

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

JUDGE DANIELS

U.S.A. FAMOUS ORIGINAL RAY'S LICENSING  
CORP.,

11 CIV 4059  
Civil Action No.

Plaintiff,

-against-

MAX BROTHERS PIZZA INC. D/B/A THE FAMOUS  
RAY'S PIZZA and FAMOUS RAY'S PIZZA OF  
GREENWICH VILLAGE,

Defendants.

**COMPLAINT**

Jury Trial Demanded



Plaintiff U.S.A. Famous Original Ray's Licensing Corp., by its attorney Ruskin Moscou  
Faltischek, P.C., as and for its complaint against the above-named defendant, alleges as follows:

**THE PARTIES**

1. Plaintiff U.S.A. Famous Original Ray's Licensing Corp. ("Ray's" or "Plaintiff")  
is a corporation duly organized and existing under the laws of the State of New York, with a  
principal place of business located at 133 Randolph Street, Brooklyn, New York 11237.

2. Upon information and belief, defendant Max Brothers Pizza Inc. d/b/a The  
Famous Ray's Pizza and Famous Ray's Pizza of Greenwich Village is a corporation organized  
and existing under the laws of the State of New York, with a principal place of business located  
at 465 Avenue of the Americas, New York, New York.

**JURISDICTION AND VENUE**

3. The Court has federal question jurisdiction over this case pursuant to sections 1331  
and 1338(a) of Title 28 of the U.S. Code, as the federal courts have original federal jurisdiction over  
Ray's Lanham Act claims against Defendant. The Court has supplemental jurisdiction over this  
case pursuant to section 1367(a) of Title 28 of the U.S. Code, as Ray's pendent state law claims are

so related to its claims within the Court's original jurisdiction so as to form part of the same case or controversy.

4. Venue is proper pursuant to 28 U.S.C. § 1391(b) because a substantial part of the events giving rise to this claim occurred in the Southern District of New York.

#### **NATURE OF CASE**

5. This case arises out of Defendant's unauthorized use of Ray's long-standing family of trademarks in connection with its restaurant business and services.

6. Despite repeated requests to cease and desist from this trademark infringement, Defendant continues to use Ray's trademarks in order to promote its own restaurant business. This deceptive and misleading conduct constitutes unlawful infringement of a registered mark, false advertising, and false designation of origin and dilution, all in violation of the Lanham Act (15 U.S.C. § 1125). In addition, Defendant's wrongful conduct and unauthorized use of Ray's trademarks constitutes unfair competition under the common law of New York, deceptive acts and practices in violation of § 349 of the New York General Business Law, false advertising in violation of § 350-a of the New York General Business Law, and injury to business reputation in violation of § 360-1 of the General Business Law.

7. Ray's now seeks, among other things, injunctive relief, preventing Defendant's misuse of Ray's trademarks, along with compensatory damages, exemplary damages and attorney's fees. Absent the requested injunctive relief, plaintiff Ray's goodwill, customer base, market share and invaluable interest in the Ray's family of trademarks will be damaged.

#### **BACKGROUND FACTS**

8. Ray's is engaged in the licensing of and operation of Italian style restaurants that sell pizza and Italian food specialties.

9. Restaurants licensed and/or owned by Ray's and its predecessors in interest have continuously operated and existed for over forty (40) years.

10. Ray's owns a family of registered trademarks incorporating the word RAY'S for restaurant services, including the following:

- (A) RAY'S PIZZA (U.S. Registration No. 2196832);
- (B) FAMOUS RAY'S PIZZA (U.S. Registration No. 2196830);
- (C) FAMOUS ORIGINAL RAY'S PIZZA (U.S. Registration No. 1918484);  
and
- (D) FAMOUS ORIGINAL RAY'S PIZZA EST. 1964 (logo) (U.S. Registration No. 1918483); and
- (E) RAY'S FAMOUS ORIGINAL RAY'S PIZZA (crown logo) (U.S. Registration No. 3675202).

