance, public policy concerns may weigh in favor of granting a preliminary injunction because a preliminary injunction could stop confusion in the marketplace.

*Id.* If the plaintiff has shown a likelihood of confusion concerning the source, affiliation, connection or sponsorship of the goods or services, granting a preliminary injunction would avoid further confusion and thus be in the public interest. *Id.*

In this case, the Plaintiffs have shown a likelihood of confusion regarding the "Dominic's" service mark. Granting a preliminary injunction would avoid further confusion regarding this mark and would thus be in the public interest.

Thus, the Defendants' argument that denying a preliminary injunction favors the public interest is, when all is considered, without merit. This factor weighs in favor of granting a preliminary injunction.

#### **F. Conclusion On Issuance of a Preliminary Injunction**

All four (4) of the factors to be considered weigh in favor of issuing a preliminary injunction regarding Plaintiffs' service mark infringement claim. Plaintiffs have shown a likelihood of success on the merits, irreparable injury, a lack of substantial harm to others and that the public interest would be served by the issuance of a preliminary injunction. What remains is the activity to be enjoined.

### **III. THE "SAFE DISTANCE RULE"**

Powers, Lee and DRI continued to infringe after the TRO was issued enjoining such infringement. As a result the Court issued TRO2 enjoining the operation of the restaurant at 630 East Dixie Drive. The closing of the restaurant was based upon application of the "safe distance rule."



The “safe distance rule” is a broad equitable remedy that allows the court to create a zone of safety around trademark holders victimized by counterfeiting or other unlawful use of the marks. Timothy R. Cahn and Joshua R. Floum, *Applying the Safe Distance Rule in Counterfeiting cases: A Call for the Use of Broad Equitable Power To Prevent Black and Gray Marketeering*, 8 Fordham Intell. Prop. Media & Ent. L. J. 487 (1998). It requires courts to draft injunctive relief broadly enough to ensure that a past infringer will not have the opportunity to infringe an owner’s rights in the future. *Id.* at 490.

The “safe distance rule” provides that “a competitive business, once convicted of unfair competition in a given particular should thereafter be required to keep a safe distance from the margin line - even if that requirement involves a handicap as compared with those who have not disqualified themselves.” *Id.* at 494. It ensures that injunctive relief will be broad enough to protect the plaintiff from future recurrent infringing conduct by the defendant. *Id.* It also facilitates monitoring of the defendant’s compliance with a court’s injunction by delineating clear limitations on the defendant’s conduct. *Id.*

The “safe distance rule” is meant to ensure that the defendant does not retain any lingering benefit or goodwill from its past infringing activities. *Id.* Thus, the rule permits a court to fashion a remedy that prevents infringers from receiving future benefits from their forbidden conduct. *Id.* at 492. It also prevents the infringer from engaging in conduct which would be otherwise lawful for the infringers’s competitors. 8 Fordham Intell. Prop. Media & Ent. L. J. 494; *see also Sunbeam Products, Inc. v. West Bend Co.*, 123 F.3d 246, 260 (5th Cir. 1997), *cert. denied*, 523 U.S. 1118 (1998).

The “safe distance rule” requires the defendant to keep a safe distance away from the

dividing line between violation of and compliance with the injunction. *Sunbeam*, 123 F.3d at 260; *Broderick & Bascom Rope Co. v. Manoff*, 41 F.2d 353, 354 (6th Cir. 1930). It applies even if it involves a handicap as compared with those who have not disqualified themselves. *Id.*

The issue regarding the content of a preliminary injunction in this case is whether the Court should continue to apply the “safe distance rule,” and, if so, to what extent. On the first issue, Powers, Lee and DRI initially intended to trade on the “Dominic’s” service mark and they continued to do so after being enjoined from doing so. They now present argument and evidence that their use of the “Dominic’s” service mark has been “cured.” They display no “Dominic’s” signage, they are no longer incorporated as DRI, their fax machine no longer indicates that the fax is from Dominic’s, they no longer procure food and services under the Dominic’s name, and the menu<sup>3</sup> that they have most recently been using indicates that the restaurant is now named “Duke’s; An Italian and American Eatery.”<sup>4</sup>

However, Powers’, Lee’s and DRI’s argument that the “safe distance rule” should not now apply is not well founded for at least two reasons. First, there is a strong likelihood that they are past infringers. Second, their failure to comply with the TRO has not been completely cured. The future operation of a restaurant at 630 East Dixie Drive in West Carrollton, Ohio, will retain a lingering benefit from their past infringing activities. Based upon what has already taken place, a restaurant operated at that location will continue to create a likelihood of confusion between the “Dominic’s” service mark and the operation of the restaurant at that location.

