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Dear SDNY FBA Members:

Happy New Year FBA SDNY Chapter. 2018 was certainly one for the chapter history books! Incredible programming topped off with the very successful planning, organizing and hosting of the FBA National Annual Convention. What’s a chapter to do? We have heard time and again about the exhaustion a host chapter experiences in the year following the convention in their home town. This is such a regular occurrence it is even coined, the burn-out effect.

NOT FOR THE SDNY CHAPTER…

I am proud to lead this chapter in the coming months as we continue to break the tradition, sidestep the burn-out effect, and forge forward with additional programming, membership expansion and community outreach. Already we have hosted a program honoring the Federal Bar Association National President Maria Vathis, and our dear friend on the judiciary, Judge Loretta A. Preska. We have held four monthly meetings, including the very well-attended December meeting hosted by Bryan Cave and FBA President Maria Vathis. We have hosted two community outreach programs through NY Cares, started by our Vice-President Wendy Stein. We have a new membership Chair in Samuel Blaustein, and new mentorship Chair in Nancy Morisseau.
We have been honored to be asked by the Second Circuit to work with the circuit and the Magistrate Judges in the Second Circuit on a program in honor of the 50th Anniversary of the Federal Magistrates Act, with great assistance from Judge Frank Maas. Our very own President-elect Mimi Tsankov is organizing an incredible evening of Discussion and Celebration in honor of International Women’s Day. We are also participating in three different national programs taking place in NYC (Art & Litigation on February 7 and Fashion Law on February 8) and in New Orleans (Civil Rights Etouffee on February 15, 2019). Other CLE programs are in the planning stages.

When other chapters have fallen prey to post-convention burn-out, the SDNY Chapter of the Federal Bar Association takes that as a challenge and pushes forward with another stellar year. I am proud to serve as President of this incredible group of attorneys.

Regards,
Wylie Stecklow
SDNY Chapter Event

100 Years of Women at Fordham Law

National Delegate Lainie Cohen
SDNY Chapter President Wylie Stecklow
Alexander Zimmer
Delegate to the Network of Bar Leaders Nancy Morisseau

FBA President Maria Vathis
SDNY Chapter Event

100 Years of Women at Fordham Law

SDNY Judge Loretta Preska and FBA President Maria Vathis

SDNY Chapter President Wylie Stecklow
Second Circuit Judge Richard Sullivan
SDNY Judge Loretta Preska
FBA President Maria Vathis
Alexander Zimmer
Ashley Akers

Ray Dowd,
SDNY Membership Chair Samuel Blaustein,
Second Circuit Judge Richard Sullivan,
SDNY Chapter President Wylie Stecklow
May Parties Contract Away the Bond Requirement for a TRO or a Preliminary Injunction? Comparing Approaches of the SDNY and District of Delaware

By Jean Dassie

A preliminary injunction is a powerful tool to wield at the outset of litigation that can set the tone for the rest of the lawsuit. It allows the movant to halt an adverse party from potentially injuring the movant’s rights until the case is decided on the merits. Under Federal Rule of Civil Procedure 65(a), a court may issue a preliminary injunction “only on notice to the adverse party.” To obtain a preliminary injunction in the Southern District of New York (SDNY), a movant must show “[1] irreparable harm absent injunctive relief; [2] either a likelihood of success on the merits, or a serious question going to the merits to make them a fair ground for trial, with a balance of hardships tipping decidedly in the plaintiff’s favor, and [3] that the public’s interest weighs in favor of granting an injunction.”

While the moving party must satisfy all factors, “[a] showing of irreparable harm is the single most important prerequisite for the issuance of a preliminary injunction.” To establish irreparable harm in the SDNY, a plaintiff must show “that absent a preliminary injunction [it] will suffer an injury that is neither remote nor speculative, but actual and imminent, and one that cannot be remedied if a court waits until the end of trial to resolve the harm.” There must be “a continuing harm which cannot be adequately redressed by final relief on the merits and for which money damages cannot provide adequate compensation.”

While a court may issue a preliminary injunction only upon notice to all parties, Rule 65 authorizes a court to “issue a temporary restraining order without written or oral notice to the adverse party or its attorney . . . .” A court may issue a temporary restraining order (TRO) “only if . . . specific facts in an affidavit or a verified complaint clearly show that immediate and irreparable injury, loss, or damage will result to the movant before the adverse party can be heard in opposition; and the movant’s attorney certifies in writing any efforts made to give notice and the reasons why it should not be required.” If a TRO is issued without notice, “the motion for a preliminary injunction must be set for hearing at the earliest possible time[.]”