11. The aforesaid registered trademarks and logos are collectively referenced herein as the "RAY'S Marks".

12. For more than forty (40) years, Ray's has successfully exploited many of the RAY'S Marks, extensively advertising and promoting those trademarks, and has achieved substantial commercial success in association with the RAY'S Marks and caused customers and the general public to associate quality restaurant services with the RAY'S Marks.

13. Ray's currently licenses and/or owns and operates approximately seventeen (17) restaurants using the RAY'S Marks in New York City and the New York Metropolitan area.

14. By reason of the foregoing, Ray's has developed and owns valuable goodwill associated with the use of the RAY'S Marks in the United States.

15. Ray's utilizes the RAY'S Marks in connection with, among other things, its restaurants and the restaurant services that it provides.

16. The RAY'S Marks are of great commercial value and rank among Ray's most valuable assets.

17. The RAY'S Marks are distinctive and widely understood to signify the services provided and sold by Ray's.

18. In accordance with the provisions of the Lanham Act, Ray's has registered the RAY'S Marks with the United States Patent and Trademark Office and is the owner of the United States Registrations in the RAY'S Marks for restaurant services. Copies of these Registrations are annexed hereto and incorporated herein as Exhibit "A".

19. These Registrations constitute *prima facie* evidence of Ray's ownership of the RAY'S Marks for restaurant services and Ray's exclusive right to use these Marks, or any mark confusingly similar thereto, in association with restaurant services.

20. Defendant operates an Italian style pizza restaurant in New York, the products and services of which it identifies to the public as being those of "THE FAMOUS RAY'S PIZZA" and "FAMOUS RAY'S PIZZA OF GREENWICH VILLAGE."

21. Defendant is using the marks "THE FAMOUS RAY'S PIZZA" and "FAMOUS RAY'S PIZZA OF GREENWICH VILLAGE" on its signage, menus, telephone listings, telephone answering and the like.

22. Defendant is using RAY'S Marks without consent or authorization from Ray's, in connection with its own restaurant businesses and services in New York, New York. For example, upon information and belief:

- Defendant uses the RAY'S Marks on the signage at Defendant's store located at 465 Avenue of the Americas, New York, New York;
- Defendant's employees use the RAY'S Marks when answering the telephone;
- Defendant's use the RAY'S Marks in connection with Defendant's listings in telephone directories; and
- Defendant's use the RAY'S Marks on advertisements and promotional materials.

23. All of the acts of Defendant that are alleged herein are without the license, permission, authorization or consent of Ray's.

24. These acts have caused and, unless restrained by this Court, will continue to cause serious and irreparable harm to Ray's and to the valuable goodwill associated with the RAY'S Marks.

25. The "FAMOUS RAY'S PIZZA" mark used by Defendant is identical to one of the RAY'S Marks and confusingly similar to Ray's other federally registered marks.

26. Similarly, the "FAMOUS RAY'S PIZZA OF GREENWICH VILLAGE" mark incorporates one of the Ray's Marks in its entirety and as a whole is confusingly similar to the RAY'S Marks.

27. Defendant's use of the mark and names "FAMOUS RAY'S PIZZA" and "RAY'S PIZZA OF GREENWICH VILLAGE" for its restaurant and restaurant services constitutes a false designation of origin in view of Plaintiff's prior use and registration of the distinctive RAY'S Marks.

28. Ray's has notified Defendant that Defendant's use of the Ray's Marks infringes on Ray's valuable trademark rights, and demanded that Defendant terminate all use of these marks and names.

29. Despite having received actual notice of Ray's claim of infringement, Defendant has failed and willfully refused to cease using the RAY'S Marks and has continued its infringing conduct.

30. By reason of the facts alleged herein, Defendant is infringing on Ray's valuable trademark rights in violation of Section 32(1) of the Lanham Act (15 U.S.C. § 1114(1)) and Section 43(a) of the Lanham Act (15 U.S.C. § 1125(a)).

