At an IAS Term, Part 66 of the Supreme Court of the State of New York, held in and for the County of Kings, at the Courthouse, at 360 Adams Street, Brooklyn, New York, on the 13th day of April, 2021.

P R E S E N T:

HON. RICHARD VELASQUEZ,

Justice.

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C.M.B. PRODUCTIONS, INC.,

Plaintiffs,

- against - Index No. 527812/2019

SRB BROOKLYN, LLC, ARDEN KAISMAN, MICHAEL BRUNO, GIOVANNI PAQUINI, ANALOG BROOKLYN, LLC AND 177 SECOND AVE., LLC,

Defendants.

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The following e-filed papers read herein:	NYSCEF Doc Nos.
Notice of Motion, Affidavit/Affirmation/Annexed Exhibits	24, 26-35
Opposing Affidavits (Affirmations)/Annexed Exhibits	39-42
Reply Affidavits (Affirmations)	45-50

After having heard oral argument on December 7, 2020 and upon review of the foregoing papers, defendants SRB Brooklyn, LLC (SRB), Arden Kaisman (Kaisman) and 177 Second Avenue, L.L.C. (177 Second Avenue), (collectively defendants),[1] move in motion sequence (mot. seq.) one for an order, pursuant to CPLR 3211 (a) (4) and in part, pursuant to CPLR 3211 (a) (1), (5) and (7), dismissing the amended complaint in

[1] Defendants Giovanni Paquini (Paquini), Michael Bruno (Bruno) and Analog Brooklyn, LLC (Analog Brooklyn) have not yet appeared in this action, and are not included in any reference to defendants, collectively.

its entirety. In the alternative, defendants request an order, pursuant to CPLR 2201 and 3211 (a) (4), staying this action pending the final determination in a current related federal action, *C.M.B. Productions, Inc. v SRB Brooklyn, LLC et al.*, US Dist Ct, ED NY, 19 Civ 2009, Vitaliano, J., 2019 (the Federal Action).

Background

The Amended Complaint in the Present Action

Plaintiff, C.M.B. Productions, Inc. (CMB) commenced this action - which involves a dispute over ownership of the word mark ANALOG BKNY and the related logo mark (ANALOG BKNY marks or the marks) - by filing a summons and complaint on December 12, 2019. On January 22, 2020, plaintiff filed an amended complaint, which is the operative complaint here.

On September 19, 2017, the ANALOG BKNY marks were registered with United States Patent & Trademark Office in connection with dance club and nightclub entertainment services. Plaintiff alleges that the ANALOG BKNY marks, along with the CLUB ANALOG trademark, were developed by Craig Bernabeu (Bernabeu), a sound system specialist and designer with almost 30 years' experience designing and building sound systems used in night clubs and event spaces, and assigned to plaintiff. According to CMB, Bernabeu is well known in the nightclub and event space industry for producing superior quality sound systems and has been nominated for international awards for same. Prior to registration of the ANALOG BKNY marks, Bernabeu allegedly accrued common rights to the marks, which he used in hosting dance and nightclub services. Defendants dispute that Bernabeau owned the marks.

At some point, Bruno, who manages SRB's nightclub, located at 177 Second

Avenue, Brooklyn, New York (the Night Club), became aware of Bernabeu's reputation for superior sound systems, and approached Bernabeu, convincing him to take part in the Night Club. The Night Club, which has been known as "177," had failed to attract clientele due it its isolated location and distance from Manhattan. Bernabeu agreed to join the Night Club's operation, but only if its name was changed from "177" to "ANALOG BKNY." Kaisman and SRB allegedly consented to the name change. Thereafter, due to Bernabeu's participation and due to the use of Bernabeu's sound system and the ANALOG BKNY trademark, a new disc jockey and more clientele were drawn to the night club due to their familiarity with Bernabeu's sound system and his reputation in the industry.

On January 24, 2018, Bruno formed ANALOG BROOKLYN, LLC, naming Paquini, who at the time was the assistant manager of the Night Club, as addressee for service of process. Sometime in mid-2018, SRB, Bruno and Kaisman began using ANALOG BROOKLYN, a mark allegedly competing and confusingly similar to plaintiff's trademarks, in conjunction with events, notifications, and social media postings concerning services and events at the Night Club. Bernabeu allegedly protested such use as being in contravention of the agreement between SRB and Kaisman to use the ANALOG BKNY marks.

