

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK



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World Famous Pickle Corp. and
Patricia Fairhurst

Judge Berman

<p>WORLD FAMOUS PICKLE CORP., a New York corporation, doing business as GUSS' WORLD FAMOUS PICKLES, and PATRICIA FAIRHURST,</p> <p style="text-align: center;">Plaintiffs,</p> <p style="text-align: center;">- vs. -</p> <p>CROSSING DELANCEY PICKLE ENTERPRISES CORP. and ANDREW LEIBOWITZ, doing business as GUSS' PICKLES,</p> <p style="text-align: center;">Defendants.</p>	<p style="font-size: 2em; font-weight: bold;">06 CV 11471</p> <p>CIVIL ACTION NO. _____</p> <p style="text-align: center;">COMPLAINT</p>
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INTRODUCTION

Plaintiffs World Famous Pickle Corp. ("World Famous") and Patricia Fairhurst, by their undersigned attorneys, by and for its complaint against defendants Crossing Delancey Pickle Enterprises Corp. ("Crossing Delancey") and defendants Andrew Leibowitz (collectively or singly, without literal distinction, "defendants"), state as follows:

THE PARTIES

1. Plaintiff World Famous Pickle Corp. is a corporation organized under the existing laws of New York State, located in New York City's Lower East Side neighborhood at 85-87 Orchard Street, New York, New York, and does business under the name "Guss' [sic] World Famous Pickles" and "Guss' Pickles" ("Guss' Pickles").

2. Plaintiff Patricia Fairhurst is the owner of World Famous Pickle Corp. and is a resident of Brooklyn, New York.

3. Upon information and belief, Defendant Crossing Delancey is a corporation organized under the laws of New York State, with a location at 504 A Central Avenue, Cedarhurst, New York.

4. Upon information and belief, Crossing Delancey is owned and operated by defendants Andrew Leibowitz, who is upon information and belief a resident of the State of New York.

JURISDICTION AND VENUE

5. This Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. §1331 and 1338 and 28 U.S.C. §2201. The Court has supplemental jurisdiction over the state law claims under 28 U.S.C. § 1367(a).

FACTS

6. Guss' Pickles is a pickle store that is recognized as a genuine Lower East Side institution, providing area residents, gourmets and travelers with delicious pickled products for almost a century.

7. Guss' Pickles on the Lower East Side is reported on extensively in various media, and articles and items about Guss' Pickles can be found simply by searching for the term on the Internet.

8. Guss' Pickles was founded by a Russian immigrant, Izzy Guss, who originally rented a pushcart and sold produce, including his now famous pickles, on the Lower East Side. Guss opened his own pickle shop on Hester Street in 1920, at a time when there were scores of such shops on the Lower East Side. Although it has over the course of nearly a century moved from block to block with the Lower East Side district, Guss' Pickles stands as the last of the area's vintage pickle shops.

9. Tim Baker became the owner of Guss' Pickles in the 1980's, following his father Harry Baker, and in January, 2004 sold all right and interest in Guss' Pickles to Patricia Fairhurst, who in turn conveyed the shares to plaintiff, of which she is the owner of all shares.

10. Ms. Fairhurst is the present operator of Guss'

Pickles at its Orchard Street location, where Guss' Pickles products are made pursuant to the recipe used at Guss' Pickles since the time of its founding.

11. Guss' Pickles figures prominently in the 1988 movie about the Lower East Side called "Crossing Delancey."

12. The name GUSS', historically utilizing the non-standard style of apostrophe, is a trademark for pickles associated with the merchandise sold by Guss' Pickles in the Lower East Side and was transferred, along with all other right and interest in Guss' Pickles, by Baker to Ms. Fairhurst, who conveyed it to plaintiff.

13. Upon information and belief, defendants began operating a store called Guss' Pickles in Cedarhurst, Long Island in or around 2002.

14. Upon information and belief, defendants received a non-exclusive, oral license from Tim Baker to utilize the GUSS' name in Cedarhurst, Long Island only.

15. Beginning in 2004, defendants began to seek to utilize the GUSS' mark beyond Cedarhurst, Long Island and to assert that they were the sole owners of the GUSS' trademark for pickles.

16. Thus defendants claim, falsely, on their website that "There is one original Guss' Pickles in the world located at 504 A Central Avenue Cedarhurst, N.Y. 11516" and

"Others claim to be Guss' Pickles or affiliated with Guss Pickles but that is not true! Guss' Pickles is a registered trademark of Crossing Delancey Pickle Enterprises Corporation Cedarhurst, N.Y. 11516."

