IN THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF ILLINOIS EASTERN DIVISION

| LETTUCE ENTERTAIN YOU ENTERPRISES, INC., |) | |
|--|-----|----|
| Plaintiff, |) | |
| VS. |) | Ca |
| LEILA SOPHIA AR, LLC d/b/a LETTUCE MIX, and SHAHRAM TEHRANI |)) | Ju |
| Defendants. |) | |

Case No. 09 C 2582

Judge Joan H. Lefkow

MEMORANDUM OPINION AND ORDER

Lettuce Entertain You Enterprises, Inc. ("LEYE"), is the owner of a family of LETTUCE marks for restaurant and catering services. On April 28, 2009 LEYE filed a complaint for trademark infringement seeking an order directing the defendants, Leila Sophia AR, LLC, and Shahram Tehrani (collectively, "Tehrani"), to remove a "Lettuce mix" sign Tehrani has erected above the entry of a restaurant he intends to open in the Lincoln Park neighborhood of Chicago. In an effort to reach a stand still agreement, Tehrani covered the "Lettuce mix" sign with a banner that reads prominently, "Let us be!" with the words "Name pending . . ." below and in a smaller font. An image of a head of lettuce is depicted on either side of the text. LEYE contends the temporary banner does not avoid infringement and seeks an order for its immediate removal and replacement with a non-infringing sign. The parties have simultaneously submitted briefs on the issue of whether the temporary sign infringes under Section 43(a) of the Lanham Act, 15 U.S.C. § 1125(a). For the following reasons, LEYE's oral motion for a temporary restraining order is denied.

FACTS

The following facts appear substantially undisputed: LEYE is a restaurant and catering corporation based in Chicago that owns more than seventy restaurants nationwide. LEYE owns and operates several well-known restaurants in Chicago, including Big Bowl, Café Ba-Ba-Reeba!, Everest, L20, Mon Ami Gabi, R.J. Grunts, Scoozi!, Shaw's Crab House and Wildfire.¹ LEYE owns a family of federally registered marks for restaurant and catering businesses utilizing the word "lettuce," including LETTUCE ENTERTAIN YOU ENTERPRISES (registered May 21, 1978 for restaurant services), LETTUCE ENTERTAIN YOU (registered June 16, 1990 for restaurant services), LETTUCE (registered January 14, 1992 for restaurant services), LETTUCE PARTIES (registered March 3, 1993 for restaurant services) and LETTUCE PLANET (registered September 2, 2008 for restaurant services, catering and special event planning). LEYE has continuously and extensively used its LETTUCE family of marks in connection with LEYE's restaurant, event planning and consulting services. Steibler Decl. ¶10, Ex. A to Pl.'s Mem [Dkt. No. 16]. For example, LEYE operates a unified telephone reservation number for restaurants at 1-888-LETTUCE and a frequent diner club program using the telephone number 1-773-LETTUCE, sells gift cards bearing the LETTUCE ENTERTAIN YOU® mark, and maintains websites at the domains www.lettuceentertainyou.com, www.leye.com, www.lettuceconsulting.com and www.lettuceprivatedining.com. Id. at ¶ 7. LEYE's website uses the LETTUCE mark as a pun for "let us" and as a shorthand for the corporation itself. For example, at www.leye.com, the heading on the About Us page is "Lettuce Tell You . . ." and "Lettuce Suggest a Restaurant" on the Restaurant Search page, while the Gift

¹ None of LEYE's restaurants uses the word "Lettuce" in its name nor does any operate solely as a salad bar establishment. At the May 21, 2009 hearing, however, LEYE's counsel

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Card page is entitled "Lettuce Gift Cards" and the news page is entitled "Lettuce in the News." The LETTUCE ENTERTAIN YOU mark appears on the upper left corner of each page in white font. Above the mark is a logo of a waiter in a white jacket opening a serving dish with stars wafting out. The serving waiter logo, or simply two wavy lines of stars similar to those wafting out of the serving dish, appear on other advertising and marketing materials, including emails and flyers.

Tehrani is the owner of Basil Leaf Café and Sage Food & Wine, restaurants also located in the Lincoln Park neighborhood of Chicago. Tehrani formed Leila Sophia AR, LLC in late 2008 to open a salad bar at 2470 N. Clark, near his other restaurants, under the name "Lettuce mix." Tehrani erected a "Lettuce mix" sign at that location. The word "Lettuce" is prominently featured in a distinctive green font, with a capital "L" and an orange "u." The word "mix" is in all lower case and is in a smaller, less distinctive font set off to the right of "Lettuce" in a white box.