On January 1, 2019, as a result of the dispute between Bernabeu and defendants, Bernabeu left the joint venture and removed his sound system's components from the Night Club. Upon being advised of Bernabeu's desire to leave, Kaisman allegedly claimed that he owned the ANALOG BKNY marks, advised that he would continue to use them after Bernabeu's departure, and further advised that

Bernabeu could sue him for use of the ANALOG BKNY trademarks. Since Bernabeu's departure on January 1, 2019, SRB and Kaisman have allegedly used the ANALOG BKNY marks in advertisements for events at the Night Club without Bernabeu's permission up until as late as December 7, 2019. Kaisman also allegedly continued to use the ANALOG BROOKLYN and CLUB ANALOG trademarks on social media platforms, including Facebook, Instagram, and Twitter. After Bernabeu's departure, SRB and Kaisman continued to maintain the website WWW.ANALOG-BROOKLYN.COM, and have also continued to use plaintiff's ANALOG BKNY trademark.

On January 31, 2019, CMB sent defendants cease and desist letters alleging that defendants' infringement of plaintiff's federally registered marks and demanded that defendants cease the use of the ANALOG BROOKLYN mark. Notwithstanding these letters, SRB, Kaisman and Bruno allegedly continued to use the ANALOG BKNY marks without plaintiff's permission and continued to use the ANALOG BROOKLYN mark.

On March 26, 2019, CMB filed a New York State trademark application for the ANALOG BKNY word and logo marks. Thereafter, as defendants ignored plaintiff's cease and desist letters, on April 8, 2019, CMB filed the Federal Action, alleging federal and state trademark violations. The New York Secretary of State issued a state trademark registration for the ANALOG BKNY logo mark on July 8, 2019, and on July 23, 2019, issued a state trademark registration for the ANALOG BKNY word mark. After the New York Secretary of State issued trademark registrations for plaintiff's ANALOG BKNY marks, on or about August 7, 2019, CMB sent defendants cease and desist letters demanding that defendants refrain from using ANALOG BROOKLYN, which

plaintiff claims maintains is confusingly similar to ANALOG BKNY. Despite the cease and desist letters, defendants have allegedly continued to use CMB's marks.

On October 25, 2019, defendants' counsel allegedly advised plaintiff's counsel that effective November 1, 2019, defendants would stop use of the ANALOG BKNY word and logo marks and would also discontinue using the ANALOG BROOKLYN mark. Notwithstanding this alleged promise, defendants continued using both marks.

The amended complaint asserts the following causes of action: (1) trademark infringement under General Business Law § 360-k; (2) injury to business reputation and dilution under General Business Law § 360-l; (3) violations of General Business Law § 133; (4) unfair and deceptive practices under General Business Law § 349; (5) false advertising under General Business Law § 350; (6) trademark counterfeiting under General Business Law § 360-m; and (7) landlord trademark infringement liability under Real Property Law § 231.

CMB requests judgment, granting a temporary restraining order, preliminary injunction and permanent injunction restraining defendants from using the ANALOG BKNY marks or any mark that is confusingly similar thereto. Plaintiff demands that Bruno and Paquini change the name of the limited liability company, ANALOG BROOKLYN, LLC. Plaintiff further demands that SRB, Kaisman and/or Bruno transfer the ANALOG-BROOKLYN.COM domain name to plaintiff. The complaint also seeks repayment of all defendants' profits derived from wrongful use of the marks, compensatory and punitive damages, as well as well as attorneys' fees.

The Complaint in the Federal Action

In the Federal Action, CMB brought causes of action against defendants SRB,

Kaisman, Bruno and Paquini for: (1) federal trademark infringement under Section 32 (a) of the Lanham Act, 15 U.S.C. § 1114; (2) false designation of origin, passing off and unfair competition under Section 43 (a) of the Lanham Act, 15 U.S.C. § 1125; (3) false advertising under Section 43 (a) of the Lanham Act, 15 U.S.C. § 1125; (4) federal dilution under Section 43 (a) of the Lanham Act, 15 U.S.C. § 1125; (5) federal anti-cybersquatting under Section 43 (a) of the Lanham Act, 15 U.S.C. § 1125; (6) federal counterfeiting under Anticounterfeiting Consumer Protection Act, 18 U.S.C. § 2320; (7) unfair & deceptive practices under General Business Law § 349; (8) false advertising under General Business Law § 350; and (8) trademark dilution under General Business Law § 360 *et seq*.

The factual allegations of the complaint in the Federal Action are substantially similar to those in the instant matter. There are no allegations concerning plaintiff's state trademarks, however, as those marks were obtained after the Federal Action was filed. Likewise, the relief sought in the Federal Action is substantially similar to the relief sought in the instant matter.

