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SUIT OVER PALM RESTAURANT LICENSE FEES CLEARED FOR TRIAL

NEW YORK, February 23, 2016 – A ruling by a New York Supreme Court justice in a trademark licensing dispute between the founding families of The Palm Restaurant chain has cleared the way for a trial in a lawsuit seeking nearly \$80 million in royalties and damages.

“At trial, plaintiffs will prove self-dealing in undervaluing the intellectual property of The Palm Restaurant by Wally Ganzi and Bruce Bozzi for the purpose of paying only minimal royalties by 25 Palm restaurants established, owned and controlled by those individual defendants,” said Fred Newman, a partner at Hoguet Newman Regal & Kenney, LLP, the New York-based commercial litigation firm representing the plaintiffs.

Plaintiffs challenge the royalty rate, set over 40 years ago, for The Palm Restaurant intellectual property -- its trademarks, world famous name, look and feel, and related attributes -- as substantially below market and as calculated in an unusual and inappropriate manner for famous trademarks. According to a complaint filed by Gary Ganzi, Claire Breen and the Estate of Charles Cook, derivatively on behalf of Just One More Restaurant Corp., the company that owned the original Palm Restaurant and all its intellectual property, defendants Walter Ganzi Jr. and Bruce Bozzi Sr. caused JOMR to license the Palm intellectual property to new Palm restaurant corporations they established, own and control for the express reason of having the new Palms pay a lower royalty.

On February 11, Justice Jeffrey K. Oing, of the Commercial Division of the New York Supreme Court, denied the defendants' motion for summary judgment, which, if granted, would have substantially limited the litigation. Instead, Justice Oing has summoned counsel for the parties to his courtroom on March 23rd and a trial date should be set then.

The Palm Restaurant was founded in 1926 by Pio Bozzi and John Ganzi. The plaintiffs and defendants are grandchildren of the two original owners. There are now 25 Palm restaurants around the country, all using the intellectual property owned by Just One More Restaurant Corporation which is the subject of the litigation. Defendants closed the original Palm Restaurant last year, leaving only the newer ones they established, own and control.

Plaintiffs are represented by Newman, Joshua Rievman and Marc Melzer of the firm.

Hoguet Newman Regal & Kenney is a 20-lawyer litigation firm located in New York City known for its expertise in commercial litigation, employment law, policyholder insurance recovery, intellectual property litigation, partnership disputes, banking and letter of credit law, and white-collar criminal defense and government investigations.

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