LEYE learned that Tehrani intended to open a restaurant under the name "Lettuce mix" on March 22, 2009 when one of its employees noticed a temporary sign in the window at 2470 North Clark. On March 24, 2009, LEYE sent a cease and desist letter to Tehrani stating its belief that his use of such a name was in bad faith and constituted trademark infringement. Tehrani's attorney responded on March 25, 2009 stating that Tehrani would not stop using the name "Lettuce mix." The response indicated that Tehrani believes the word "lettuce" is not eligible for trademark protection and, furthermore, that there is no likelihood of confusion because (1) LEYE operates no restaurants having a similar name or concept, (2) the "Lettuce mix" sign is in a different color and font from LEYE's marks, and (3) Tehrani has a pattern of

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establishing unique restaurant ideas in the area where his new restaurant was to be located.² The penultimate paragraph of the letter states

Your letter further alleges that my client is attempting to take advantage of your client's goodwill by using the name "Lettuce Mix." My client has been operating neighborhood restaurants in Lincoln Park within a block of each other for over a decade. He has established his own reputation as a fine dining, high quality neighborhood restaurant and certainly doesn't need the goodwill of a commercialized entity.

Attachment 2 to Lenz Decl., Ex. B. to Pl.'s Mem. On April 2, 2009, LEYE sent another letter to Tehrani's attorney stating that it views his position as untenable and outlining what it believes to be the relevant legal authority. On April 20, 2009, in response to questions from LEYE's counsel, Tehrani's attorney indicated that he was not authorized to accept service on Tehrani's behalf and stated that his client was "at least two months from opening" the restaurant. Tehrani's Affidavit, attached to his memorandum, indicates that "it remains unknown when the restaurant concept will be open for business as it remains in the process of securing local and city permits to operate a food service establishment within the City of Chicago." Tehrani Aff. ¶ 5. As of the date of the parties' latest submissions, the restaurant at 2470 N. Clark has not yet opened.

LEYE's complaint asserts claims for infringement and false designation of origin under the Lanham Act, 15 U.S.C. §§ 1051 *et seq.* (Counts I and II), violations of the Illinois Deceptive Trade Practices Act (Count III), common law service mark infringement (Count IV), and unfair competition (Count V). As stated, however, this decision addresses only the temporary banner and whether it infringes under federal trademark law. LEYE contends that Tehrani must replace the "Let us be!" banner with a sign that does not depict images of lettuce or use the term "lettuce" or its phonetic equivalent, or any term confusingly similar until the court rules on its

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pending preliminary injunction motion. The lawsuit has received some press and the following comment has been attributed to Tehrani:

They were saying they didn't want me to use the name lettuce. It's like owning the sun. What am I going to do pay them \$2 every time I get a suntan? It's absurd.

Lisa Donovan, <u>Restaurant Owner Sued By Lettuce Entertain You Over Name</u>, Chicago Sun Times, May 21, 2001, http://www.suntimes.com/business/1584952,CST-NWS-foodfight21_.article.

ANALYSIS

I. Standard for Interlocutory Relief

"An equitable, interlocutory form of relief, a 'preliminary injunction is an exercise of a very far-reaching bar, never to be indulged in except in a case clearly demanding it."" *Girl Scouts of Manitou Council, Inc.* v. *Girl Scouts of the United States of America, Inc.*, 549 F.3d 1079, 1085 (7th Cir. 2008) (citing *Roland Mach. Co.* v. *Dresser Indus., Inc.*, 749 F.2d 380, 389 (7th Cir. 1984)). A party seeking a preliminary injunction or a temporary restraining order must demonstrate (1) its case has some likelihood of success on the merits; (2) that no adequate remedy at law exists; and (3) it will suffer irreparable harm if the injunction is not granted. *Id.; Recycled Paper Greetings, Inc.* v. *Davis*, 533 F. Supp. 2d 798, 803 (N.D. Ill. 2008) (internal citations omitted). If the court determines that the moving party has failed to demonstrate any one of these three threshold requirements, it must deny the injunction. *Id.*

II. Likelihood of Success On the Merits

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The pending motion can be resolved on the single issue of likelihood of success on the merits.

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