Pursuant to the August 12, 2019 scheduling order in the Federal Action, the parties had until October 14, 2019 to join additional parties and amend the pleadings. By email dated November 12, 2019, defendants' counsel denied plaintiff's counsel's request for consent to amend the federal complaint. On July 21, 2020, after discovery in the Federal Action was completed and prior to the filing of the summary judgment, plaintiff amended its complaint, dismissing Paquini from the Federal Action with prejudice, as well as discontinuing the federal dilution, counterfeiting and cybersquatting claims that defendants had previously moved to dismiss in a motion to dismiss. On

August 21, 2020, defendants moved for summary judgment dismissing the amended complaint in the Federal Action. That motion is currently sub judice.

Motion to Dismiss Pursuant to CPLR 3211 (a) (4)

Parties' Contentions

Defendants contend that the amended complaint should be dismissed pursuant to CPLR 3211 (a) (4) because of the prior pending Federal Action between the same parties for the same causes of action. Defendants argue that the Federal Action is substantially identical to the complaint and the amended complaint filed here. In that regard, defendants submit that all of the defendants named in the Federal Action are also named in this action. They also contend that the underlying conduct – the use of the name ANALOG BKNY and ANALOG BROOKLYN for the same nightclub over the same time period – is exactly the same. Defendants note that the original federal complaint, as here, sought the remedies of a permanent injunction, treble damages, statutory damages and attorneys' fees. With respect to the amended complaint in the Federal Action, defendants point out that as in this instant matter, the amended complaint in the Federal Action still contains causes of action for violations of General Business Law §§ 349, 350 and 360, as well as similar remedies. Defendants further argue that plaintiff had the opportunity to amend the complaint in the Federal Action to include the state law claims asserted here but failed to do so within the time allotted. In the alternative, defendants request that this action be stayed pending final determination of the Federal Action.

In opposition, CMB contends that dismissal of this action based on a prior action pending is improper because this action is based on violations of the state trademarks

while the Federal Action based on violations of the federal trademark registrations, which are "separate and independent" from the state registrations, and thus may be prosecuted separately. CMB argues that the harm in each action is different and the nature of the relief sought in this action is therefore not the same or substantially the same as in the federal action. Thus, plaintiff contends that there is not a complete identity of issues in both cases, which, in and of itself, is significant enough to warrant dismissal of defendants' motion.

Plaintiff also argues that the state and federal actions differ in that there are different claims sought in each action: the instant action asserts seven causes of action for breach of the state registrations based upon violations of state statutes, while the majority of the claims in the federal action state violations of federal statutes stemming from breach of the federal registrations, even though CMB nevertheless asserted violation of the General Business Law §§ 349, 350 and 360 in the Federal Action.

In addition, plaintiff argues that the parties, claims and relief sought here are not substantially identical. In this regard, CMB notes that while the parties are similar, they are not identical, since neither Paquini nor 177 Second are currently parties to the Federal Action. Furthermore, plaintiff contends that the actions are different, as this action asserts claims for violations of General Business Law § 133 and Real Property Law § 231, which do not exist in the Federal Action. In addition, the Federal Action asserts claims for violations under the Lanham Act (Sections 32 [a] and 43 [a] of the Lanham Act, 15 USC 1114, 1125), which are not included in the amended complaint in the instant matter.

CMB notes that the Federal Action was commenced months before plaintiff

obtained the state registrations, and therefore, the state action was not ripe until the after the Federal Action was commenced and the parties were significantly engaged in discovery. Plaintiff contends that it did not amend the federal complaint to include the claims based upon the state registrations alleged here when they became ripe, because defendants' counsel agreed that defendants would stop violating plaintiff's trademarks and plaintiff's counsel relied in good faith on defendants' counsel's representations.

Plaintiff also denies that it is forum shopping to gain a tactical advantage. CMB further denies making a strategic decision to omit the claims regarding the state registrations from the Federal Action, because those claims did not exist at the time. CMB contends that once it obtained the state registrations, plaintiff sought defendants' counsel's consent to amend the federal complaint and that the parties discussed this possibility for months, but ultimately, defendants' counsel denied the request.

Discussion

A party may move for judgment dismissing one or more cause of action against him on the ground that "there is another action pending between the same parties for the same cause of action in the court of any state or the United States; the court need not dismiss upon this ground but may make such order as justice requires" (CPLR 3211 [a] [4]). "Pursuant to CPLR 3211 (a) (4), a court has broad discretion as to the disposition of an action when another action is pending" (*Montalvo v Air Dock Sys.*, 37 AD3d 567, 567 [2d Dept 2007]; *see also Feldman v Harari*, 183 AD3d 629, 630 [2d Dept 2020]; *Aurora Loan Services, LLC v Reid*, 132 AD3d 788, 788-789 [2d Dept 2015]). The purpose of the statute is to prevent a party from having to defend against multiple suits brought by the same plaintiff (*see LaBuda v LaBuda*, 174 AD3d 1013, 1015 [3d

Dept 2019]).

