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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	91232430
Party	Plaintiff Emeril's Food of Love Productions, LLC
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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

In the Matter of Application Serial Nos. 76577252 and 76577253
For Mark: DELMONICO'S
Published in the Official Gazette: December 27, 2016 and January 3, 2017

EMERIL'S FOOD OF LOVE PRODUCTIONS, LLC, Opposer, v. OCINOMLED, LTD. Applicant.	Opposition No. 91232430

REPLY MEMORANDUM IN FURTHER SUPPORT OF OPPOSER'S MOTIONS TO ADMIT TESTIMONY FROM PRIOR PROCEEDING AND FOR PARTIAL SUMMARY JUDGMENT

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PRELIMINARY STATEMENT

Ocinomled has failed to come forward with any new evidence or viable legal arguments warranting a different conclusion on the dispositive issue of priority than the one the Board reached in the Concurrent Use Proceeding in finding Emeril's "clearly senior" to the other two parties, Ocinomled and Southwestern. Ocinomled devotes substantial attention to arguing that the Board's decision in the Concurrent Use Proceeding is not entitled to preclusive effect. However, Emeril's never claimed that it was. The critical point is not that the Board's earlier decision is binding, but that it is correct. Having already analyzed the exact same evidence and confronted the exact same legal arguments advanced here by Ocinomled, the Board should reach the same result that it did in the Concurrent Use Proceeding on the issue of priority. Because Ocinomled has conceded likelihood of confusion, a finding in Emeril's' favor with respect to priority mandates that its opposition against Ocinomled's Class 43 application be sustained.

Ocinomled desperately seeks to avoid this inevitable result by repackaging Southwestern's failed arguments, even going so far as to try to exclude Mr.Cruz's testimony for lack of personal knowledge. The Board gave short shrift to that precise argument in the Concurrent Use Proceeding, and the same evidence does not somehow become inadmissible here for summary judgment purposes. And while Ocinomled half-heartedly asks to recall Mr. Cruz, it offers no explanation of what additional facts it needs to elicit from Mr. Cruz that have not already been extensively explored by Ocinomled in its prior discovery deposition and lengthy cross-examination in the Concurrent Use Proceeding. A party may not avoid summary judgment by merely stating it needs more discovery without specifying the nature of discovery sought.

Finally, Ocinomled's scattershot attempt to find a disputed issue of fact regarding the purported abandonment of the DELMONICO mark prior to Emeril's' acquisition of such mark

from the LaFranca sisters is not even colorable. The undisputed evidence shows that Mr. Lagasse contracted to buy the New Orleans DELMONICO restaurant months before it was temporarily closed for renovations, and the final closing on the deal, which clearly included a transfer of the DELMONICO trademark, occurred within a matter of weeks after the LaFranca sisters stopped operating the restaurant. If trademark rights were so easily lost in the brief period between the LaFranca sisters' closing and Mr. Lagasse's purchase of the restaurant together with the trademark, it would be effectively impossible for business owners to transfer their trademarks and thereby benefit from the value of the goodwill they have developed in their business. Nothing in the applicable case law remotely supports the draconian result argued for by Ocinomled here in seeking to unravel Emeril's' acquisition of the LaFranca sisters' DELMONICO restaurant and mark.

ARGUMENT

I. OCINOMLED'S ARGUMENTS ON COLLATERAL ESTOPPEL AND RES JUDICATA ARE IRRELEVANT

Ocinomled's opposition papers open with an irrelevant detour, arguing that the Board's decision on priority in the Concurrent Use Proceeding is not entitled to preclusive effect under the law of res judicata and collateral estoppel. See Ocinomled Brief at 2-6. However, Emeril's' moving papers expressly assumed for purposes of the summary judgment motion that the Board's earlier decision was not entitled to preclusive effect. See Emeril's' Opening Brief at 3. Emeril's' argument has never been that the Board is legally bound to reach the same conclusion on priority that it did in the Concurrent Use Proceeding, but rather that there is no reason why the same evidence and arguments should result in any different outcome here.

