

oster v Calisi

2007 NY Slip Op 30485(U)

March 7, 2007

Supreme Court, Suffolk County

Docket Number: 0019204/2005

Judge: Peter Fox Cohalan

Republished from New York State Unified Court System's E-Courts Service.
Search E-Courts (<http://www.nycourts.gov/ecourts>) for any additional information on this case.

This opinion is uncorrected and not selected for official publication.

INDEX # 19204-05
RETURN DATE: 9-8-06 (004)
11-22-05 (005 & 006)
MOT. SEQ. # 004, 005 & 006

SUPREME COURT - STATE OF NEW YORK
I.A.S. TERM, PART XXIV - SUFFOLK COUNTY

PRESENT:
Hon. PETER FOX COHALAN

-----x
WILLIAM OSTER,

Plaintiff,

-against-

MARK CALISI, individually, and as an officer of
TUSCAN HOUSE, INC., TUSCAN HOUSE, INC., LUIGI
BISCARDI and JOHN DOES numbered 1-10, names
unknown, but intended to be the proposed purchasers
of that restaurant operated at 673 Osborne Avenue,
Riverhead, New York 11901,

Defendants.
-----x

CALENDAR DATE: August 23, 2006
MNEMONIC: MD; MD; XMWDN

PLTF'S/PET'S ATTORNEY:

LAW OFFICES OF LLOYD J. WEINSTEIN, P.C.
10 Newton Place
Hauppauge, NY 11788

DEFT'S/RESP ATTORNEY:

SINNREICH SAFAR & KOSAKOFF LLP
Attys for Calisi & Tuscan House
320 Carleton Ave.
Central Islip, NY 11722

STEVEN M. NACHMAN, ESQ.
Atty for Biscardi
675 Third Ave.
New York, NY 10017

Upon the following papers numbered 1 to 60 read on this motion for injunctive relief and to dismiss _____;
Notice of Motion/Order to Show Cause and supporting papers 1-8 ; 30-45 _____; Notice of Cross-Motion and
supporting papers 46-50 _____; Answering Affidavits and supporting papers 9-18; 51-57 _____; Replying
Affidavits and supporting papers 19-22 ; 58-60 _____; Other 23-29 _____; and after hearing counsel in support of and
opposed to the motion it is,

ORDERED that this motion by the plaintiff, William Oster, for a permanent
injunction preventing the defendants from using the trademark name "Tuscan House" in
connection with a restaurant is hereby denied in its entirety; the matter will be set down for a
traverse hearing on the issue of proper service, as called for in the order to show cause, dated
September 8, 2005, on May 3, 2007 at 11:30 am. The motion to dismiss the first, second, fourth,
fifth, sixth and seventh (1st, 2nd, 4th, 5th, 6th and 7th) causes of action in the plaintiff's complaint
pursuant to CPLR §3211 (7) is denied and the cross-motion is moot and was withdrawn at oral
argument of the motion.

Plaintiff instituted this action seeking to permanently enjoin the defendants from
using the name "Tuscan House" as a trademark infringement and declaring the plaintiff to be the
rightful owner of the name "Tuscan House." Defendants Mark Calisi (hereinafter Calisi),
individually, and as an officer of Tuscan House, Inc., et al. oppose the requested relief alleging,
inter alia, that plaintiff failed to establish the elements necessary for either a permanent or a
preliminary injunction and legally cannot prior to trial seek the ultimate relief of a permanent
injunction. The defendants also move to dismiss sections of the plaintiff's complaint indicated
above pursuant to CPLR §3211 (7) arguing that the plaintiff has failed to state a cause of action.
Plaintiff opposes that requested relief.