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<sup>3</sup>Powers, Lee and DRI argue that the menu that they now use is based upon a menu from the former “Duke’s Golden Ox Steak House.”

<sup>4</sup>The Court assumes that the “D” in the tile floor of the restaurant stands for “Duke’s.”

Powers, Lee and DRI argue that the Sixth Circuit has recognized that the “safe distance rule” is no longer valid. However, this argument is without merit. It is based upon the Sixth Circuit case of *Taubman Co. v. Webfeats*, 319 F.3d 770 (6th Cir. 2003). However, in *Taubman*, the Sixth Circuit said, “[w]e need not find whether the Safe Distance Rule has survived the enactment of the Lanham Act, because, even if it is still good law, it does not apply here.” 319 F.3d at 779. The Sixth Circuit declined to apply the safe distance rule in *Taubman* because it has only been applied in settings where the second use was merely a slight deviation of the first use and was also commercial and because the safe distance rule was meant to be applied only against proven infringers. *Id.* In this case, the use of the “Dominic’s” service mark by Powers, Lee and DRI was not even a slight deviation and there is a strong likelihood that Powers, Lee and DRI are proven infringers.

Powers, Lee and DRI argue that a preliminary injunction is not proper because there is no ongoing violation. *See Taubman*, 319 F.3d at 775. However, as determined above, there is an ongoing violation. *See Audi AG v. D’Amato*, 469 F.3d 534 (6th Cir. 2006)(injunction warranted even though defendant argued that alleged infringement was cured). As determined above, based upon what has already taken place, a restaurant operated at 630 East Dixie Drive in West Carrollton, Ohio, will continue to create a likelihood of confusion between the “Dominic’s” service mark and the operation of the restaurant at that location.

Thus, the safe distance rule should be applied in this case, and, as determined above, a preliminary injunction is appropriate. The remaining issue is to what extent the “safe distance rule” should be applied.

The Court has temporarily enjoined the operation of a restaurant at 630 East Dixie Drive

in West Carrollton, Ohio because closing the restaurant was the only way, at the time, that the Court could insure that there would be no further infringement activities. Since then, the Plaintiffs and Powers, Lee and DRI have attempted, in an effort to permit the restaurant to open, to agree to a menu that could be used but have been unable to do so.

Therefore, since the Parties were unable to agree on a menu and the menu appears to be the only way to cure the majority of the infringement, in the interest of getting the restaurant open, the Court will specify the menu that may be used. Further, the menu selected by the Court is based upon Power's, Lee's and DRI's assertions that they wish to be known as Duke's restaurant.

### **THE PRELIMINARY INJUNCTION**

Therefore, **IT IS HEREBY ORDERED, ADJUDGED AND DECREED** that Defendants Dominic's Restaurant, Inc., Harry Lee and Reece Powers, III, and their agents, servants, employees, assigns, representatives and successors and all persons in active concert or participation with them are hereby ordered:

1. To refrain from advertising, marketing, promoting, selling, shipping or distributing, without Dominic's consent, any product utilizing the Dominic's name, likeness, or image or any name, likeness, or image in any trade dress, trade mark or service mark, confusingly similar thereto; and
2. To refrain from making any commercial use of the Dominic's marks or any marks confusingly similar thereto; and
3. To refrain from falsely designating the origin of or infringing upon Dominic's marks by the use of the Dominic's name, image, likeness or logos including any

uttering or writing of the word “Dominic’s”; and

4. To immediately remove all graphics controlled by the Defendants that depict the name, likeness, or image of Dominic's marks or marks that are confusingly similar to the Dominic's marks.
5. To refrain from opening a restaurant at 630 East Dixie Drive in West Carrollton, Ohio unless the restaurant uses the Duke’s Golden Ox Steak House menu submitted by Powers, Lee and DRI with the Affidavit of Raymond “Duke” Morris (doc. #52) and only that menu. Should the Parties agree to a different menu, they may submit it to the Court for approval.

**IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that the bond in the amount of \$30,000 that Plaintiffs have posted shall remain in effect.

**IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that this Preliminary Injunction shall become effective upon entry of this Order.

**IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that the Temporary Restraining Order issued on April 20, 2009 shall remain in effect as it applies to Defendant Christie Mantia until the Court issues an Order regarding Plaintiffs' request for a preliminary injunction.

**DONE and ORDERED** in Dayton, Ohio this Twenty-Fourth day of June, 2009.

**s/Thomas M. Rose**

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THOMAS M. ROSE  
UNITED STATES DISTRICT

JUDGE