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2 Id. at *15 (citations omitted).
3 Id. at *15-16 (citations omitted).
4 Id. at *16.
6 Id.
I. Rule 65’s Bond Requirement

Whether one moves for a TRO or a preliminary injunction, the court may issue relief under Rule 65 “only if the movant gives security in an amount that the court considers proper to pay the costs and damages sustained by any party found to have been wrongfully enjoined or restrained.”8 Despite the mandatory language in the Rule, courts have carved out limited exceptions for when a movant need not post a bond to obtain preliminary injunctive relief. For example, the Second Circuit has dispensed with the bond requirement where there was “no proof of likelihood of harm” by the non-movant,9 and in circumstances “involving the enforcement of ‘public interests’ arising out of ‘comprehensive federal health and welfare statutes.’”10 The Third Circuit has similarly dispensed with the bond requirement where “compliance with the injunction ‘raise[d] no risk of monetary loss to the defendant[,]’”11 and in cases having broad implications for the general welfare.12

In theory, the Second and Third Circuits apply similar standards when deciding whether to dispense with the bond requirement. But in practice, district courts in the Second and Third Circuits approach bond waiver differently, especially where the parties have contracted away the requirement. As explained more fully in the next section, district courts in the Second Circuit may be more amenable to waiving the bond requirement where a contractual provision so provides compared to district courts in the Third Circuit.

II. Differing Approaches of District Courts in the Second and Third Circuits


In Singas Famous Pizza Brands Corp. v. N.Y. Advert. LLC, Judge Holwell of the Southern District of New York waived the bond requirement per a contractual agreement between the parties.13 In this case between restaurant owners, the franchisor plaintiffs asserted claims for trademark infringement and breach of contract against the franchisee defendants.14 The franchisor plaintiffs moved for a preliminary injunction restraining the defendants from operating restaurants at certain locations, or, in the alternative, from

8 Fed. R. Civ. P. 65(c) (emphasis added).
9 Doctor’s Assocs. v. Distajo, 107 F.3d 126, 135-36 (2d Cir. 1997).
10 Pharm. Soc’y v. N.Y. State Dep’t of Soc. Servs., 50 F.3d 1168, 1174-75 (2d Cir. 1995).
13 Id. at *1.
14 Id. at *38-39.
operating those restaurants using the plaintiffs’ trademarks. In the franchise agreement at issue in the case, the franchisee had agreed that the franchisor could secure injunctive relief “without necessity of posting a bond . . . .” Despite this contractual language, the defendants argued that, under Rule 65(c), the plaintiffs “should be required to post a bond for Defendants’ damages if a pretrial injunction [was] granted.” Id. The court rejected this argument, recognizing that parties may agree to waive the bond requirement per a contractual provision.

In contrast, in TP Grp.-CI, Inc. v. Vetecnik, a District of Delaware breach of contract case, the court reached the opposite result. In Vetecnik, the defendant “entered into a stock option agreement with [the plaintiff] in return for signing non-compete and confidentiality agreements.” Notwithstanding an agreement between the parties authorizing injunctive relief without posting a bond or other security, the court required the plaintiff to post a bond in order to secure an injunction. According to the court, “the restrictive covenant impose[d] restrictions on Defendant’s future employment and, because of this, Defendant risk[ed] monetary loss.” The court reasoned that “[w]hile there may be rare exceptions where a bond is not required, ‘absent circumstances where there is no risk of monetary loss to the defendant, the failure of a district court to require a successful applicant to post a bond constitutes reversible error.’” The court therefore concluded that “it would be inappropriate to waive the bond requirement despite the parties’ agreement[,]” and imposed a security bond in the amount of $250,000.

III. Whether Rule 65’s Bond Requirement Can Be Waived by Private Agreement

As the above decisions illustrate, a private agreement providing for injunctive relief without the need to post a bond can be enforced differently (or not at all) depending on jurisdiction. Plaintiffs deciding whether to bring a lawsuit in the Second or Third Circuit should consider these varying judicial approaches, especially where they intend to seek preliminary injunctive relief. If the parties have contracted away the need to post a bond to secure injunctive relief, bringing the case in the Southern District of New York or another Second Circuit court may be the cheaper alternative. A plaintiff in the SDNY

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15 Id. at *1-2.
16 Id. at *38.
17 Id.
18 Id. (citations omitted).
20 Id. at *1-2.
21 Id. at *7-8.
22 Id. at *7.
23 Id. (citations omitted).
24 Id. at *7-8.
25 It is important to note that the Third Circuit, in PharMethod, Inc. v. Caserta, left open the question whether the parties may waive the bond requirement by contract. 382 Fed. App’x 214, 221-22 (3d Cir. 2010). In PharMethod, the district court granted a preliminary injunction without requiring PharMethod to post a bond. See id. at 222. An agreement between the parties provided that “[the defendant] agrees that temporary and permanent injunctive relief would be appropriate remedies . . . without bond or
may be able to obtain a TRO and preliminary injunction without posting a bond as per a contractual agreement, whereas a court sitting in the District of Delaware may require a bond to be posted notwithstanding a contractual provision purporting to remove the bond requirement.