17. In April 2003, defendants filed, in the name of defendant Crossing Delancey Pickle Enterprises Corp., for a trademark registration for the word GUSS' for use in connection with pickles and related foods and wholesale and retail services featuring pickles and related foods.

18. That registration was granted as U.S. Registration No. 2873706 on August 17, 2004 (the "Registration").

19. Defendants' registration claimed a first use of the mark, and a first use in commerce, of 1920.

20. Crossing Delancey Pickle Enterprises did not exist in 1920 and could not have made use of the GUSS' mark in 1920.

21. Defendants never had any rights in the mark besides as licensees.

22. Defendants' pickles are of inferior quality and do not taste like authentic Guss' Pickles merchandise.

23. Upon information and belief, Tim Baker did not, at the time of his alleged granting of an oral license to defendants to utilize the GUSS' mark, monitor the good

manufactured and sold by defendants for quality to ensure that they meet the same standards of quality, taste, freshness and other important factors of which the goodwill in the GUSS" mark consists.

24. At no time have plaintiffs monitored the goods manufactured and sold by defendants for quality to ensure that they meet the same standards of quality, taste, freshness and other important factors of which the goodwill in the GUSS" mark consists.

25. Upon information and belief, any license granted to defendants was made absent the transfer of any asset or goodwill, and was thus not valid or enforceable.

26. Defendants began in 2006 to communicate with plaintiffs and demand that plaintiffs cease using the GUSS' mark in connection with the store that had been in operation utilizing that mark since 1920, threatening legal action multiple times.

27. Defendants have compounded this situation by interfering directly with the relationship between plaintiffs and third parties, including making a demand of one publisher of a directory for the food industry called the *Manufacturer's News*, that plaintiffs' listing for Guss' Pickles be changed to a listing under Ms. Fairhurst's personal name, instead of the listing under Guss' Pickles

Ms. Fairhurst had contracted for. The listing was changed without Ms. Fairhurst's permission and, upon information and belief, because of pressure from defendants.

28. Defendants have also sent repeated correspondence to plaintiffs demanding that they immediately cease their use of the GUSS' mark. For example, on February 21, 2006, defendants wrote to plaintiffs and stated, in part, that "The name GUSS' Pickle is owned by Crossing Delancey Pickle Enterprises Corp. World Famous Pickle Corp. cannot use the name GUSS' Pickle on checks or any document since it is Owned [sic] by the Corporation, Crossing Delancey Pickle Enterprises Corp."

29. Defendants also sent plaintiffs a "Final Notice Before Legal Action" dated June 5, 1006 in which defendants Steven Leibowitz sent a copy of the proof for plaintiffs' original listing in the *Manufacturers' News*, stating:

I have written before and told you on the phone, the name GUSS' is patented [sic] and owned by Crossing Delancey Pickle Enterprises Corp., and cannot be used in any manner by any other company without exceptions.

This is your final notice before I am forced to take legal action against you and your pickle stand.

Please call me as soon as possible.

Steve Leibowitz

30. Defendants' actions as alleged have caused, and will continue to cause irreparable harm to the plaintiffs and their trademark, and to the business and substantial goodwill represented thereby, and said acts and damages will continue unless restrained by this Court.

COUNT ONE
(Declaratory Judgment of Non-Infringement)

31. Plaintiffs repeat and reallege each and every allegation of the foregoing as though fully set forth herein.

32. Plaintiffs' use of the mark GUSS' in connection with its business, Guss' Pickles, does not infringe any federal or state trademark of defendants.

33. By accusing plaintiffs of federal and state trademark infringement, defendants have created a present and actual controversy between the parties.

34. Defendants' actions have caused plaintiffs to bring this action which is the only means for them to maintain their lawful sale of Guss' Pickles.

35. Plaintiffs' remedy at law, in the event defendants seek or obtain a preliminary injunction, is not adequate to compensate them for the injuries threatened or

inflicted by defendant.

36. Plaintiffs request that this Court declare and adjudicate the parties' respective rights and duties with respect to plaintiffs' use of the trademarks owned, associated with or allegedly owned by defendant.

COUNT TWO

(Trademark Infringement and False Designation of Origin)

37. Plaintiffs repeat and reallege each and every allegation of the foregoing as though fully set forth herein.

38. Defendants' acts as alleged constitute trademark infringement and false designation of origin in violation of the Lanham Act, Section 43(a), 15 U.S.C. § 1125(a), all to the substantial and irreparable injury of the public and of plaintiff's business reputation and goodwill.

39. Plaintiffs have no adequate remedy at law.

COUNT THREE

(Common Law Unfair Competition)

40. Plaintiffs repeat and reallege each and every allegation of the foregoing as though fully set forth herein.

41. Defendants' aforementioned acts constitute unfair competition in violation of the common law of New York State.

42. Plaintiffs have been damaged by defendants'

aforementioned acts.

