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

Proceeding	91234075
Party	Defendant Ocinomled, Ltd.
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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

SOUTHWESTERN MANAGEMENT,
INC.,

Opposer,

v.

OCINOMLED, LTD.

Applicant.

Opposition No. 91234075

App. Ser. No.: 76577253

Mark: DELMONICO'S

APPLICANT'S MOTION AND MEMORANDUM IN SUPPORT OF MOTION
TO SUSPEND PURSUANT TO 37 C.F.R. § 2.117(a)

INTRODUCTION

Applicant Ocinomled LLC (“Applicant”) hereby moves to suspend this proceeding, pursuant to 37 C.F.R. § 2.117(a), pending the determination of a case in the Supreme Court of the State of New York for the County of New York entitled *Grgurev, et al v. Licul, et al.*, Index No 157551/2019. (Cohen, J.) (“State Court Action”).

This opposition has previously been suspended, pending the final determination of a related federal court action entitled *Ocinomled Ltd. et al v. Five “M” Corp et al.*, 1:15-cv-09805-GHW (SDNY). (“Federal Court Action”). As explained in more detail below, the Federal Court Action was dismissed on May 27, 2020 in deference to the State Court Action which involves the same basic trademark issues relating to the DELMONICO'S Mark as were raised, but not decided, in the Federal Court Action.

As will be shown, it is clear the issues raised in the State Court Action regarding the DELMONICO'S Mark may have a bearing on this Opposition and therefore warrant suspension of this Opposition pursuant to 37 C.F.R. § 2.117(a). In addition, as the exact same basic issues involving the DELMONICO'S trademark were raised in the Federal Court Action and the Federal Court Action was already found to be grounds for suspension, Applicant submits that the State Court Action should also be found to be grounds for continuing

the suspension for the same reasons.

The State Court Action also seeks equitable dissolution of the Applicant which can have an additional bearing on this Opposition.

Applicant has submitted, in support of this motion, the accompanying Declaration of Charles E. Chang, the Court appointed Temporary Receiver for Applicant in the State Court Action. (“Chang Decl.”)

TERMINATION OF PRIOR FEDERAL COURT ACTION

This Opposition proceeding has been in suspension, pursuant to 37 C.F.R. § 2.117(a), since the June 19, 2017 Order of the Board, pending the final determination of the Federal Court Action. (See TTABVUE 7).

The Federal Court Action was dismissed, without prejudice, on May 27, 2020, pursuant to Fed. R. Civ. P. 41(a)(2), in deference to the related State Court Action. A copy of the final order of dismissal is attached as Exhibit 2 to Mr. Chang’s Declaration. A copy of an earlier May 12, 2020 “Memorandum of Opinion and Order” from Judge Woods, the Judge in that action, explaining his reasons for ordering the dismissal of the action is attached as Exhibit 3.

NATURE OF THE OPPOSITION PROCEEDING

Opposer Southwestern Management, Inc. (“Southwestern”) has opposed an application by Applicant to register DELMONICO’S for “restaurants” in International Class 43 (SN 76577253). See TTABVUE 1.

STATEMENT OF FACTS

The relevant facts, as set forth in the Chang Declaration and the other identified documents are as follows.

Applicant is the owner of the DELMONICO’S Restaurant in New York City. Applicant is owned by four individuals each of whom owns a 25% share of the company. They are: Omer Grgurev, Ferdo

Grgurev, Milan Licul and Branco Turcinovic. (Chang Decl. ¶ 6)

As Mr. Chang states, the Federal Court Action and the State Court Action arise from a multifaceted business dispute between Omer and Ferdo Grgurev who are plaintiffs in both actions, on the one hand, and Milan Licul and Branco Turcinovic, who are defendants in both actions, on the other. In addition to a number of other business related claims, the plaintiffs Grgurev have made the same claims in both cases, that defendants Licul and Turcinovic have committed trademark infringement and dilution under federal law and deceptive trade practices under New York State law, as a result of their alleged unauthorized use of the DELMONICO'S Mark without the consent of plaintiffs. The more recently filed State Court Action also includes a request by plaintiffs for equitable dissolution of Applicant Ocinomled Ltd. – an action that can only be taken by the state court. (Chang Decl. ¶ 7)

A review of the operative complaints in both actions demonstrates that the trademark related claims brought against defendants are essentially identical.

