

Dear Friends and Colleagues,

Our recent e-News mentioned favorable decisions in three cases in which we were involved, and we said we would tell you about these and several other notable matters in this edition of our Litigation News. We are proud of our Litigation Group's successes in a diverse range of matters.

Sweet success in the DELMONICO'S restaurant war.

We successfully opposed a concurrent rights registration.

You may have heard about our long-running DELMONICO'S trademark case. An Upstate NY restaurant chain had sought exclusive rights to the mark DELMONICO'S for restaurant services except for a 40-mile radius around New Orleans and Las Vegas (where our client **Chef Emeril Lagasse** has DELMONICO restaurants) and New York City (where a third party has a DELMONICO'S restaurant).



After a lengthy trial before the Trademark Trial and Appeal Board, Chef Emeril prevailed in that the Board refused to uphold a concurrent rights registration, finding that it would be likely to cause confusion. The Upstate New York restaurant appealed to the Court of Appeals for the Federal Circuit, which affirmed the TTAB's decision in a *per curiam* order issued just a few days after oral argument. Since this was a rare and complicated concurrent use case, we expected that it would take months for a decision. Hats off to [Debbie Squiers](#) who argued the appeal with the support of [Lynn Fruchter](#) and [Richard Mandel](#). *Southwestern Management, Inc. v. Ocinomled, Ltd. and Emeril's Food of Love Productions, LLC*, 2015-1939 (CAFC 2016).

For further information, contact [Deborah K. Squiers](#).

WORLD SERIES is held to be a very famous mark that cannot be registered in the unauthorized trademark HIGH SCHOOL WORLD SERIES.

We successfully opposed a registration on likelihood of confusion grounds.



Many of us lost sleep watching the Chicago Cubs make their historic come-from-behind victory in the tenth inning of the seventh game of the 2016 World Series.

Our client, the **Office of the Commissioner of Baseball**, owns 25 registrations and common law rights for various WORLD SERIES marks. It opposed an intent to use application to register HIGH SCHOOL WORLD SERIES for the promotion of products and services relating to international sports events. [Mary Kevlin](#) and [Maryann Licciardi](#) argued that WORLD SERIES is a famous mark. The Trademark Trial and Appeal Board pointed out that

[B]ecause of the extreme deference that we accord a famous mark in terms of the wide latitude of legal protection it receives and the dominant role fame plays in the likelihood of confusion analysis, it is the duty of the party asserting that its mark is famous to clearly prove it.

The Board was convinced that WORLD SERIES has achieved a “very high level of fame” based on the evidence of its use since at least as early as 1903 for events, advertising relating to them, references in popular film and television programs, extensive licensing and use for a wide variety of goods and services, and dictionary definitions. It found that consumers are likely to believe that the services rendered under the mark HIGH SCHOOL WORLD SERIES are a variation of our client’s WORLD SERIES services rendered at the high school level, so it denied the registration. *Office of the Commissioner of Baseball v. S9 Sports, LLC*, Opposition No. 91200934 (TTAB 2016).

For further information, contact [Mary L. Kevlin](#).

A substantial arbitration award is confirmed in a partnership dispute.

We obtained over \$5 million for our client.

When a law firm dissolved its partnership about four years ago, our client **Steve Wittels** sought his share of the partnership assets. After a highly contentious two-week arbitration handled by [Chris Jensen](#) and Scott Ceresia, the three arbitrators wrote a 40-page opinion in favor of our client. The decision was confirmed by the New York Supreme Court for New York County, and on appeal, the Appellate Division affirmed that the arbitrators award (now slightly in excess of \$5 million with interest) finding that the arbitrators’ award did not violate public policy and did not exceed their authority. *Wittels v. Sanford et al.* Index No. 652479/14 (NY App. Div. 2016).

For further information, contact [J. Christopher Jensen](#).

Judge is convinced to reverse his judgment.

We established that our client had a strong mark.

We have previously written about the long-running copyright dispute in which the U.S. District Court for the Eastern District of New York held that our client, **Merkos L'Inyonei Chinuch, Inc.**, held valid copyrights in all but one of the thirty-nine volumes of collected talks by Rebbe Menachem Mendel Schneerson.

Another aspect of the dispute related to our client's claim that its trademark was infringed. The Court had upheld our client's registration of its trademark. After a four-day bench trial, the judge at first held that the trademark was weak and not infringed because it had been "used by numerous entities other than Merkos."



