

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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FAMOUS JOE'S PIZZA, INC., :
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Plaintiff, :
:
-v- :
:
GIUSEPPE VITALE, JOE'S PIZZA OF :
BLEECKER ST. INC., JOE'S PIZZA OF :
BLEECKER ST. 2 LLC, JOE'S PIZZA ON :
SUNSET, INC., and JOHN DOES 1-5, :
:
Defendants. :
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10 Civ. 8861 (JSR)

MEMORANDUM ORDER AND
PRELIMINARY INJUNCTION

JED S. RAKOFF, U.S.D.J.

On November 23, 2010, plaintiff Famous Joe's Pizza, Inc. filed this lawsuit against defendants Giuseppe Vitale, Joe's Pizza of Bleecker St. Inc., Joe's Pizza of Bleecker St. 2 LLC, Joe's Pizza on Sunset, Inc., and John Does 1-5, for violations of federal and state trademark laws, as well as related state and federal claims of cybersquatting and the like. On December 10, 2010, plaintiff applied ex parte for a temporary restraining order pending determination of plaintiff's request for a preliminary injunction brought on by order to show cause. Based on plaintiff's sworn representations, the Court granted the temporary restraining order, which, among other things, enjoined defendants from: using the business name and mark "Joe's Pizza"; using the business name and mark "Joe's Pizza of Bleecker Street"; using any terms similar to the term "Joe's Pizza"; using the plaintiff's logo and/or stylized lettering to identify defendants' businesses; using photographs or other indicia of the plaintiff's

business and store front in the marketing of defendants' businesses; identifying the plaintiff's business as one of the defendants' businesses; operating or acting as administrators of any Joe's Pizza fan page established as www.facebook.com; and operating a website associated with the domain names <joespizza.com> and <joespizza.it>. See Temporary Restraining Order and Order to Show Cause Why a Motion for Preliminary Injunction Should Not Be Granted, 12/10/2010 (S.D.N.Y. D.I. 9). In light of the breadth of that order, however, the Court conducted a full evidentiary hearing on December 20, 2010 and December 21, 2010 in order to determine whether, in place of the temporary restraining order, a preliminary injunction should issue.¹ Based on the Court's evaluation of the evidence presented at the hearing and the submissions received in connection therewith,² the Court hereby

¹ Defendants were given the option of having the full evidentiary hearing in January, if they preferred, and of having the temporary restraining order substantially reduced in scope in the interim, but they chose to go forward with the hearing on December 20-21, 2010. See Tr., 12/10/10.

² The findings of fact and conclusions of law set forth below are binding only for the purpose of this preliminary injunction and are subject to revision after the full trial on the merits. It may be noted that the determination of the facts was made more difficult by the fact that all of the witnesses at the evidentiary hearing except for Pino Pozzuoli, Jr. (whose testimony was largely irrelevant) gave testimony that was, in material respects, unworthy of belief. Indeed, the two contending principals -- Pino Pozzuoli, Sr. and Giuseppe Vitale - - were so obviously affected by their respective self-interests and mutual animosities that they at times gave testimony that bordered on the preposterous. Nevertheless, after careful consideration of all relevant factors, including evaluation of

vacates the temporary restraining order and, in its place, issues a preliminary injunction that grants some, but not all, of the preliminary relief sought by the plaintiff.

Plaintiff is a corporation organized and existing under the laws of the State of New York that owns a well-known pizza restaurant known as Joe's Pizza located at 7 Carmine Street, New York, NY. From late 1974 to 2004, the plaintiff, through its related company, operated another pizza restaurant located at 233 Bleecker Street, New York, NY which also went by the name Joe's Pizza. The plaintiff's principal and sole shareholder is Pino Pozzuoli. Vitale, the individual named defendant in this action, began working as an employee at Joe's Pizza in late 1981, approximately three years before he married Pozzuoli's daughter Theresa. Vitale and Pozzuoli's daughter divorced in 2004. Also in 2004, Pozzuoli decided to forgo renewal of the lease at the Bleecker Street location and consolidate the business at the Carmine Street location.

In 2002, Vitale opened his own restaurant -- called Joe's Pizza of Bleecker Street -- at 137 Seventh Avenue in the Park Slope section of Brooklyn. In 2005, Vitale sold his interest in this restaurant and opened another restaurant called Joe's Pizza of Bleecker Street located on King's Highway in Brooklyn. In 2007 and 2009, respectively, Vitale opened two other restaurants named Joe's

the witnesses' demeanor, the Court was able to make with confidence the findings and conclusions set forth below.