Jean Dassie is an associate in the Intellectual Property Practice Group in the New York City office of Gibbons P.C.

Mr. Dassie has extensive experience representing patent owners and accused infringers in federal court patent infringement actions in different industries including pharmaceuticals, oil, and electronics. Mr. Dassie also has experience representing parties in matters involving breach of contract and misappropriation of trade secrets.

security.” *Id.* The Third Circuit vacated the injunction, *id.*, but noted that on remand, if the court granted the preliminary injunction, it would have to “address and resolve” the tension between the purported agreement and the requirements of Rule 65(c). *Id.* The parties appear to have settled the case before this issue was resolved on remand. *PharMethod, Inc. v. Caserta*, No. 2:09-cv-05815-JCJ (E.D. Pa. Sept. 22, 2010). The *Vetecnik* court required the posting of bond despite the dictum in *PharMethod*. See *Vetecnik*, 2016 U.S. Dist. LEXIS 138980, at *7 (citing *PharMethod, Inc. v. Caserta*, 382 F. App’x 214, 222 (3d Cir. 2010)).
The FBA SDNY’s Bankruptcy Section is gearing up, and you’re invited. Local bankruptcy practitioners (and all others interested) can address local issues and stay abreast of the practice nationally. We’re organizing a CLE program, too. Your involvement presents the opportunity to showcase your skills and other fine attributes.

This is the committee’s “fresh start.” It is what we make it. So get involved! Just update your FBA membership to include the Bankruptcy Section. Or, contact Wayne Greenwald at Grimlawyers@aol.com. We’ll take it from there.

On December 19, 2018, SDNY Chapter Vice President Wendy Stein and 2019 Recipient of FBA’s Rising Professional Scholarship Brooke Gottlieb participated in a very fulfilling “Bingo Night” community outreach event run by New York Cares at the New Jewish Home on West 106th Street in Manhattan. The event was very well attended by happy residents of the New Jewish Home.

Please join us in continuing our chapter’s monthly participation in community outreach events with New York Cares on January 29, 2019 between 6-8 pm at the Good+ Foundation at 306 West 37th Street, 8th Floor. At this upcoming event, SDNY Chapter members will be sorting, screening and bundling items for future donations with the GOOD+ Foundation.

Stay tuned for more exciting community outreach events being planned for 2019!
Mark Your Calendar!

**Art Law and Litigation Conference**
February 7, 2019
National Arts Club, New York, New York

**Fashion Law Conference**
February 8, 2019
National Arts Club, New York, New York

**FBA Civil Rights Law Section, Civil Rights Étouffée**
February 15, 2019
New Orleans Jazz & Heritage Foundation

**9th Biennial Labor and Employment Law Conference**
February 21 & 22, 2019
Labor and Employment Law Section, San Juan, Puerto Rico

**International Women’s Day Celebration**
March 11, 2019
Fordham Law School

**FBA Midyear Leadership Conference**
March 20, 2019 – March 23, 2019
Ritz Carlton Pentagon City
8:30-9:00 a.m. 
Opening Remarks
Maria Z. Vathis, FBA President

Panel I – Trade Wars with China: Analysis of Outcome
This panel will include attorneys and trade representatives discussing the recent and ongoing trade war with China and the expected impact upon the fashion industry. Panelists will break down how trade wars work, and what are the expected benefits and drawbacks upon the United States. Panelists will discuss how U.S. and foreign companies should prepare for the impact that such a trade war will have upon the import and export of goods in the U.S.

- Frances P. Hadfield, Counsel, Crowell & Moring LLP (Moderator)
- Deanna Clark-Esposito, Managing Attorney, Clark-Esposito Law Firm, P.C.
- Michael Khorsandi, Senior Director, Trade and Regulatory Counsel, Ross Stores, Inc.
- David Stepp, Partner, Crowell & Moring

This panel will examine traditional intellectual property, or design, rights in the United States and abroad, and will examine the latest cases dealing with brand owners seeking to apply traditional IP rights to non-traditional elements of a design. The panel will examine whether recent cases indicate a willingness for courts to expand upon such rights vis-à-vis the fashion industry.