31. Plaintiff's remedy at law is not adequate to compensate it for the injury threatened by Defendant's continuing infringement of the RAY'S Marks.

**FIRST CLAIM FOR RELIEF**

**Federal Trademark Infringement  
(Violation of Section 43(a) of the Lanham Act)**

32. Ray's repeats and realleges each and every allegation contained in the foregoing paragraphs as if set forth fully hereat.

33. The RAY'S Marks are distinctive and widely understood to signify the goods and services provided and sold by Ray's.

34. Defendant's unauthorized use of the RAY'S Marks in connection with its restaurant business and services is likely to cause confusion, mistake and deception as to the origin, sponsorship, endorsement or approval of its goods or services by Ray's.

35. Defendant's unauthorized use and promotion of the RAY'S Marks is with the knowledge and intent that such use and imitation of Ray's registered trademarks will deceive and cause confusion, or mistake, all resulting in damage to Ray's.

36. Defendant's unauthorized use of the RAY'S Marks in connection with its restaurant business or services infringes on Ray's rights as the registered owner of the RAY'S Marks in violation of Section 43(a) of the Lanham Act.

37. Defendant's aforesaid conduct constitutes false advertising, infringement and unfair competition in violation of Section 43(a) of the Lanham Act.

38. By reason of the foregoing, plaintiff Ray's has sustained damages in an amount to be determined at trial and now estimated to exceed \$1,000,000.00.

39. By reason of the foregoing, plaintiff Ray's is entitled to injunctive relief preventing and restraining Defendant and those acting on its behalf or in concert with it, from infringing upon the RAY'S Marks and using the RAY'S Marks to compete unfairly with Ray's.

40. Defendant's conduct is causing Ray's irreparable harm for which Ray's has no adequate remedy at law.

**SECOND CLAIM FOR RELIEF**

**False Designation of Origin and  
Dilution Under the Lanham Act  
(Lanham Act Section 43 (15 U.S.C. § 1125))**

41. Ray's repeats and realleges each and every allegation contained in the foregoing paragraphs as if fully set forth hereat.

42. Ray's is the owner of famous marks that have become known to the consuming public as representing uniform standards of quality and reliability and have achieved and become associated with valuable goodwill.

43. By reason of the foregoing acts of Defendant as alleged herein, Defendant has falsely described, represented and designated the origin of the services and/or goods they supply.

44. Defendant has knowingly and willfully infringed on Ray's registered marks with the bad faith intent to profit from the use of those marks.

45. Defendant's wrongful conduct has already caused confusion and is likely to cause greater confusion among the consuming public, and has already deceived customers and is likely to continue to deceive the consuming public concerning the source of the services and/or goods provided by Defendant, and has or may cause dilution of the RAY'S Marks.

46. By reason of the foregoing acts of Defendant, Ray's has been damaged, and said acts, unless restrained, will continue to cause greater damage to Ray's in the future.

47. By reason of the foregoing, plaintiff Ray's has sustained damages in an amount to be determined at trial and now estimated to exceed \$1,000,000.00.

48. By reason of the foregoing, plaintiff Ray's is entitled to injunctive relief preventing and restraining Defendant and those acting on its behalf or in concert with it, from infringing upon the RAY'S Marks and using the RAY'S Marks to compete unfairly with Ray's.

49. Defendant's conduct is causing Ray's irreparable harm for which Ray's has no adequate remedy at law.

### **THIRD CLAIM FOR RELIEF**

#### **Deceptive Trade Practices (Violation of Section 349 of the New York General Business Law)**

50. Ray's repeats and realleges each and every allegation contained in the foregoing paragraphs as if set forth fully hereat.

51. Defendant has in the past, and continues through the present to materially mislead consumers into falsely believing that Defendant's restaurant business is authorized by or affiliated with Ray's or Ray's restaurant services.