For example, the “Second Amended Complaint” in the Federal Court Action, as filed on or about August 9, 2019, sets forth causes of action against defendants Licul and Turcinovic for Unfair Competition-False Designation of Origin in violation of 15 USC 1125(a) (Paragraphs 174-180), Trademark Dilution in violation of 15 USC 1125(c) (Paragraphs 181-186) and Deceptive Trade Practices under N.Y Gen. Bus. Law 349 (Paragraphs 201-206) . (Chang Decl. ¶10; Exh.6)

Similarly the “Amended Verified Petition and Complaint”, as filed on or about September 16, 2019 in the State Court Action (“Amended Complaint”) sets forth the exact same causes of action for Unfair Competition-False Designation of Origin in violation of 15 USC 1125(a) (Paragraphs 93-99) and Trademark Dilution in violation of 15 USC 1125(c) (Paragraphs 100-105) and for Deceptive Trade Practices under New York law in violation of N.Y Gen. Bus. Law 349. (Paragraphs 120-125). (Chang

Decl. ¶ 8; Exh. 4)¹

Injunctive relief and monetary damages are sought in both cases. (Chang Decl. ¶ 8)

The claims in both actions are based on allegations that defendants Licul and Turcinovic and others have made unauthorized use of the DELMONICO'S Mark in connection with restaurant services and in connection with certain new products namely sauces without the consent of the co-owner plaintiffs Omer Grgrev and Ferdo Grgurev. (See below)

Although the Federal Court Action includes some parties not found in the State Court Action and sets forth some additional allegations regarding the DELMONICO'S Mark, the causes of action for unfair competition, dilution and deceptive trade practices appear to be virtually identical if not entirely identical in both cases. (Chang Decl. ¶ 11)

For example, in the First Cause of Action (Unfair Competition False Designation of Origin) of the Second Amended Complaint in the Federal Court Action (Chang Decl. Exh 6), plaintiffs allege:

175. Ocinomled applied for federal registration of its Marks and such applications are pending, subject to approval upon resolution of a separate unrelated concurrent use proceeding Defendants' use of the DELMONICO'S designation in connection with their offering of products and services is a false designation of origin and/or a false or misleading representation and description.

176. The use of the DELMONICO'S brand in connection with

¹ It should be noted that in their "Answer With Counterclaims" to the Amended Complaint, defendants Licul and Turcinovic denied the operative allegations of the Amended Complaint, asserted a number of counterclaims and raised several affirmative defenses defending their use of the DELMONICO'S Mark. Chang Decl. ¶ 9; Exh. 5).

unaffiliated restaurants and the Delmonico's Sauces has caused and is likely to cause confusion, cause mistake or deceive as to an affiliation, connection or association of Defendants with Ocinomled and/or as to the origin, sponsorship or approval of Defendants' products or services by Ocinomled.

177. Defendants' activities are in willful disregard of Ocinomled's rights.

178. Defendants have used and continue to use the Marks with the knowledge that they are likely to cause confusion, mistake or deceive as to an affiliation, connection or association of Defendants' products and services with Ocinomled.

179. Ocinomled is suffering irreparable harm and damage as a result of Defendants' false designation of origin and false and misleading representations and descriptions, such that money damages would not adequately compensate Ocinomled for the harm to its proprietary rights, established goodwill and business reputation, and such that a permanent injunction enjoining Defendants continued use of the Marks is necessary.

180. Accordingly, Defendants' actions constitute trademark infringement under 15 U.S.C. §1125(a).

Compare that to the corresponding Seventh Cause of Action in the Amended Complaint in the State Court Action (Chang Decl. Exh 4):

94. Ocinomled applied for federal registration of its Marks and such applications are pending, subject to approval upon resolution of a separate unrelated concurrent use proceeding Defendants' use of the Delmonico's

designation in connection with their offering of products and services is a false designation of origin and/or a false or misleading representation and description.

95. The use of the Delmonico's brand in connection with unaffiliated restaurants and the Delmonico's Sauces has caused and is likely to cause confusion, cause mistake or deceive as to an affiliation, connection or association of Defendants with Ocinoled and/or as to the origin, sponsorship or approval of Defendants' products or services by Ocinoled.

96. Defendants' activities are in willful disregard of Ocinoled's rights.

97. Defendants have used and continue to use the Marks with the knowledge that they are likely to cause confusion, mistake or deceive as to an affiliation, connection or association of Defendants' products and services with Ocinoled.

98. Ocinoled is suffering irreparable harm and damage as a result of Defendants' false designation of origin and false and misleading representations and descriptions, such that money damages would not adequately compensate Ocinoled for the harm to its proprietary rights, established goodwill and business reputation, and such that a permanent injunction enjoining Defendants continued use of the Marks is necessary.

99. Accordingly, Defendants' actions constitute trademark infringement under 15 U.S.C. §1125(a).

Applicant submits the above corresponding Unfair Competition claims in the two actions are essentially identical for all practical purposes. The same appears to be true of the two other trademark related claims in both actions. (Chang Decl.¶ 11)

In deciding to dismiss the Federal Court Action, Judge Woods seemed to refer to the two actions as a single case with one very important difference – the State Court Action dissolution claim.