- Olivia Medenica, Partner, Dunnington Bartholow & Miller LLP (Moderator)
- Dyan Finguerra-Ducharme, Partner, Pryor Cashman LLP
- Laurine Janin-Reynaud, Partner, Duclos, Thorne, Mollet-Viéville & Associés
- Rita Olin, Vice President and Senior Trademark Counsel, The Estee Lauder Companies, Inc.

Panel III – Fashion Tech and Wearable Technology: What Next?
This panel will examine how fashion tech affects the fashion industry, from supply chain management, to counterfeit products, and contract management. Panelists will include legal counsel and startups discussing various aspects of fashion tech, problems in supply chain management, and the role of legal counsel in navigating the regulatory hurdles.

- Olivia Medenica, Partner, Dunnington, Bartholow & Miller LLP (Moderator)
- Filip Bajovic, CEO, Cadocet
- Bert G. Kaminiski, Chief Commercial Counsel, GE Digital
- Stacy Yeung, Senior Counsel, Consumer Health Division, Bayer

Panel IV – Legal Roundup for Retailers: What You Need to Know
This panel will provide a broad brush discussion of the latest issues impacting retailers, from class action lawsuits, to data breach and counterfeit products. This panel will include class action, privacy and IP attorneys discussing some of the most salient issues affecting retailers.

- Maria Z. Vathis, Of Counsel, Bryan Cave (Moderator)
- Lorenzo Marcelli-Flori, Assistant General Counsel North America, Real Estate and Business Services, Luxottica
- Lena Saltos, Associate General Counsel, Global Director of Intellectual Property, Urban Outfitters Inc.

Panel V – Trump Administration Immigration Policies and the Fashion Industry
This panel will include attorneys and industry insiders discussing the impact of the Trump administration’s immigration policies on the fashion industry. Specifically, panelists will address the mechanics of bringing foreign talent to the U.S. and how recent immigration policies, such as the rescission of DACA, the temporary suspension of premium processing for H-1B visas, and the “travel ban”, have impacted the fashion industry.

- Marilee Holmes, Vice President of Operations and General Counsel, Wilhelmina
- Nicola Tegoni, Partner, Dunnington, Bartholow & Miller LLP
- Hon. Mimi Tsankov, Officer, National Association of Immigration Judges (appearing in a personal capacity)

Panel VI – Design Patents: A Discussion in Diversity
This panel will explore whether certain aspects of the PTO’s eligibility rules are unnecessary when applied to design patents where prosecution of such patents does not require a technical background and the rules have a disparate impact on the number of women who can prosecute them.

- Olivia Medenica, Partner, Dunnington, Bartholow & Miller LLP (Moderator)
- Christopher J. Buccafusco, Professor of Law, Director, Intellectual Property & Information Law Program, Associate Dean for Faculty Development, Cardozo School of Law
- Jeanne Curtis, Professor of Law, Visiting Assistant Clinical Professor, Director of the Cardozo-Google Program for Patent Diversity, Cardozo School of Law

Champagne Reception
Mingle with experts in the field, industry reps, and fellow attorneys you’ve connected with throughout the event.
Civil Rights Étouffée
A FEDERAL BAR ASSOCIATION CIVIL RIGHTS CLE
FRIDAY, FEBRUARY 15, 2019 • NEW ORLEANS

Brought to you by the FBA Civil Rights Law Section, FBA New Orleans Chapter, FBA SDNY Chapter, and the Louisiana State Bar Association.

Including panelists from ACLU, FBA Civil Rights Law Section, Southern Poverty Law Center, MacArthur Justice Center, Vera Institute of Justice, Utah Attorney General’s Office, Electronic Frontier Foundation, Louisiana Law School Deans, National Police Accountability Project

For more information: www.EtouffeeLaw.com

50 YEARS OF CIVIL RIGHTS • IMMIGRATION JUDGES UNDER ARTICLE 1 FIRST AMENDMENT PRIVACY IN THE DIGITAL AGE • END OF MONEY BAIL OVER-DETENTION CLAIMS • SCHOOL SAFETY: HOW FAR IS TOO FAR? CLASS ACTION PRIMER FOR CIVIL RIGHTS • AND MORE!

Laissez L’Étouffée Rouler!
Labor and Employment Law Section
9th Biennial Labor and Employment Law Conference
San Juan
Puerto Rico
Save the date

Labor and Employment Law Section

9th Biennial Labor and Employment Law Conference

San Juan, Puerto Rico

February 21 & 22, 2019
Upcoming FBA SDNY Board Meetings

Friday February 1, 2019
Friday March 15, 2019
Friday April 12, 2019
Friday May 10, 2019
Friday June 21, 2019
Friday July 19, 2019
Friday August 16, 2019
Friday September 13, 2019

To become more active in the SDNY chapter, please email SDNY.FBA@gmail.com