

MoMA Wins Bid To Block Manhattan Cafe's Use Of Marks

By Joyce Hanson

Law360 (October 1, 2018, 8:11 PM EDT) -- The Museum of Modern Art has won a preliminary injunction in New York federal court to bar Manhattan's MoMaCha cafe from using its trademarks as MoMA pursues an infringement suit against the matcha Japanese tea powder venue.

U.S. District Judge Louis L. Stanton signed an order Friday granting the museum's motion for a preliminary injunction, saying the cafe's marks likely infringe MoMa's trademarks, and enjoining MoMaCha from using, displaying or promoting the MOMA or MOMACHA marks as well as the cafe's <https://momacha.com> domain name during the course of the action, saying its use of both marks creates a likelihood of customer confusion with the museum's well-known MoMA trademark.

"Because the museum has demonstrated irreparable harm, a likelihood of success on the merits, sufficiently serious questions going to the merits to make them a fair ground for litigation, and that the balance of hardships tilts in its favor, the museum is entitled to a preliminary injunction," Judge Stanton wrote in his 37-page opinion.

In addition, the judge found that the museum is likely to prevail on a claim of dilution, saying that MoMA is likely to establish the nationwide fame of its mark. He based his reasoning on factors including the visual similarity of the parties' marks, competitive proximity of their products and level of sophistication of purchasers as well as the risk of actual customer confusion.

He concluded that MoMaCha likely did not act in good faith, writing, "It is more likely than not that MoMaCha intentionally copied the museum's mark in bad faith when it adopted its old logo. As discussed above, the marks are strikingly similar and almost identical in terms of the font style, coloring and capitalization."

The Museum of Modern Art on April 17 sued the Lower East Side cafe, which had opened earlier that month, accusing it of infringing its famous trademarked name and trade dress that date to at least 1967 and appear in exhibition communications, retail goods and its restaurant The Modern.

Trademark violations cited by the museum, founded in 1929 and known as MoMA for decades, include MoMaCha IP LLC and MoMaCha OP LLC's purported use of logos that allegedly are nearly identical to the ones at the museum in both font and color choice and displays of art that have purportedly led people to believe that the parties are affiliated.

The museum also claimed the cafe owners intentionally chose their name and design to imply association with the museum when they filed U.S. Patent and Trademark Office applications in November to register the mark MOMACHA for cafe beverages and restaurant services and in January to register the mark MOMA, identical to the museum's, for the same uses.

The MoMaCha cafe, which primarily sells the popular Asian powdered green tea known as "matcha" at the cafe and on its website, asked the court May 21 to dismiss the Museum of Modern Art's claim alleging the cafe dilutes its trademarks, saying MoMa's infringement suit fails to demonstrate its nickname, word marks and logo are truly famous.

MoMA's complaint states six claims, including one for trademark dilution under the Lanham Act, but that claim does not plausibly allege the museum's mark is "truly famous," according to MoMaCha. But a trademark must be widely recognized by U.S. consumers — think Budweiser beer, Camel cigarettes and Barbie dolls — and the museum fails on this account because it's essentially a niche brand, the cafe said in its May 21 motion to partially dismiss the suit.

"At most, MoMA can plausibly allege only that the MoMA marks have achieved 'niche fame' — i.e., that they are recognized by a limited population, such as modern art enthusiasts or New Yorkers — which is insufficient to state a claim for trademark dilution," MoMaCha said. "Therefore, MoMA has failed to state a claim for trademark dilution, and the complaint should be partially dismissed."

A lawyer for the museum, Jennifer Lee Taylor of Morrison & Foerster LLP, told Law360 in a phone interview Monday, "We think it's a terrific decision. I was impressed with how much work the judge did in really digging in to understand all of the facts in the case. We're happy the court recognized the strength of the MoMA mark and that there was a need to stop the confusion in the marketplace. The length of the order and number of facts cited in the order make it clear why he made his decision that the museum had a strong case for a preliminary injunction."

Christopher B. Spuches of Agentis PLLC, representing MoMaCha, told Law360 in an email Monday that the cafe is still reviewing the order and weighing its options.

"We are mindful that this is only a preliminary order," Spuches said. "We respect the court's decision, but respectfully disagree that MoMaCha and its products infringe on any of MoMA's intellectual property. We are confident that the court will ultimately rule in our favor."

MoMA is represented by Jennifer Lee Taylor, Jamie A. Levitt, Sabrina A. Larson and Madeleine Gully of Morrison & Foerster LLP.

MoMaCha is represented by Christopher B. Spuches and Jason A. Martorella of Agentis PLLC.

The case is The Museum of Modern Art v. MoMaCha IP LLC et al., case number 1:18-cv-03364, in the U.S. District Court for the Southern District of New York.

--Editing by Orlando Lorenzo.