52. Defendant is further deceiving and materially misleading consumers through its false advertising and by providing services under the RAY'S Marks.

53. As a result of Defendant's deceptive business practices, Ray's has been injured by lost sales, loss of profits, loss of future profits, loss of customers, injury to its customer goodwill, loss of market share, and damage to its business reputation.

54. Defendant's aforesaid conduct constitutes a violation of Section 349 of the New York General Business Law prohibiting deceptive acts and practices.



55. As a result of the foregoing, Ray's has been damaged in an amount to be determined at trial and now estimated to exceed \$1,000,000.00.

56. As a result of the foregoing, Ray's is further entitled to injunctive relief, preventing and restraining Defendant and all those acting on its behalf or in concert with it, from further violations of Section 349 of the New York General Business Law.

57. Defendant's conduct is causing Ray's irreparable harm for which Ray's has no adequate remedy at law.

**FOURTH CLAIM FOR RELIEF**

**False Advertising  
(Violation of § 350-a of the New York General Business Law)**

58. Ray's repeats and realleges each and every allegation contained in the foregoing paragraphs as if set forth fully hereat.

59. Defendant has advertised its business, and continues to do so, intentionally misleading the public in material respects and failing to reveal material facts creating the false impression that its is associated with or approved by Ray's, causing injury to both the public and Ray's.

60. As a result of the foregoing, Ray's has been damaged in an amount to be determined at trial and now estimated to exceed \$1,000,000.00.

61. As a result of the foregoing, Ray's is further entitled to injunctive relief, preventing and restraining Defendant and all those acting on its behalf or in concert with it, from further violations of Section 350-a of the New York General Business Law.

62. Defendant's conduct is causing Ray's irreparable harm for which Ray's has no adequate remedy at law.

**FIFTH CLAIM FOR RELIEF**

**Violation of Anti-Dilution Statute  
(Violation of Section 360-1 of the New York General Business Law)**

63. Ray's repeats and realleges each and every allegation contained in the foregoing paragraphs as if set forth fully hereat.

64. The RAY'S Marks are distinctive. Defendant's use of the RAY'S Marks in connection with restaurant services creates a likelihood of dilution as a result of blurring or tarnishment. Upon information and belief, Defendant's actions were committed with predatory intent.

65. Defendant's acts have already caused and/or are creating a substantial likelihood of injury to the business reputation of Ray's and the dilution of the distinctive quality of its registered marks, all to the detriment and damage of Ray's.

66. As a result of the foregoing, Ray's has been damaged in an amount to be determined at trial and now estimated to exceed \$1,000,000.00.

67. As a result of the foregoing, Ray's is further entitled to injunctive relief, preventing and restraining Defendant and all those acting on its behalf or in concert with it, from further violations of Section 360-1 of the New York General Business Law.

68. Defendant's conduct is causing Ray's irreparable harm for which Ray's has no adequate remedy at law.

**SIXTH CLAIM FOR RELIEF**

**Common Law Unfair Competition**

69. Ray's repeats and realleges each and every allegation contained in the foregoing paragraphs as if set forth fully hereat.

70. As a result of Defendant's actions as set forth above, Defendant has infringed on and misappropriated Ray's valuable trademark rights and/or is trading on the goodwill symbolized by the RAY'S Marks, and is likely to cause and continue to cause confusion and to deceive members of the relevant public.

71. Defendant has unlawfully used the RAY'S Marks, which use has created a likelihood of confusion and mistake on the part of the public as to the source or origin of the services provided by Defendant.

72. Defendant's actions have caused, and are likely to continue to cause, Ray's customers to be misled into believing that Defendant is licensed by, sponsored by, associated with, or connected with Ray's.

73. By virtue of its aforementioned acts, Defendant has acted in bad faith and has engaged in common law unfair competition with respect to Ray's.