Pizza of Bleecker Street -- one located in Santa Monica, California and one located in West Hollywood, California. On October 12, 2007, Vitale filed an application with the United States Patent and Trademark Office to register a trademark for the name "Joe's Pizza of Bleecker Street" and, on February 26, 2008, he filed an application to register a trademark for the name "Joe's Pizza." While both applications were eventually approved, the trademark examiner originally requested additional information as to the basis for the reference to Bleecker Street. In response, Vitale made several dubious representations such that he had "founded" the restaurant on Bleecker Street, whereas in fact Mr. Pozzuoli was the founder.

In addition to alleging that defendants are using trade names that allegedly belong to plaintiff, the plaintiff alleges that the defendants are also using reviews of the plaintiff's restaurant and photos taken at the plaintiff's restaurant in the defendants' marketing materials. Moreover, the plaintiff alleges that the defendants are unlawfully using the plaintiff's stylized logo on the defendants' signs and in the defendants' marketing materials.

After careful consideration, the Court hereby grants the following preliminary injunction. Pending the final hearing and determination of this action, the defendants, their agents, servants, employees, officers, and all persons in active concert and participation with them are hereby enjoined, on pain of contempt, from:

(a) Advertising, promoting, or marketing defendants' businesses as being associated in any respect whatever with the plaintiff's business located on Carmine Street;

(b) Using in any way photographs or other photo images of the plaintiff's business and storefront on Carmine Street or the plaintiff's former business and storefront on Bleecker Street in the advertising, promotion, or marketing of any of defendants' businesses;

(c) Using in any way celebrity photos or other images taken either at the plaintiff's business on Carmine Street or the plaintiff's former business on Bleecker Street in the advertising, promotion, or marketing of any of defendants' businesses; and

(d) Using in any way reviews or endorsements of the plaintiff's business on Carmine Street or plaintiff's former business on Bleecker Street in the advertising, promotion, or marketing of any of defendants' businesses.

The principal reasons for the Court's rulings are as follows. First, the Court finds that the plaintiff has demonstrated that it has a high likelihood of success on at least some of its claims of defendants' having made misrepresentations in violation of § 43(a) of the Lanham Act. Section 43(a)(1)(B) of the Lanham Act provides in relevant part:

Any person who, on or in connection with any goods or services, or any container for goods, uses in commerce any word, term, name, symbol ... or any false or misleading

description of fact, or false or misleading representation of fact, which ... in commercial advertising or promotion, misrepresents the nature, characteristics, qualities, or geographic origin of his or her or another person's goods, services, or commercial activities, shall be liable in a civil action by any person who believes that he or she is likely to be damaged by such act.

See 15 U.S.C. § 1125(a)(1)(B). A plaintiff can recover under this section of the Lanham Act by demonstrating that the defendants' advertisements are literally false or that the advertisements are implicitly false. See Time Warner Cable, Inc. v. Direct TV, Inc., 497 F.3d 144, 153 (2d Cir. 2007). When an advertisement is shown to be literally or facially false, consumer deception (and therefore irreparable harm) is presumed and the court may grant relief without reference to the advertisement's actual impact on the public. See Schering Corp. v. Pfizer Inc., 189 F.3d 218, 229 (2d Cir. 1999). In order to recover for implicitly false advertisements, the plaintiff needs to present extrinsic evidence of consumer deception or confusion. Time Warner Cable, 497 F.3d at 153. Under either theory, the plaintiff must also show that the representation was material. Id. at 153 n.3.

In this case, the plaintiff has demonstrated that it has a high likelihood of success on at least some of its Lanham Act claims because the defendants' advertising and marketing materials contain

representations that are literally false. Specifically, the representation on the defendants' pizza box, and various similar representations elsewhere in the defendants' marketing materials, to the effect that the Carmine Street location is one of the defendants' locations is false on its face. Indeed, at the evidentiary hearing, Mr. Vitale effectively acknowledged that this representation was false and agreed to cease making references to the Carmine Street location. See Tr., 12/20/10, 12/21/10. Moreover, the defendants' use of reviews of the plaintiff's restaurant and of photos taken at the plaintiff's current restaurant on Carmine Street and former restaurant on Bleecker Street in defendants' marketing materials plainly "misrepresents the nature, characteristics, [and] qualities" of the defendants' restaurants. Indeed, there is a strong argument that these representations can also be considered literally false, but even assuming they are only implicitly false, the plaintiff has submitted extrinsic evidence of actual confusion. See Aff. of Pino Pozzuoli, Jr. at ¶¶ 57-58, Ex. P (citing eight reviews equating the defendants' restaurants with the plaintiff's restaurant). Finally, the Court finds that these representations are material since they are clearly designed to, and are likely to, have a material effect on consumers' purchasing decisions. See National Basketball Ass'n v. Motorola, Inc., 105 F.3d 841, 855 (2d Cir. 1997). Thus, the Court concludes that the plaintiff is likely to prevail on its fraudulent representation claim under the Lanham Act.