[Chris Jensen](#), assisted by [Ron Meister](#) and Bridget Crawford, prepared a post-trial motion pointing out that most of these uses on which the court relied, were, in fact, made by or licensed by our client. The Judge reversed his factual finding and his conclusion, and held that the mark was strong and that there was a likelihood of confusion between the identical marks. However, he found that our client's claim was barred by laches. *Vaad L'Hafotzas Sichos, Inc. v. Kehot Publication Society*, 1:10-cv-04976 (EDNY 2016). This matter will now be appealed.

For further information, contact [J. Christopher Jensen](#).

\$3.5 million award in case involving resale of digital music.

But the ground-breaking copyright case is not over.

This case presented an issue of first impression as to whether the first-sale doctrine of the U. S. Copyright Act permits consumers who lawfully purchase digital music via iTunes to re-sell the recordings. We represented plaintiff record label, **Capitol Records**, which is part of **Universal Music Group**, in a copyright infringement action against an online start-up company, ReDigi Inc., which claims to operate the world's first secondary market for online music. Capitol's motion for summary judgment was granted and the court held that ReDigi had direct, contributory and vicarious

claimed they had no individual liability, the Court denied their motion to dismiss. This case was then settled without trial for a damage award of US\$3.5 million, subject to ReDigi's appeal of the award of summary judgment. However, ReDigi filed for bankruptcy, so the appeal has been stayed, although the stay recently was lifted. [Richard Mandel](#) and [Jonny King](#) represent the plaintiff Capitol Records, LLC.

For further information, contact [Richard Mandel](#) or [Jonathan Z. King](#).

Our client's jewelry designs are protected.

We enforce our client's copyrights.

[Joel Karni Schmidt](#) and [Thomas Kjellberg](#) have been assisting some of our fashion and jewelry clients to protect and enforce their jewelry designs. For example, over the last few years, they have helped **J. Crew**, and its affiliated company **Madewell**, to register copyrights for more than 400 jewelry designs. Joel and Tom, along with [Richard Mandel](#) have successfully enforced the companies' copyrights against a number of infringers, including some retailers such as Walmart. The enforcement efforts have resulted in the cessation of infringing sales and settlement payments to our clients. Here are examples of some of the designs that have been the subject of our successful enforcement efforts:



For further information, contact [Richard Mandel](#), [Joel Karni Schmidt](#) or [Thomas Kjellberg](#)

Our case is accepted for review by the U.S. Supreme Court

It will decide whether the graphics of cheerleading apparel are copyrightable.

In our last edition of Litigation News, we reported that the U.S. District Court for the District of Tennessee had granted summary judgment to Star Athletica, LLC, holding that our client **Varsity Brands, Inc.**, did not have valid copyrights in the graphic designs for its cheerleading apparel because those graphics were part of a useful article. We also reported that we had succeeded in getting this decision reversed by the U.S. Court of Appeals for the 6th Circuit, which held that those graphics were conceptually separable from the utilitarian function of the apparel.



The U.S. Supreme Court has granted certiorari to review this case. We acted as co-counsel on the brief, and various friend of the court briefs supporting our position were submitted by the U.S. Department of Justice and others. Oral argument was held on Halloween, and now we await the Court's decision. *Star Athletica, LLC v. Varsity Brands, Inc. et al.*, No. 15-866 (U.S. Sup. Ct.).

For further information, contact [Thomas Kjellberg](#).

The following are cases we wrote about in our last edition of our e-News:

A smoking hot decision.

We established that cigarette rolling paper size designations are generic.

For many years, a cigarette rolling papers company named DRL Enterprises, Inc. used its registrations and position as a market leader to assert that it had exclusive trademark rights in the designations 1.0, 1.25 and 1.5 in plain or stylized lettering for cigarette rolling papers. Although this forced some competitors to acquiesce in DRL's demands to avoid litigation, our client **National Tobacco Company, LP** (known for its ZIG-ZAG rolling papers) challenged these rights in oppositions and cancellations that spanned 13 years. It argued that these designations either were generic for rolling papers of various sizes, or were merely descriptive of them and had not acquired secondary meaning as source indicators. Our late partner, Arlana Cohen devoted her last years to this battle, and [Richard Mandel](#), [Jonny King](#) and [Midge Hyman](#) continued the fight through trial.