"A court may dismiss an action pursuant to CPLR 3211(a)(4) where there is a substantial identity of the parties, the two actions are sufficiently similar, and the relief sought is substantially the same" (*Jardon v 10 Leonard Street LLC*, 124 AD3d 842, 843 [2d Dept 2015]). Substantial, not complete, identity of parties is all that is required (*see Barringer v Zgoda*, 91 AD3d 811, 811 [3d Dept 1982]; *White Light Productions, Inc. v On the Scene Productions, Inc.*, 231 AD2d 90 [1st Dept 1997]; *Machon Chana Women's Institute, Inc. v Hecht*, 2016 NY Slip Op 31429(U), *13 [Sup Ct, Kings County 2016], Knipel, J.). In addition, the precise legal theories presented in the second action need not be present in the first action (*see Feldman*, 189 AD3d at 630; *Jaber v Elayyan*, 168 AD3d 693, 694 [2d Dept 2019]; *Jardon*, 124 AD3d at 843). "The critical element is whether both suits arise out of the same subject matter or series of alleged wrongs" (*Jardon*, 124 AD3d at 843; *Cherico, Cherico & Associates v Midollo*, 67 AD3d 622, 622 [2d Dept 2009]). However, a court need not dismiss the later action, but may make any order that justice requires (*see Kent Development Co., Inc. v Liccione*, 37 NY2d 899 [1975]; *Jardon*, 124 AD3d at 843).

Here, there is substantial, but not complete identity of the parties in the instant matter and the Federal Action. Additionally, while the precise legal theories presented in the present matter are not identical to the legal theories presented in the Federal Action - the instant matter does not contain any claims based on federal statute - both lawsuits arise out the same subject matter or series of alleged wrongs, i.e., defendants' alleged impermissible use of plaintiff's ANALOG BKNY marks and defendant's use of the allegedly confusing ANALOG BROOKLYN mark and WWW.ANALOG-

BROOKLYN.COM domain name. While the court may consider dismissal of at least several of the causes of action asserted in the amended complaint in the instant matter, it is not required to do so.

Under the particular circumstances of this case, the court finds that dismissal of the instant matter is not warranted. Rather, a stay of the instant action pending a final determination of the Federal Action is more appropriate. Should plaintiff prevail in the Federal Action, it will be entitled to relief with respect to the claims it asserts in this action (*see Machon Chana Women's Institute*, 2016 NY Slip Op 31429[U], *15). Where an issue has yet to be determined in a prior action, before a determination can be made in the subsequent action as to whether there should be a dismissal of claims or a determination in favor of a party, it is appropriate to stay the later action pending the determination of the first action (*id. See also Board of Managers of 1835 East 14th Street Condominium v Singer*, 186 AD3d 1477, 1481 [2d Dept 2020]; *Lawler v Tropworld Casino and Entertainment Resort*, 238 AD3d 383, 383-384 [2d Dept 1997]; *SafeCard Services, Inc. v American Exp. Travel Related Services Co., Inc.,* 203 AD2d 65, 65-66 [1st Dept 1994]; *Wells Fargo Bank, N.A. v Pena*, 51 Misc 3d 241, 253 [Sup Ct, Kings County 2016], Demarest, J.).

A stay of the action is appropriate, since the resolution of the Federal Action would resolve issues in the current action, and may either completely dispose of or streamline the claims herein (*see 342 West 30th Street Corp. v Bradbury*, 30 Misc 3d 132[A], *1 [App Term 1st Dept 2011]; *AIG Financial Products Corp. v Penncara Energy, LLC*, 83 AD3d 495, 495 [1st Dept 2011]).

Pursuant to CPLR 2201, the court may grant a stay of proceedings in this action

upon any terms as are just. Therefore, as a final determination in the Federal Action will most likely affect CMB's causes of action relating to the state trademark registrations in this action, the instant action is stayed until such time as the Federal Action is resolved.

Conclusion

Accordingly, it is **ORDERED** that the defendants' motion, mot. seq. one, is granted to the extent that the instant matter is stayed pending a final determination in the Federal Action, to wit, *C.M.B. Productions, Inc. v SRB Brooklyn, LLC et al.*, US Dist Ct, ED NY, 19 Civ 2009, Vitaliano, J., 2019.

The court has considered the parties' remaining contentions and finds them to be unavailing.

This constitutes the decision and order of the court.

Dated: Brooklyn, New York
April 13, 2021

ENTER FORTHWITH:

HON. RICHARD VELASQUEZ