UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

MARK ANTHONY INTERNATIONAL, SRL, Plaintiff, -v.- VITAL PHARMACEUTICALS, INC. and BANG ENERGY, LLC, Defendant.	:	No. 21-cv-03683(LJL)

MEMORANDUM OF LAW IN SUPPORT OF PLAINTIFF'S MOTION TO DISMISS WITHOUT PREJUDICE

Pursuant to Rule 41(a)(2) of the Federal Rules of Civil Procedure, Plaintiff Mark Anthony International, SRL ("MAI") respectfully submits this motion to dismiss without prejudice.

BACKGROUND

On April 26, 2021, MAI filed a complaint for infringement of its federally registered MXD trademark used in connection with a line of flavored malt beverages. (ECF No. 1). MAI's claims are based on Defendants' announced plans to launch a line of competing flavored malt beverages under the confusingly similar name MIXX. *Id.* On June 21, 2021 Defendants filed an Answer (ECF No. 17), and on August 6, 2021 Defendants filed an Amended Answer. (ECF No. 24).

Since this action commenced, discovery has been very limited. The parties have exchanged initial disclosures. The parties also each served a first set of requests for production, and Defendants have served their responses and objections to MAI's first requests for production. MAI also served a first set of interrogatories, and Defendants served responses and

objections. No other discovery has been exchanged, no documents have been produced, and no depositions have been taken or scheduled. Declaration of Jared I. Kagan (Sept. 22, 2020) ("Kagan Decl.") ¶ 2.

The reason the parties have not advanced discovery in this case is that Defendants have indicated that they intend to change the name of their malt beverage products, thus mooting the relief MAI seeks in this lawsuit. *Id.* ¶ 3. To that end, Defendants have indicated that they will cause their corporate affiliates to abandon their applications in the United States Patent and Trademark Office ("USPTO") to register the MIXX trademark (and three related marks, THE MIXX, BANG MIXX, and MIXED), that they will promptly sell off any remaining inventory of their product that use the challenged mark, and that they will then transition to a new name for this product. (ECF No. 28). In furtherance of that plan, Defendants' corporate affiliates have already applied to register the trademark BANG HARD SELTZER in the USPTO (U.S. Application Serial No. 90/805,895). Kagan Decl. ¶ 3.

In light of Defendants' representations, MAI informed Defendants that it was willing to dismiss this case. The parties agreed to suspend discovery to focus their efforts on settlement. *Id.* ¶ 4.

On September 3, 2021, MAI sent Defendants a proposed stipulation of dismissal to confirm the parties' discussions. *See* ECF No. 30; Kagan Decl. Ex. 1. In the two-and-a-half weeks since then, Defendants have yet to authorize their counsel to execute the stipulation. (ECF No. 30). Defendants have not indicated that they have any substantive concerns with the draft stipulation of dismissal; rather, MAI understands, Defendants are preoccupied with other personal and professional obligations, including that one of Defendants' principals had a baby a couple of weeks ago. *Id.*

Although MAI respects Defendants' other personal and professional obligations, in light of the upcoming discovery deadlines in this case, it is essential that the parties confirm the dismissal to avoid discovery defaults. Accordingly, and given Defendants' failure to sign a stipulation of dismissal pursuant to Federal Rule of Civil Procedure 41(1)(A)(ii), MAI now moves the Court to enter an order of dismissal without prejudice pursuant to Federal Rule of Civil Procedure 41(a)(2).

ARGUMENT

Generally, a motion to dismiss under Rule 41(a)(2) will be granted if the defendant will not be prejudiced. *Stinson v. City Univ. of NY*, 2020 WL 2133368, at *2 (S.D.N.Y. May 4, 2020). "[T]here is a general presumption that motions to dismiss claims without prejudice should be granted." *Benitez v. Hitachi Metals Am., Ltd.*, 2012 WL 3249417, at *1 (S.D.N.Y. Aug. 6, 2012).

The Second Circuit has identified five factors relevant to considering whether a motion for voluntary dismissal without prejudice should be granted: (1) the plaintiff's diligence in bringing the motion; (2) any undue vexatiousness on the part of the plaintiff; (3) the extent to which the suit has progressed, including the defendant's effort and expense in preparation for trial; (4) the duplicative expense of relitigation; and (5) the adequacy of plaintiff's explanation for the need to dismiss. *Stinson*, 2020 WL 2133368, at *2 (citing *Sagano v. Fordham Univ.*, 900 F.2d 12, 14 (2d Cir. 1990)). As described below, each of these factors weighs in favor of granting MAI's motion to dismiss without prejudice.

Diligence

"A plaintiff is often considered sufficiently diligent in moving for a voluntary dismissal so long as the motion was made before discovery begins in earnest." *Id.* (citation and internal

quotation marks omitted). As described above, discovery to date has been extremely limited. Defendants have not gone through the effort of collecting or producing documents, and no depositions have been taken, let alone noticed. Moreover, MAI was diligent in bringing this motion given Defendants' delay in executing the proposed stipulation of dismissal.

Undue Vexatiousness

Courts consider a plaintiff to be vexatious when an action is brought to harass the defendant or if the plaintiff has an ill motive. *Id.* at *3. Neither of those facts is present here. MAI brought a meritorious action, and Defendants' representations that they will discontinue use of the MIXX trademark and use a different name moots the relief MAI sought when it filed this lawsuit.

Progress of the Lawsuit

"Many courts consider [t]he extent to which a suit has progressed . . . of primary importance in resolving a Rule 41(a)(2) motion. The standard for concluding that a suit has progressed far enough to weigh against dismissal is high, and is usually satisfied only where substantial discovery, summary judgment motion practice, or trial preparation has occurred." *Id.* at *4 (citation and internal quotation marks omitted; alterations in original). Discovery thus far has been extremely limited, there has been no motion practice, and trial preparation would be premature. Accordingly, this factor also weighs in favor of dismissal without prejudice.

Duplication of Efforts

Given that this case remains at an early stage, neither party has expended significant resources. Thus, any potential duplicative expense of relitigation would be low. And assuming Defendants adhere to their representations to discontinue use of their infringing trademark, there

will be no need for future litigation. In any event, "the prospect of starting an entirely new litigation, along with the attendant additional expense, does not translate to legal prejudice sufficient to deny a motion to voluntarily withdraw." *Id.* at *5 (citation and quotation marks omitted).

Adequacy of Plaintiff's Explanation

MAI provides a compelling reason to dismiss this action without prejudice – Defendants have represented that they are going to discontinue the conduct that gave rise to this case in the first place. In light of Defendants' representations, it is reasonable for MAI to discontinue the case to spare the parties from unnecessary further expense, and to relieve the Court's docket of this case. *See id.* ("When analyzing this factor, courts inquire into whether a plaintiff offers a reasonable explanation for why [he] wishes to have [his] remaining claims voluntarily dismissed without prejudice.") (citations and internal quotation marks omitted; alterations in original).

CONCLUSION

For the foregoing reasons, MAI respectfully requests that the Court enter an order dismissing this action without prejudice.

Dated: September 22, 2021
New York, New York

Respectfully submitted,

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