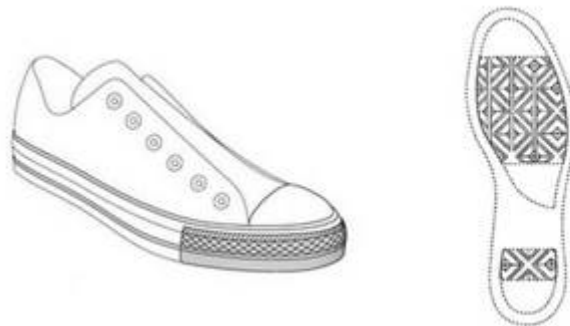


The Trademark Trial and Appeal Board issued a 98-page opinion invalidating DRL’s registrations and sustaining National Tobacco’s oppositions to the applications for cigarette papers. It held that all three of these designations are generic for cigarette rolling papers and did not acquire secondary meaning. Notably, the Board questioned the credibility of DRL’s deposition and trial witnesses for their evasiveness in answering what the Board characterized as straightforward questions, characterizing the witnesses’ conduct as “harassing” and “frivolous.” *North Atlantic Operating Company, Inc., North Atlantic Trading Company, Inc. and National Tobacco Company, LP v. DRL Enterprises, Inc.*, Opposition No. 91158276 (TTAB 2016).

For further information, contact [Richard Mandel](#) or [Jonathan Z. King](#).

A Successful and Cost-Effective Outcome in a Shoe Design Battle.

We obtain the benefits of litigation for our clients without the costs.



“midsole mark”

“outsole mark”

Converse, owned by Nike, brought an exclusion proceeding before the International Trade Commission (“ITC”) against three of our clients among more than 30 competitors whom it claimed were infringing protectable design features of its Converse Chuck Taylor sneaker—(1) the “midsole mark” combining the convex toe cap, the toe bumper with a textured pattern wrapping around the front, and the stripe running along the outer lower edge, and (2) the “outsole mark” consisting of the pattern on the bottom of the sneaker. [Kieran Doyle](#) took the lead among the several national

party use evidence targeting the midsole mark. [Jonny King](#) took the lead coordinating the surveys, including a survey testing whether the claimed marks had acquired secondary meaning recognition as source designations. The ITC held that the midsole mark had not acquired secondary meaning, but that the outsole mark was protectable and infringed by some defendants. Our clients had settled before trial. But none of them had used the outsole mark, and we had specifically negotiated a clause freeing them from any restrictions should the midsole mark be invalidated, as we had predicted. As such, our clients benefited from the settlement we had negotiated and the end result of the trial, without the cost and disruption of going through the trial. *In the Matter of Certain Footwear Products*, Investigation No. 337-TA-936 (ITC 2016).

For further information, contact [Kieran G. Doyle](#).

The Empire State Building's image is held to be a famous mark that cannot be registered as part of an unauthorized trademark for beer.

We prevented registration of a mark on likelihood of dilution grounds.

Our client, **the Empire State Building**, opposed an application to register a logo containing its image as a trademark for beer and related products.



We submitted many boxes of evidence, and the Board held that we had proved that the Empire State Building's image is a famous mark that would be likely to be diluted by the proposed logo. Although [Eric Shimanoff](#), [Mary Kevlin](#) and [Bill Borchard](#) also argued that there would be a likelihood of confusion and a false suggestion of a connection with our client, the Board said that it did not need to analyze those claims. *ESRT Empire State Building, L.L.C. v. Michael Liang*, Opposition No. 91204122 (TTAB 2016).

For further information, contact [Eric J. Shimanoff](#).

HONORS & RANKINGS

U.S. News & World Report and *Best Law Firms* recently announced their law firm rankings for 2017. CLL continues to be ranked highly in the National practice areas of Copyright Law, Information Technology Law, Trademark Law, Intellectual Property Litigation and Patent Litigation. In the New York Metropolitan Area, we continued our high rankings for Copyright Law, Information Technology Law, Trademark Law, Intellectual Property Litigation, Commercial Litigation and Patent Litigation.

NEW ASSOCIATES

We are pleased to welcome [Joelle A. Milov](#), Harvard Law '12, as member of our Litigation Group. Joelle was most recently at the New York State Supreme Court, Commercial Division, as the Assistant Law Clerk to the Honorable Saliann Scarpulla, and prior to that was an associate with Proskauer Rose LLP.

We also welcome **Vanessa Costantini**, Fordham Law '14, as a member of our Trademark Prosecution and Litigation Group. Vanessa came to us from Pryor Cashman LLP, and she is fluent in Italian.



Cowan, Liebowitz & Latman, P.C.
114 West 47th Street
New York, NY 10036-1525
Phone: (212) 790-9200 Fax: (212) 575-0671
e-mail: cll@cll.com web: www.cll.com