The defendant Tuscan House Inc. is a domestic corporation organized and formed on July 6, 1998 by Calisi to operate a restaurant known as the Tuscan House at 673 Osborne Avenue in Riverhead, Suffolk County on Long Island, New York. The plaintiff was the master chef at the restaurant and, it is alleged that, in November 2004 the plaintiff indicated his intention to leave the business and open his own restaurant in Southampton, New York. Plaintiff, in his complaint (paragraph 7), claims that he is alternately an "owner" of the restaurant and/or was given permission and/or was transferred the right to own and use the name "Tuscan House" by Calisi. Defendants et al. deny the allegations and claim not only that they own the trademark "Tuscan House" but that the plaintiff was never given permission to use the name for his restaurant in Southampton. This lawsuit thereafter ensued with the instant order to show cause seeking a permanent injunction enjoining the use of the name Tuscan House. Defendants opposed the motion seeking permanent injunctive relief as procedurally improper and also on jurisdictional grounds as the order to show cause was not properly served on Calisi as called for by its terms. Thereafter the defendants moved to dismiss the 1st, 2nd, 4th, 5th, 6th, and 7th causes of action pursuant to CPLR 3211 (7) for failure to state a cause of action. The defendants argue that the plaintiff is not an owner of the business and has no right to the name nor is there any document evidencing a proper transfer of the trademark name and that the plaintiff relies on hearsay evidence. Plaintiff opposes the motion to dismiss claiming that he has registered the trademark "Tuscan House" with the New York Secretary of State and the State Liquor Authority.

For the following reasons, the plaintiff's motion for a permanent injunction is denied in its entirety as procedurally improper. The Court may not grant a permanent injunction requested in an order to show cause prior to joinder of issue and trial, (see, Armbruster v. Gipp, 103 AD2d 1014, 478 NYS 419 [4th Dept. 1984], since this relief is not a provisional remedy but the subject of ultimate relief. Durkin v. Durkin Fuel Acquisition Corp., 224 AD2d 574, 639 NYS2d 716 (2nd Dept. 1996). The plaintiff's complaint seeks the use of the trademark "Tuscan House" and a permanent injunction of the use of the name by the defendants. However, the ultimate relief of a permanent injunction requires a trial on the ownership of the trademark and may not be granted as a provisional remedy. See, Oceana Holding Corp. v Atlantic Oceana Inc., 12 Misc. 3d 1192(A), 824 NYS2d 756 (2006) citing to Oppenheim v. Thanasoulis, 123 AD 494, 108 NYS 505 (1st Dept. 1908).

If the actual relief sought by plaintiff in his order to show cause is a misnomer and, instead, is in the nature of the provisional remedy of a preliminary injunction, pursuant to CPLR §6301 et. sec., then that extraordinary remedy is also denied. The purpose of a preliminary injunction is to preserve the status quo pending trial. McLaughlin, Piven, Vogel Inc. v. W. J. Nolan & Co., Inc., 114 AD2d 165, 498 NYS2d 146 (2nd Dept. 1987), appeal denied 67 NYS2d 606, 501 NYS2d 1024. In order to prevail on a motion for a preliminary injunction, the moving party has the burden of establishing, (1) a likelihood of ultimate success on the merits, (2) irreparable injury absent a granting of the requested relief and (3) the equities weigh in its favor. Upgrade Education Services, Inc. v. Rappaport, 136 AD2d 628, 523 NYS2d 872 (2nd Dept. 1988); Benjamin Kurzban and Son, Inc. v. Board of Education, City of New York, 129 AD2d 756, 514 NYS2d 749 (2nd Dept. 1987). Preliminary injunctive relief lies with the sound discretion of the court [Geres v Koch, 62 NY2d 84, 476 NYS2d 73 (1984)] and it is predicated on a clear

showing of the afore-mentioned three prong test. W. T. Grant Co., v Srogi, 52 NY2d 496, 438 NYS2d 761 (1981); cf. Albini v. Solork Associates, 37 AD2d 835, 326 NYS2d 150 (2nd Dept. 1971).