The Board's decision in the Concurrent Use Proceeding is certainly a persuasive precedent on how the issue of priority should be decided. Indeed, it is difficult to fathom what

could be more persuasive than an analysis that considered the exact same factual scenario and legal issue presented here. There is no reasonable basis for the Board to reach a result inconsistent with its earlier priority ruling where Ocinomled has offered no new factual evidence and simply rehashed the same failed arguments previously presented by Southwestern. Principles of stare decisis and interests of judicial efficiency strongly support following the sound reasoning of the Board's decision in the Concurrent Use Proceeding (affirmed by the Federal Circuit) rather than permitting further discovery and an additional trial to tread the same well-worn ground covered in the prior litigation.

II. MR. CRUZ'S PRIOR TESTIMONY IS ADMISSIBLE

Ocinomled opposes Emeril's' attempt to introduce the prior trial testimony of Anthony Cruz from the Concurrent Use Proceeding by arguing that he lacked personal knowledge of key facts. However, the Board readily disposed of that precise argument in its ruling in the Concurrent Use Proceeding:

> We find unpersuasive Applicant's criticisms of the testimony of Anthony Cruz as lacking in foundation and personal knowledge. As the chief financial officer, Mr. Cruz was well-positioned to know or have access to information relevant to the substance of his testimony and the documents he identified.

Southwestern Management, Inc. v. Ocinomled, Ltd., 115 U.S.P.Q.2d 1007, 1013 (T.T.A.B. 2015). Because the same evidentiary standards govern the admissibility of Mr. Cruz's testimony on summary judgment as did at the trial in the Concurrent Use Proceeding, the same result follows here.

Nor can Ocinomled exclude such evidence by arguing that it did not have an incentive to challenge Mr. Cruz's testimony in the Concurrent Use Proceeding. As excepted users, both Ocinomled and Emeril's had adequate incentive to challenge each other's evidence because the Board had authority to issue binding rulings limiting the territories to which they were entitled in

the event that Southwestern established its rights to a concurrent use registration. See Georgia-Southern Oil, Inc. v. Richardson, 16 U.S.P.Q.2d 1723, 1725 n.5 (T.T.A.B. 1990) ("The specific territorial rights to which user is entitled are not before us except, of course, to the extent that user's rights are limited by the territorial rights to which applicant shows entitlement.") (emphasis added). Thus, not surprisingly, Ocinomled questioned Mr. Cruz at his discovery deposition in the Concurrent Use Proceeding, and also conducted a lengthy cross-examination of him at trial (Squiers Moving Decl. ¶ 6 & Ex. X), including with respect to Emeril's' chain of title. See Squiers Moving Decl. Ex. X at 217-237, 244-247, 265-290, 308-310.

In any event, at the summary judgment stage, Mr. Cruz's testimony should properly be considered in the same way that testimony in a declaration could be. In fact, having already deposed Mr. Cruz in discovery and cross-examined him at trial, Ocinomled has actually enjoyed a more extensive opportunity to challenge Mr. Cruz's testimony than is typically the case with respect to an ordinary summary judgment declarant. While Ocinomled says "it wishes to exercise its right to recall Mr. Cruz" (Ocinomled Brief at 10), it notably presents no detail as to what subjects it requires discovery on that have not already been fully explored in the Concurrent Use Proceeding. Under Federal Rule 56(d), a party cannot avoid summary judgment by simply claiming it needs additional discovery without stating "the reasons why it is unable, without discovery, to present facts sufficient to show the existence of a genuine dispute of material fact for trial." TBMP § 528.06; see also Sweats Fashions Inc. v. Pannill Knitting Co., 833 F.2d 1560, 1567, 4 U.S.P.Q.2d 1793, 1799 (Fed. Cir. 1987) (mere assertion in brief of need for discovery insufficient); Dyneer Corp. v. Automotive Prods., PLC, 37 U.S.P.Q.2d 1251, 1253 (T.T.A.B. 1995) (denying motion under prior rule 56(f) where applicant failed to show need for discovery as to specific issues); Nature's Way Prods., Inc. v. Nature's Herbs, Inc., 9 U.S.P.Q.2d 2077,

2081 (T.T.A.B. 1989) (mere unsupported assertion of desire to take deposition inadequate). Because Ocinomled has made no attempt to meet the standard of Fed. R. Civ. P. 56(d), the Board should admit the prior trial testimony of Mr. Cruz, as the rules permit, and proceed to consider the merits of Emeril's' summary judgment motion.

