

New York and Chicago-Style Pizza Wars: The Trademark Edition

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The great pizza wars of 2021 are not what you might expect. While the courts will never be able to resolve the question of who (or where) makes the best pie, a pair of decisions from the last few weeks did resolve contentious trademark disputes in two of the great pizza destinations of the world, between Patsy's Pizzeria and Patsy's Italian Restaurant in New York, and between shareholders of Rosati's in Illinois.

First, in New York, the [Second Circuit](#) cut a slice out of what it termed the “minor legal epic” between Patsy's Pizzeria and Patsy's Italian Restaurant, finding the plaintiff pizzeria failed to adduce evidence of likelihood of confusion between the marks PATSY'S PIZZERIA and PATSY'S OF NEW YORK (used by the Italian restaurant). Patsy's Pizzeria was founded in 1933 in East Harlem and has continuously used its mark since that time. Defendant Patsy's Italian Restaurant, founded in 1944 (and famously known as Frank Sinatra's favorite restaurant), registered the mark PATSY'S OF NEW YORK in 2006. Plaintiff subsequently filed this action alleging that defendant's registration was blocking plaintiff's pending applications for its PATSY'S PIZZERIA mark at the United States Patent and Trademark Office (USPTO) and that the Italian restaurant's purported use of the PATSY'S OF NEW YORK mark infringed the PATSY'S PIZZERIA mark and promoted consumer confusion. The plaintiff pizzeria asserted claims for trademark infringement under the Lanham Act and New York State law, but notably did not ask the Court to order the USPTO to grant its pending applications.

Following cross-motions for summary judgment, the District Court issued an order finding no likelihood of confusion between the marks – but did not actually grant or deny the parties’ motions – and ordered the USPTO to grant the pending PATSY’S PIZZERIA trademark applications (relief that neither party had formally requested). On appeal, the Second Circuit remanded and instructed the District Court to (1) state whether it is granting or denying the summary judgment motions, and (2) explain the basis for its authority to order the USPTO to grant the pending trademark applications. The District Court explained in response that “[t]he judgment granted full relief to the parties, and there was no purpose, even an academic one, in separately addressing the summary judgment motions,” and proceeded to issue the same judgment as before. On appeal (round two), the Second Circuit found the District Court had not complied with its mandate, and vacated the renewed judgment. But instead of remanding a second time, the Appellate Court found the undisputed facts in the record permitted it to enter summary judgment for defendant, thus concluding one chapter of decades-long litigation between the parties.

Not to be outdone, the [Northern District of Illinois](#) dished up its own resolution of a Chicago-style pie dispute, preliminarily enjoining defendant licensees of the Rosati’s trademarks and recipes from selling and distributing frozen pizzas under the Rosati name. A well-known Chicago-style pizza purveyor since the 1960s, the Rosati mark is held by Rosati’s Franchise Systems, Inc., which is in turn owned by ten members of the extended Rosati family. Following internal disputes about how to run the business, Rosati’s Franchise Systems licensed the mark to each shareholder, allowing them each to run separate restaurants, in exclusive territories, and to sell additional franchises within their territories. Each licensee was granted a license to use and to sublicense the use of the Rosati’s trademarks and recipes “to operate Rosati’s Pizza Restaurants.”

In 2020, two of the shareholder-licensees began to sell frozen pizzas under the Rosati’s name at Illinois grocery stores, leading to the present lawsuit. Plaintiffs argued that the license agreement did not grant defendants the right to sell frozen Rosati’s pizzas, and sought a preliminary injunction. The court agreed, finding that the license agreement granted a license only to operate “Rosati’s Pizza Restaurants” that prepare fresh pizzas using the Rosati’s recipe, not to sell frozen pizzas made in a factory for distribution in a grocery store, and that defendants’ unauthorized use of the Rosati’s mark was likely to cause confusion. For those wondering, defendants’ frozen pizzas were thin-crust.

Many legal lessons can be learned from this pair of pie cases, including about the importance of a plaintiff formally asking for the full scope of relief they want, and the need to ensure use of a licensed mark falls within the plain language of the license agreement. But the broader lesson may be simply to avoid getting entangled in (legal) fights over pizza.

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