COUNT FOUR
(Statutory Unfair Competition)

43. Plaintiffs repeat and reallege each and every allegation of the foregoing as though fully set forth herein.

44. Defendants' aforementioned acts constitute unfair competition and unfair deceptive acts or practices in violation of New York General Business Law § 349.

45. Plaintiffs have been damaged by defendants' aforementioned acts.

COUNT FIVE
(Tortious Interference with Contract / Interference with Prospective Economic Relations)

46. Plaintiffs repeat and reallege each and every allegation of the foregoing as though fully set forth herein.

47. Upon information and belief, defendants induced the *Manufacturers' News* to make unauthorized changes to plaintiffs' listing under the category of "PICKLES AND PICKLE PRODUCTS" in order to prevent plaintiffs from making proper, useful, accurate and lawful use of their GUSS' PICKLE trademark.

48. The conduct of defendants was willful and such

interference with plaintiffs' listing was neither privileged nor excusable.

49. Defendants' actions in causing the *Manufacturers' News* to change plaintiffs' listing constituted a tortious interference with the contract between Plaintiffs and that publication.

50. Defendants' actions in causing the *Manufacturers' News* to change plaintiffs' listing constituted a tortious interference with prospective economic advantage to which plaintiffs had a reasonable expectation based on the potential commercial opportunities between Plaintiffs and users of the *Manufacturers' News*.

COUNT SIX
(Cancellation of Defendants' Registration)

51. Plaintiffs repeat and reallege each and every allegation of the foregoing as though fully set forth herein.

52. Defendants' registration was obtained fraudulently in that in the formal application papers filed by defendants pursuant to USC 1001 stated that defendants had used the mark in commerce since 1920.

53. Said statement was made by an authorized agent of Defendants who knew or should have known that these statements were false and were a violation of TMEP §§ 902

and 903.03.

54. Such false statements were made with the intent to induce the U.S. Patent and Trademark Office to grant the Registration, and, reasonably relying upon the truth of said false statements, the U.S. Patent and Trademark Office did in fact, grant the Registration to defendants.

55. The Registration also misrepresents the source of the goods provided by defendants, seeking to lead consumers to believe that the merchandise provided by defendants are manufactured, sold or otherwise affiliated with or approved by plaintiffs' Guss' Pickles on the Lower East Side.

56. Plaintiffs are likely to be damaged by continuance of said registration in that plaintiffs have continually used the mark GUSS' in connection with the sale of pickles and related goods, and purchased the right to the GUSS' trademark along with all right and interest thereto from the original Guss' Pickles, and plaintiffs' continued and legal use of the Trademark will be impaired by the continued registration of the Registration.

WHEREFORE, Plaintiffs pray for an order of the Court:

A. Granting an injunction restraining defendants, their officers, directors, principals, agents, servants, employees, successors and assigns, and all

individuals acting in concert or participation with them, from:

1. infringing Plaintiffs' trademark rights; and
 2. unfairly competing with Plaintiff.
- B. Directing defendants to immediately cease use of the GUSS' name or any other name confusingly similar to Plaintiffs' trademark GUSS' except within a five-mile radius of Cedarhurst, New York.
- C. Directing defendants to immediately cease use of the GUSS' name or any other name confusingly similar to Plaintiffs' trademark GUSS in any medium published beyond a five-mile radius of Cedarhurst, New York.
- D. Directing defendants to account to Plaintiffs for any and all profits derived by them from the sale of goods or services bearing the infringing trademark.
- E. Directing defendants to cooperate in any way necessary with Plaintiffs in the administration of the terms of such an injunction.
- F. Awarding Plaintiffs a monetary judgment against defendants for Plaintiffs' damages and Crossing Delancey, Inc.'s profits pursuant to 15 U.S.C. § 1117.
- G. Trebling the amount of such award on account of defendants' willful, intentional, and bad faith

conduct pursuant to 15 U.S.C. § 1117.

- H. Awarding Plaintiffs its reasonable attorneys' fees, costs and disbursements incurred herein in view of defendants' intentional and willful infringement, pursuant to 15 U.S.C. § 1117;
- I. Ordering cancellation of the Registration;
- J. Declaring and adjudging that Plaintiffs' use of the GUSS' mark is not an infringement of any right of defendants;
- K. Awarding plaintiffs damages for arising from defendants' tortious interference with contract and tortious interference with economic advantage;
- L. Awarding plaintiffs such other and further relief as the Court may deem just and proper.



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