III. OCINOMLED HAS FAILED TO RAISE A DISPUTED ISSUE OF FACT CONCERNING EMERIL'S' CHAIN OF TITLE AND PRIOR RIGHTS

Peddling the same failed arguments that Southwestern advanced, and the Board rejected, in the Concurrent Use Proceeding, Ocinomled claims that there are issues of fact regarding Emeril's' acquisition of rights from the owners of the DELMONICO restaurant in New Orleans. While Ocinomled twists the language of the Board's opinion in an effort to create the illusion of some unspecified defects in Emeril's' chain of title lurking somewhere under the surface, the language of the Board's opinion is actually unequivocal in finding that Emeril's' rights flow back well before any first use date claimed here by Ocinomled.

As Ocinomled acknowledges, there is no dispute that there was a DELMONICO restaurant on St. Charles Street in New Orleans long prior to Ocinomled's claimed first use date of May 1998. Ocinomled Brief at 12. The Board explained in the Concurrent Use Proceeding that "there is substantial first-hand testimony and other evidence relating to operations of the LaFranca sisters' DELMONICO restaurant as of dates that are earlier than" the 1998 priority date claimed by Ocinomled. 115 U.S.P.Q.2d at 1019. While Ocinomled pretends that Emeril's is somehow unable to claim the benefit of that conceded earlier usage, it ignores the undisputed evidence showing that Emeril's properly acquired rights in the DELMONICO mark by virtue of an assignment from the LaFranca sisters, the prior owners of the New Orleans restaurant.[1]

[1]In this respect, Ocinomled's attempt to equate the situation concerning the New Orleans DELMONICO with its own situation concerning the New York DELMONICO'S restaurant

Viewing such evidence in the Concurrent Use Proceeding, the Board concluded that "Emeril, LLC's acquisition of the LaFranca sisters' business is well supported by documentary evidence and testimony of record." Id. Accordingly, the Board concluded its priority analysis by indicating that "the record shows that [Emeril's] is clearly senior to both [Ocinomled] and [Southwestern]." Id. (emphasis added).

Ocinomled's contentions that the LaFranca sisters abandoned the DELMONICO trademark prior to transferring it to Emeril's' predecessor similarly finds no support in the record evidence. Ocinomled's arguments as to the purported lack of evidence regarding the LaFranca sisters' intent ignores the most obvious evidence – they signed a written agreement transferring ownership of the restaurant and the DELMONICO name and mark to Mr. Lagasse's company. Squiers Moving Decl. Ex. A (Cruz Tr. 67-70); Squiers Moving Decl. Ex. D, E. The fact that such transfer occurred three weeks after the LaFranca sisters stopped operating the restaurant cannot possibly invalidate the assignment, particularly where there was a written contract for the sale of the restaurant some four months earlier while the restaurant was still in operation.[2] Squiers Moving Decl. Ex. A (Cruz Tr. 56-59); Squiers Moving Decl. Ex. K. As the Ninth Circuit has explained, "[i]f trademark protection were stripped the minute a company runs into financial trouble or decides to liquidate, the two cornerstone interests in trademark would be

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(Ocinomled Brief at 12) is entirely illusory. The critical difference, of course, is that Emeril's obtained an assignment of trademark rights from the owners of the New Orleans restaurant while Ocinomled by its own admission has no such chain of title from prior owners of the New York restaurant tracing back any earlier than 1998 at best.

