

Oh My God! Covid Killed Casa Bonita! (Until South Park's Creators Stepped In)

November 29, 2022 – The TMCA

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Related People

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Related Capabilities

- Trademark, Copyright + Advertising
- Intellectual Property Litigation

Casa Bonita – a self-described “Eatertainment” establishment near Denver, Colorado, featuring cliff divers, stage shows, and subpar Mexican food, appeared destined to become another Covid-19 related restaurant casualty. In 2020 Casa Bonita initially ceased operations due to a local order mandating the closure of indoor restaurants and entertainment due to the global pandemic. As a result of a lengthy closure and ensuing restrictions on indoor dining and entertainment establishments, Casa Bonita fell behind on its rent payments. On April 6, 2021, facing an eviction suit from its landlord, Summit Family Restaurants, Inc., the owner of Casa Bonita, filed for Chapter 11 bankruptcy protection: *In re Summit Family Restaurants, Inc.*, Case No. 21-13328-MER (Bankr. Colo.).

With the National Restaurant Association reporting that more than 90,000 restaurants have closed due to the pandemic, a standalone restaurant's closure and subsequent bankruptcy filing would typically be unremarkable. However, most local restaurants do not have the benefit and notoriety of their own South Park episode. Casa Bonita gained national attention in 2003 when South Park, an animated series on Comedy Central, released an episode titled "Casa Bonita." The episode features Casa Bonita as the much sought-after location of character Kyle Broflovski's birthday party, to which heckler Eric Cartman is not invited. Cartman spends the episode manipulating his way onto the guest list (including kidnapping an invitee) to visit the "Disneyland of Mexican Restaurants."

Summit Family Restaurants sought to sell Casa Bonita in its bankruptcy case. The sale was complicated by the large pre-petition claim owed to the landlord whose consent was needed to consummate a sale. Additionally, the intellectual property required to operate Casa Bonita was held by a separate but related non-debtor entity, meaning that a buyer would also need to reach a deal with the third party in order to actually operate the restaurant.

A group of Denver area locals banded together to form "Save Casa Bonita" and attempted to negotiate with Summit to purchase the restaurant. Negotiations broke down when the landlord would not consent to the sale. Enter South Park creators Trey Parker and Matt Stone. Parker and Stone successfully negotiated an agreement to purchase Casa Bonita with the landlord's consent through the bankruptcy case for \$3.1 million, an amount sufficient to pay all of Summit's creditors in full. The Save Casa Bonita group objected to the sale, arguing that their offer to purchase the restaurant for \$3.5 million was higher and better. The group's founder expressed in an interview that the group sought to avoid for Casa Bonita to become a "'South Park' joke or 'South Park' fun land." However, for reasons not publicly specified, Save Casa Bonita ultimately withdrew its objection to the sale. Could this have been because of the separate deal required to acquire or license the intellectual property rights for the restaurant? Maybe -

Parker and Stone have publicly expressed their childhood love of the restaurant as a reason for purchasing Casa Bonita, but the timing suggests the purchase was also a strategic business move. The agreement to purchase Casa Bonita was reached shortly after the two entered a six-year, \$935 million pact with ViacomCBS that includes 14 streaming South Park movies. Some in the media suspect the acquisition is part of a strategy for Parker and Stone to enhance the value of the South Park brand and capitalize on fandom trends.

Parker and Stone recently announced their plans to reopen the restaurant, including improving the food, which was known to be less than stellar. The two have hired Dana Rodriguez, a three-time James Beard Award winner and Denver restaurant owner as the head chef of the new Casa Bonita. However, it appears the quirky charm of the restaurant will remain, including its cliff divers, arcade, and cave, as the new owners have expressed their motto to "change nothing and improve everything." Time will tell how this investment works out and if and how Stone and Parker further intermesh Casa

Bonita and the South Park brand.