As a provisional remedy, the chief function of a preliminary injunction is to prevent any conduct before judgment which would impair the ability of the Court to render the appropriate final judgment. Mucchi v. Eli Haddad Corp., 101 AD2d 724, 475 NYS2d 35 (1st Dept. 1984). The plaintiff has failed to meet his burden of establishing irreparable injury in light of the fact that the Tuscan House restaurant in Riverhead is no longer in operation, and the claim that the equities lie in plaintiff's favor and the likelihood of success on the merits is seriously contested and in doubt, especially since the defendants operated a restaurant in Riverhead using the name "Tuscan House" and there are no written documents to substantiate any claim that the plaintiff contracted for or was given permission to assume the mark for his own restaurant. These legal issues involve the failure of consideration and also the Statute of Frauds. Therefore further discovery may be required.

The motion by the defendants' to dismiss the 1st, 2nd, 4th, 5th, 6th and 7th causes of action in the plaintiff's complaint pursuant to CPLR §3211 (a) (7) for failure to state a cause of action is also denied. Plaintiff submits that the trademark "Tuscan House" is a registered trademark with the New York Secretary of State and the State Liquor Authority and is assigned to him and his corporation, Toscana Inc., and therefore the complaint sufficiently states a cause of action. Defendants argue that the "Tuscan House" was a restaurant operated by the Tuscan House, Inc. on Osborne Avenue in Riverhead and therefore is owned by the defendants. The restaurant Tuscan House in Riverhead is no longer in operation having closed during the pendency of this lawsuit though the parties still require a determination of ownership of the name.

Upon a motion to dismiss a complaint for legal insufficiency, the test to be applied is whether the complaint gives sufficient notice of the transactions, occurrences or series of transactions or occurrences intended to be proven and whether the requisite elements of any cause of action known in our law can be discerned from its averments. Frank v. DaimlerChrysler Corp., 292 AD2d 118, 741 NYS2d 9 (1st Dept. 2002); Gruen v. County of Suffolk, 187 AD2d 560, 590 NYS2d 217 (2nd Dept. 1992); Moore v. Johnson, 147 AD2d 621, 538 NYS2d 28 (2nd Dept. 1989); Conroy v. Cadillac Fairview Shopping Center Properties, 143 AD2d 726, 533 NYS2d 446 (2nd Dept. 1988). Furthermore, the complaint should be liberally construed in plaintiff's favor and the facts alleged in the complaint should be assumed to be true. P.T. Bank Central Asai v. ABN Amro Bank N.V., 301 AD2d 373, 754 NYS2d 245 (1st Dept. 2003); Palazzolo v. Herrick, Feinstein, LLP, 298 AD2d 372, 751 NYS2d 401 (2nd Dept. 2002); Holly v. Pennysaver Corp., 98 AD2d 570, 471 NYS2d 611 (2nd Dept. 1984). The nature of the inquiry is whether a cause of action exists and not whether it has been properly stated. McGill v. Parker, 179 AD2d 98, 582 NYS2d 91 (1st Dept. 1992); Marini v. D'Atolito, 162 AD2d 391, 557 NYS2d 45 (1st Dept. 1990).

As noted by the Court in Pace v. Perk, 81 AD2d 444, 440 NYS2d 710 (2nd Dept. 1981) with regard to a motion to dismiss pursuant to CPLR 3211:

“ Upon such a motion to dismiss a complaint for legal insufficiency, the court must assume that the allegations are true (*Denihan Enterprises v. O’Dwyer*, 302 NY 451, 458, 99 NE2d 235), and must deem the complaint to allege whatever can be imputed from its statements by fair and reasonable intendment, however imperfectly, informally or illogically facts may be stated therein (*Condon v. Associated Hosp. Service of New York*, 287 NY 411, 40 NE2d 230). In making its analysis, the court is not bound by the constructions and theories of the parties (see, Siegel, Practice Commentaries, McKinney’s Cons. Laws of NY, Book 7B, CPLR 3211:24). The test of the sufficiency of a complaint is whether it gives sufficient notice of the transactions, occurrences, or series of transactions or occurrences intended to be proved and whether the requisite elements of any cause of action known to our law can be discerned from its averments (CPLR 3013; *Foley v. D’Agostino*, 21 AD2d 60, 62-65, 248 NYS2d 121; *Guggenheimer v. Ginzberg*, 43 NY2d 268, 274-275, 401 NYS2d 182, 372 NE2d 17). Where the motion to dismiss for failure to state a cause of action is made under CPLR 3211, the plaintiff may rest upon the matter asserted within the four corners of the complaint and need not make an evidentiary showing by submitting affidavits in support of his complaint (*Rovello v. Orofino Realty Co.*, 40 NY2d 633, 389 NYS2d 314, 357 NE2d 970).”