Second, the Court finds that the plaintiff has demonstrated that it will suffer irreparable harm without an injunction. The defendants' continued use of the plaintiff's address and photographs taken at the plaintiff's location in defendants' marketing materials will undoubtedly result in ongoing confusion of the public about whether the defendants' restaurants are in fact associated with the plaintiff's restaurant on Carmine Street. In addition, these actions are diluting the plaintiff's goodwill and reputation in a way that cannot be easily quantified. Because "[i]t is virtually impossible to prove that so much of one's sales will be lost or that one's goodwill will be damaged as a direct result of a competitor's advertisement," the plaintiff "need not ... point to an actual loss or diversion of sales" to demonstrate irreparable harm. Time Warner Cable, 497 F.3d at 161. Here, the Court finds that the defendants' use of photographs and reviews of the plaintiff's business in defendants' marketing materials is intended to deceive the public, and, indeed, various reviews in evidence that equate the defendants' restaurants with the plaintiff's restaurant suggest that the defendants' actions are causing actual confusion.

Furthermore, while enjoining the defendants from using the name "Joe's Pizza" or "Joe's Pizza of Bleecker Street" could be very disruptive to the defendants' businesses (see infra), merely requiring them to remove photo images of the plaintiff's business and eliminate references to the plaintiff's business on Carmine Street from their

promotional materials until this matter is resolved is not unduly burdensome.

However, while some injunctive relief is appropriate, the Court finds that the plaintiff is not entitled to all of the relief it has requested. For example, the Court finds that the plaintiff has not yet shown that it is likely to prevail on many of its trademark infringement claims to the requisite degree necessary to support preliminary injunctive relief of the onerous kind plaintiff requests in this regard. To prevail in a trademark infringement action under the Lanham Act, a plaintiff must prove both that its mark is protectable and that there is a likelihood of confusion, or that "numerous ordinary prudent purchasers are likely to be misled or confused as to the source of the product in question because of the entrance in the marketplace of defendant's mark." See Gruner + Jahr USA Publ'g v. Meredith Corp., 991 F.2d 1072, 1076-77 (2d Cir. 1993). Notwithstanding the potential for confusion, the Court finds that, at least at this stage, the plaintiff has not established that the very generic name "Joe's Pizza" is protectable. Whether "Joe's Pizza of Bleecker Street" is protectable is certainly a closer question, but the Court still finds that the plaintiff has not yet demonstrated a likelihood of success on the merits sufficient to support injunctive relief. While Vitale certainly made misleading statements to the U.S. Patent and Trademark Office in connection with defendants' trademark applications -- including the statement that he "founded" the Joe's

Pizza located on Bleecker Street -- it is not as though Vitale had no connection to the Bleecker Street location and was thus entirely unjustified in referring to it in his trademark application. Vitale did work alongside Pino Pozzuoli for 23 years, and it is likely that Vitale is at least partially responsible for the success of the plaintiff's restaurant. See Am. Decl. of Giuseppe Vitale at ¶ 4. Also, despite the fact that the plaintiff has been in business for 35 years, the plaintiff never applied for the trademarks "Joe's Pizza" or "Joe's Pizza on Bleecker Street."

Moreover, plaintiff's claim that the defendants have usurped their distinctive logo is questionable in light of the numerous photographs presented at the evidentiary hearing, which demonstrate that the plaintiff has not had a consistent logo during its 35 years in business or even during the past 5 years. And while the plaintiff's principal vehemently maintains that its restaurant goes by the name "Joe's Pizza," various signs (and the plaintiff's corporate name) suggest that the restaurant chiefly goes by the name "Famous Joe's Pizza." While the plaintiff may ultimately succeed on its trademark infringement claims, the Court finds that, at this stage, the plaintiff has not sufficiently demonstrated a likelihood of success on the merits sufficiently to warrant preliminary injunctive relief, and thus the Court does not enjoin the defendants from using the name "Joe's Pizza" or "Joe's Pizza of Bleecker Street" and does

not enjoin the defendants from using the logo and/or stylized lettering that allegedly belong to the plaintiff.

The Court has considered the parties' other arguments and requests but finds they do not warrant further discussion here.

Accordingly, the Court grants the plaintiff's request for a preliminary injunction only in the respects set forth above. To the extent here granted, however, the preliminary injunction shall take effect immediately.

SO ORDERED.



JED S. RAKOFF, U.S.D.J.

Dated: New York, New York
December 23, 2010

3:45 p.m.