For example, in his May 12, 2020 Order (Chang Decl. Exh.3) Judge Woods notes the two actions are involve similar issues and refers to the entire dispute as “this case” and essentially finds the State Court Action should proceed because the issue of dissolution can only be decided in State Court. As Judge Woods states:

The question before the Court is simple: where should this case be heard? Here, in federal court? Or in state court, in conjunction with an equitable dissolution proceeding that can be heard only in state court.
(Chang Decl. Exh. 3, Page 2)

LEGAL GROUNDS FOR MOTION TO SUSPEND UNDER 37 CFR 2.117(A)

A motion to suspend is governed by 37 CFR § 2.117(a) which provides:

Whenever it shall come to the attention of the Trademark Trial and Appeal Board that a party or parties to a pending case are engaged in a civil action or another Board proceeding which may have a bearing on the case, proceedings before the Board may be suspended until termination of the civil action or the other Board proceeding.

See also TBMP § 510.02(a).

In the absence of unusual circumstances, the Board will suspend a proceeding if the final determination of the other proceeding may have a bearing on the issues before the Board. There is no requirement the determination will likely be dispositive of the Board proceeding but only that it may have a bearing on the proceeding. See TBMP § 510.02(a) citing, in part, *New Orleans Louisiana Saints LLC v. Who Dat? Inc.*, 99 USPQ2d 1550, 1552 (TTAB 2011).

ARGUMENT

THIS PROCEEDING SHOULD BE SUSPENDED BECAUSE THE DECISION IN THE STATE ACTION MAY HAVE A BEARING ON THIS PROCEEDING

The Decision in the Civil Action May Have a Bearing on this Opposition

As was the case with the Federal Court Action, the State Court Action involves the DELMONICO'S Mark.

The final determination of the State Civil Action clearly may have a bearing on this proceeding in that it may have an impact on the ownership of the mark, the scope of protection, and strength of the mark, the claims and defenses available to the parties, the evidence to be submitted and other factors to be considered by the Board. The ultimate determination of the matter could also provide evidence to support additional grounds for opposing the applications just as it could also preclude certain additional grounds for opposing the applications.

A determination of the equitable dissolution issue in the State Court Action could very well effect Applicant's basic ownership rights in the DELMONICO'S Mark.

In addition, the granting of this motion could avoid premature and unnecessary discovery regarding currently unresolved issues about the DELMONICO'S Mark that may be resolved in the State Court Action.

The Trademark Issues in the State Court Action Are the Same as Those in the Federal Court Action and the Federal Court Action Has Already Been Found to Be Grounds for Prior Suspensions

As noted, the relevant allegations in the State Court Action are essentially identical to those in the Federal Court Action and the Federal Court Action has already been found to be a basis for suspending four separate opposition proceedings brought against applications by Applicant to register variations of the DELMONICO'S Mark. They are:

Emeril's Food Of Love Productions, LLC. v. Ocinomled, Ltd Opp. 91237161
Southwestern Management, Inc. v. Ocinomled Ltd. Opp. 91234074
Southwestern Management, Inc. v. Ocinomled, Ltd. Opp. 91234075

As the Board found in suspending Opposition No. 91237161 brought by Emeril's against the applications by Applicant to register DELMONICO'S for "steak sauce" in International Class 30 (SN 76577252) and "restaurant services" in International Class 43 (SN 76577253):

The Board finds that Case No. 1:15-cv-09805-GHW [Federal Court Action] may have a bearing upon this proceeding and warrants suspension of this proceeding. Case No. 1:15-cv-09805- GHW may determine, among other things, ownership rights with regard to Applicant and, by extension, ownership rights of the involved mark DELMONICO'S for the goods and services set forth in the steak sauce application and the restaurant application. Bearing in mind that the involved applications were signed by Applicant's president, Milan Lucil, a defendant in the civil action and one of four persons alleged to have equal shares in Applicant (8 TTABVUE 44, 117), the civil action may determine those persons' authority to act on behalf of Applicant and otherwise resolve issues regarding its organization. In an abundance of caution, the motion to suspend is hereby granted. Proceedings herein are suspended pending final determination, including any appeals or remands, of Case No. 1:15-cv-09805-GHW.

See Emeril's Food of Love Productions, LLC v. Ocinomled, Ltd , Opp. 91232430. See TTABVUE 19.

Applicant is not aware of any new facts or changes in circumstances that would warrant a different conclusion today with respect to the State Court Action. Accordingly, Applicant submits that the same factors that warranted suspending the four listed Oppositions as a result of the Federal Court Action apply equally to the State Court Action.

CONCLUSION

For all the reasons set forth above, Applicant respectfully submits the State Court Action may have a bearing on this proceeding and this proceeding and therefore should be suspended pursuant to 37 C.F.R. § 2.117(a).

Dated: June 16, 2020

Respectfully submitted,
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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing document has been served on this 16th day of June 2020 by e-mail upon Robert E. Purcell of the Law Office of Robert E. Purcell counsel for Opposer by electronic mail at the designated e-mail at rpurcell@purcelllaw.com.

/dmd/_____

Dickerson M. Downing