74. By reason of the foregoing, Plaintiff Ray's has sustained damages in an amount to be determined at trial and now estimated to exceed \$1,000,000.00.

75. By reason of the foregoing, Ray's is entitled to injunctive relief restraining and preventing Defendant and those acting on its behalf or acting in concert with it.

76. Defendant's conduct is causing Ray's irreparable harm for which Ray's has no adequate remedy at law.

**JURY TRIAL DEMANDED**

Ray's demands a jury trial in this case.

WHEREFORE, plaintiff U.S.A. Famous Original Ray's Licensing Corp. respectfully requests that this Court enter judgment in favor of Ray's and granting Ray's the following relief:

1. That Defendant and its respective officers, agents, servants, employees, attorneys, and all those in active concert or participation with them, be preliminarily and permanently enjoined from:
  - (a) Using the RAY'S Marks or any other names or marks confusingly similar to the RAY'S Marks in connection with restaurant or related businesses or services;
  - (b) Using the RAY'S Marks or any other confusingly similar marks or names as part of any business name or as a service mark, trademark, trade name or part thereof, alone or in combination with other words, symbols, styles, titles or marks in connection with any restaurant or related businesses or services, including, but not limited to, use on signage, advertising, menus, packaging websites or domain names;
  - (c) Performing any act or displaying any words, names, trade dress or marks which are likely to cause confusion, to cause mistake or deceive, or otherwise mislead the public into believing that Defendant and Ray's are one and the same, are in some way affiliated, associated or connected, or that Ray's is a sponsor of Defendant or its restaurant, or that Defendant is in some way licensed, affiliated, associated with or under the supervision or control of Ray's, or that the goods or services of Defendant originate

- from or are approved by Ray's, or which are likely in any way to lead the public to associate Defendant with Ray's;
- (d) Doing any other act or thing likely to cause confusion with regard to the RAY'S Marks; and
  - (e) Unfairly competing with Ray's in any other manner whatsoever.
2. That, pursuant to 15 U.S.C. §1118, Defendant be ordered to deliver up for destruction all packaging, promotional material, catalogues, print fliers, brochures, labels, wrappers and all other matter used for distribution or marketing of goods or services using the RAY'S Marks.
  3. That Ray's be awarded monetary relief in an amount to be determined at trial, including:
    - (a) All profits received by Defendant from sales and revenues of any kind in connection with the provision of restaurant or related services under the RAY'S Marks;
    - (b) All damages sustained by Ray's as a result of Defendant's acts of infringement and unfair competition; and
    - (c) The costs of bringing this action, including reasonable attorneys fees, as well as treble and/or exemplary damages pursuant to 15 U.S.C. § 1117 and all other applicable laws and statutes.
  4. That Defendant be ordered to compensate Ray's in an amount that would enable Ray's to conduct corrective advertising reasonably calculated to remedy any consumer confusion created as a result of Defendant's unlawful actions.
  5. That, pursuant to 15 U.S.C. §1116, Defendant be directed to file with the Court

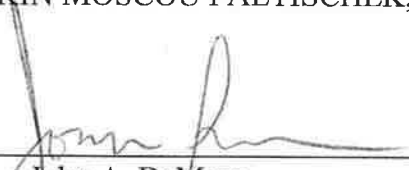
and serve upon Ray's within thirty (30) days after issuance of an injunction, a report in writing and under oath setting forth in detail the manner and form in which Defendant has complied with the injunction.

6. Damages in an amount to be determined at trial and now estimated to exceed \$1,000,000.00; and
7. Such other and further relief as the Court may deem just, appropriate and equitable, including the costs and expenses of this action.

Dated: Uniondale, New York  
June 14, 2011

RUSKIN MOSCOU FALTISCHEK, P.C.

By: \_\_\_\_\_

  
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To: MAX BROTHERS PIZZA INC. d/b/a/  
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465 Avenue of the Americas  
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