[2]Because the November 1996 agreement is a form real estate contract, it not surprisingly fails to include references to the DELMONICO trademark, which was included in the final closing document. Squiers Moving Decl. Ex. A (Cruz Tr. 59). However, as Mr. Cruz testified, it was always the intent for Mr. Lagasse to purchase not only the building, but also the DELMONICO name. Id. The existence of the November 1996 contract does serve as powerful confirmation that the LaFranca sisters intended to sell the restaurant to a new restaurateur prior to the time they closed it for renovation in February 1997.

defeated – protection of the public through source identification of goods and protection of the registrant's investment in the trademark." Electro Source, LLC v. Brandess-Kalt-Aetna Group, Inc., 458 F.3d 931, 941, 80 U.S.P.Q.2d 1161, 1167 (9th Cir. 2006). See also Hot Shoppes, Inc. v. Hot Shoppes, Inc., 203 F. Supp. 777, 781, 133 U.S.P.Q. 252, 254-55 (M.D.N.C. 1962) (no break in chain of title based on one week shut down between prior restaurant owner closing space and new owner purchasing and reopening it).

Contrary to Ocinomled's argument, the Board may also consider the acquiring company's intent, including its continuing intent to exploit the DELMONICO trademark after acquiring it in the March 3, 1997 assignment. See, e.g., Crash Dummy Movie, LLC v. Mattel, Inc., 601 F.3d 1387, 1391-92, 94 U.S.P.Q.2d 1315, 1317-18 (Fed. Cir. 2010) (acquiring company intended to resume use despite nearly seven year gap between February 1997 acquisition of mark and December 2003 sale of toy products, where it needed time to research, develop and market retooled toys). See also Cash Processing Servs. v. Ambient Entm't, 418 F. Supp. 2d 1227, 1234, 78 U.S.P.Q.2d 1780, 1785 (D. Nev. 2006); EH Yacht, LLC v. Egg Harbor, LLC, 84 F. Supp. 2d 556, 566, 53 U.S.P.Q.2d 1640, 1647-48 (D.N.J. 2000). The record reflects that Mr. Lagasse always intended to continue using the DELMONICO name (Squiers Moving Decl. Ex. A, Cruz Tr. 75-78; Squiers Moving Decl. Ex. G), and he promoted it, and newspapers reported on it, nationally in the year before the renovated restaurant reopened. Squiers Moving Decl. Ex. A, Cruz Tr. 91-93; Squiers Moving Decl. Ex. Y. This evidence clearly establishes an intention to resume use, which has been found in far more indefinite circumstances. See, e.g., Emergency One, Inc. v. Am. FireEagle, Ltd., 228 F.3d 531, 537, 56 U.S.P.Q.2d 1343, 1347-48 (4th Cir. 2000) (finding intent to resume use even though acquiring company had no specific plans to use mark and only considered it as one of four possible brands for new line).

Faced with Emeril's clear intent to re-open the restaurant under the DELMONICO name and a period of non-use of only sixteen months (far less than the three year period establishing *prima facie* evidence of abandonment[3]), Ocinomled tries to impose a fully completed abandonment as of the date the LaFranca sisters ceased operating the restaurant on February 3, 1997. Toward that end, Ocinomled argues that the LaFranca sisters' public statements about the closing "are essentially equivalent to an announcement of an intention to cease use of the mark." Ocinomled Brief at 16. However, Ocinomled's "evidence" on this point – snippets pieced together from various newspaper articles – is woefully inadequate and fails to raise any triable issue of fact. In the very newspaper article Ocinomled cites for one of the sisters' statements that "nothing lasts forever," the reporter also quotes the sister confirming the restaurant's sale and notes that "[r]umor has it that chef Emeril Lagasse, owner of Emeril's and NOLA, has purchased Delmonico." Downing Decl. Ex. 6. Thus, while the media reports quite properly pay homage to the end of a long era in which the LaFranca family operated the restaurant, they provide no proof that operation of the DELMONICO restaurant would be permanently discontinued.