The rules governing the court’s review of a motion to dismiss pursuant to CPLR 3211 (a)(7) are both simple and straight forward. The court must afford the complaint a liberal construction, accept as true the allegations contained therein, afford plaintiff the benefit of every favorable inference and determine only whether the facts alleged fit within any cognizable legal theory. *Guggenheimer v. Ginzburg*, 43 NY2d 268, 401 NYS2d 182 (1978); *One Acre Inc. V. Town of Hempstead*, 215 AD2d 359, 626 NYS2d 226 (2nd Dept. 1995). Although, as the Court noted, the plaintiff need not make an evidentiary showing by submitting affidavits or other documentation in support of the complaint, nevertheless, if submitted by plaintiff, they “may be used freely to preserve inartfully pleaded, but potentially meritorious claims” (*Rovello v. Orofino Realty Co.*, supra, 635, 389 NYS2d 314, 316).

With these general principles in mind, the Court, upon review of the plaintiff’s complaint and the allegations contained therein, finds that the plaintiff’s complaint sufficiently sets forth a cognizable claim of ownership to the name “Tuscan House” to withstand a motion to dismiss for failure to state a claim upon which relief can be granted. Plaintiff claims to have

registered and to own the name "Tuscan House" with New York State and the State Liquor Authority for use with the operation of his restaurant in Southampton, and while defendants point to their corporation Tuscan House Inc., and their prior ownership and operation of the restaurant, Tuscan House, in Riverhead, New York as a basis for their ownership of the name, the plaintiff sets forth a cognizable claim to the name to defeat the defendants' motion. The Court when assessing the motion pursuant to CPLR §3211 (a)(7) may freely consider the plaintiff's affidavit to remedy any defects which may be apparent in the complaint. The criterion is not whether the proponent has pleaded a cause of action but whether, in fact, the proponent has one and affidavits and other evidence may be considered. Fay Estates v. Toys "R" Us, Inc., 22 AD3rd 712, 803 NYS2d 135 (2nd Dept. 2005); Pechko v. Gendelman, 20 AD3rd 404, 799 NYS2d 80 (2nd Dept. 2005).

Clearly, the plaintiff has made out a cause of action for claimed ownership to the name "Tuscan House" to withstand the defendants' motion to dismiss. It is quite apparent that discovery is necessary to determine the facts underlying the ownership of the name "Tuscan House" and its use and ownership by both the plaintiff and the defendants in light of the use of the name "Tuscan House" by the defendants and the corporation in operation of the restaurant "Tuscan House" in Riverhead and the subsequent registration of the mark by the plaintiff in his operation of a restaurant by the same name in Southampton. As the Court in Scott v. Cooper, 215 AD2d 368, 625 NYS2d 661 (2nd Dept. 1995) app. Dis. 86 NY2d 812, 632 NYS2d 497, aptly noted:

" The criterion is whether the plaintiff has a cause of action and not whether he may ultimately be successful on the merits (see, Stukuls v. State of New York, 42 NY2d 272, 275; Detmer v. Acampora, 207 AD2d 475; Greenview Trading Co. V. Hershman & Leicher, 108 AD2d 468, 470)."

The motion by the defendants for dismissal of the plaintiff's complaint pursuant to CPLR §3211 (a)(7) is hereby denied in its entirety. The cross-motion by the defendant Luigi Biscardi is hereby denied as moot. The motion was withdrawn at oral argument upon the filing of a stipulation of discontinuance without prejudice as against this defendant dated August 30, 2006

The foregoing constitutes the decision of the Court.

Dated: March 7, 2007



J.S.C.