In this respect, the sole case Ocinomled cites for its "public announcement" argument, Hiland Potato Chip Co.. v. Culbro Snack Foods, Inc., 585 F. Supp. 17, 221 U.S.P.Q. 142 (S.D. Iowa 1982), aff'd, 720 F.2d 981, 222 U.S.P.Q. 790 (8th Cir. 1983), is readily distinguishable. In Hiland, the abandoning party mailed a communication to its customers stating that the "Kitty Clover" brand name "will be eliminated" and that all items on the enclosed price list were "under the Hiland label." 585 F. Supp. at 22, 221 U.S.P.Q. at 147. As the Court there noted, "[i]t is hard to imagine how a public declaration of discontinuance of a trademark could be more clear." Id. There is nothing remotely comparable to such statements in this case, as the newspaper

[3]See 15 U.S.C. § 1127.

articles show only that the LaFranca sisters were themselves retiring from the restaurant business without revealing anything about the new restaurant owner's plans or the future of the DELMONICO name. Because all of the objective evidence, including the LaFranca sisters' decision to register and sell the DELMONICO mark, reflects an intention to continue using the mark under new management, Ocinomled's abandonment argument fails as a matter of law.[4]

Finally, Ocinomled's reliance on isolated restaurant reviews and articles to show a purported public perception of a different goodwill in Mr. Lagasse's restaurant is also legally deficient to support an abandonment of trademark rights. It is common practice for critics to compare and contrast restaurants when they hire a new chef, but these kind of opinions hardly reflect the kind of "drastic alteration in the goods sold under a mark" that can give rise to an abandonment based on the public policy of preventing consumer deception. Bambu Sales, Inc. v. Sultana Crackers, Inc., 683 F. Supp. 899, 906, 7 U.S.P.Q.2d 1177, 1182 (E.D.N.Y. 1987). While Ocinomled tries to argue that it is somehow easier for an abandonment to take place in the context of restaurant services than "fungible" goods,[5] the Board's decision in Brewski Beer Co. v. Brewski Brothers, Inc., 47 U.S.P.Q.2d 1281 (T.T.A.B. 1998) refutes such a notion. The Board there upheld an assignment despite significant differences in menu and décor between the two restaurants involved, finding no risk of public deception where the same basic service of providing beer and food continued. Id. at 1288.

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[4]While Ocinomled points to the LaFranca sisters' filing for a Louisiana state trademark registration as supposedly supporting its abandonment argument, the attempt to secure some continued form of trademark protection for the DELMONICO name to be transferred to the new owner only serves as further support of an intention to resume use, not as proof of abandonment. The fact that the LaFranca sisters did not file for federal trademark protection at the time is irrelevant, as there is no requirement to do so and indeed Ocinomled similarly did not seek such protection until years after it began operating its DELMONICO'S restaurant.

[5]Ocinomled's attempt to equate restaurant services with unique goods made under a patent or secret formula, or porcelain from Limoges or Copenhagen (see Ocinomled Brief at 21) is without any factual or legal support.

Here, as in Brewski Beer, there is no meaningful risk of public deception because the public necessarily expected certain changes to the restaurant and others quickly became discernible. The promotion of Mr. Lagasse's personal involvement in the newly re-opened DELMONICO restaurant alerted the public to the existence of new management, while the various elements preserved by Mr. Lagasse, such as the restaurant's signature dishes, New Orleans style cuisine, original DELMONICO sign and its continuing historic location, all ensured a continuity of the same basic restaurant services long associated with the establishment. See, e.g., Stagecoach Props., Inc. v. Wells Fargo & Co., 199 U.S.P.Q. 341, 347 (T.T.A.B. 1978) (particular location of restaurant is significant factor in preserving its goodwill when property and mark are transferred to new ownership). It would be perverse in the extreme, and directly contrary to public policy, if by seeking to improve and update its newly acquired restaurant, Emeril's somehow lost the benefit of that restaurant's historic legacy and goodwill. Nothing in the case law calls for such a conclusion, and the Board should squarely reject Ocinomled's attempt to introduce such a principle here.

CONCLUSION

For the foregoing reasons and those set forth in its moving papers, Emeril's' motions to present prior testimony and for partial summary judgment should be granted.

Dated: New York, New York
July 13, 2017

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CERTIFICATE OF SERVICE

I hereby certify that I caused a true and correct copy of the foregoing to be served on July 13, 2017 upon Applicant by electronic mail to Applicant's Counsel of Record Dickerson Downing at the following the email addresses identified:

ddowning@downingip.com; dickersondowning@gmail.com

Dated: New York, New York
July 13, 2017

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