UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN Southern Division – Detroit

LITTLE CAESAR ENTERPRISES, INC., a Michigan corporation, and LC TRADEMARKS, INC., a Michigan corporation, Plaintiffs, v. GULL 5, INC., an Illinois limited liability company, SAIRH5, LLC, an Illinois limited liability company, SAIR ALI, an Illinois citizen, and UMBREEN JAYED. an Illinois citizen, Defendants.

Case No. 2:21-cv-12532

COMPLAINT

Plaintiffs Little Caesar Enterprises, Inc. and LC Trademarks, Inc. (collectively, "Little Caesar") bring this action for breach of contract, trademark infringement, unfair competition, and trade dress infringement. Little Caesar has terminated its Franchise Agreements with Defendants based on Defendants' breach of those Agreements by failing to provide multiple financial statements to Little Caesar. Despite the terminations, Defendants continue to hold themselves out as

LITTLE CAESARS franchisees.

Defendants' continued, unauthorized use and enjoyment of Little Caesar's confidential business system and the LITTLE CAESARS trademarks, trade name, and trade dress breaches the Franchise Agreements and violates the Lanham Act, 15 U.S.C. §§ 1114, *et seq.* Little Caesar seeks injunctive, monetary, and other relief against Defendants for the reasons set forth below.

THE PARTIES

1. Plaintiff Little Caesar Enterprises, Inc. is a Michigan corporation with its principal place of business in Detroit, Michigan. It is engaged in the business of franchising independent businesspersons to operate LITTLE CAESARS restaurants throughout the United States. Little Caesar's franchisees are licensed to use the LITTLE CAESARS trade name, trademarks, and service marks and to operate under the LITTLE CAESARS System, which involves the production, merchandising, and sale of pizza, chicken wings, and related products utilizing special equipment, equipment layouts, interior and exterior accessories, identification schemes, products, management programs, standards, specifications, proprietary marks, and information.

2. Plaintiff LC Trademarks, Inc. is a Michigan corporation with its principal place of business in Detroit, Michigan. LC Trademarks, Inc. is the owner of the trademark, service mark, and trade name "LITTLE CAESARS," and related

marks. It licenses these marks to Plaintiff Little Caesar Enterprises, Inc., which in turn licenses them to LITTLE CAESARS franchisees.

3. Defendant Gull 5, Inc. is an Illinois corporation with a principal place of business in Harvard, Illinois. Gull 5 owned and operated one LITTLE CAESARS franchise located in Harvard (Store Nos. 1948-0001), pursuant to a Franchise Agreement with Little Caesar. The owner of Gull 5 is Defendant Sair Ali, a citizen and resident of Illinois.

4. Defendant SAIRH5, LLC is an Illinois limited liability company with a principal place of business in Marengo, Illinois. SAIRH5 owned and operated one LITTLE CAESARS franchise located in Marengo (Store Nos. 1948-0002), pursuant to a Franchise Agreement with Little Caesar. The sole member of SAIRH5 is Defendant Sair Ali, a citizen and resident of Illinois.

5. Defendant Sair Ali is a natural person and a citizen and resident of the State of Illinois. He is the owner of Gull 5 and SAIRH5 and personally guaranteed their obligations under their Franchise Agreements with Little Caesar pursuant to executed personal guarantees.

Defendant Umbreen Jayed is a natural person and a citizen and resident
of the State of Illinois. Umbreen Jayed personally guaranteed the obligations of Gull
and SAIRH5 under their Franchise Agreements with Little Caesar pursuant to
executed personal guarantees.

7. Defendants Gull 5, Inc., SAIRH5, LLC, Sair Ali, and Umbreen Jayed are collectively referred to as "Gull 5."

JURISDICTION AND VENUE

8. This Court has jurisdiction pursuant to §§ 34(a) and 39 of the Lanham Act, 15 U.S.C. §§ 1116 & 1121; and 28 U.S.C. §§ 1331, 1332, 1338, & 1367(a). The amount in controversy exceeds \$75,000, exclusive of interest and costs, and no defendant shares a state of citizenship with any plaintiff.

9. This Court has *in personam* jurisdiction over Defendants because they conduct business in this district and the events giving rise to Little Caesar's claims occurred in this district.

10. Venue is proper in this district pursuant to 28 U.S.C. § 1391(b) and the venue provision contained in the parties' Franchise Agreements.

BACKGROUND FACTS

Little Caesar

11. Plaintiff Little Caesar Enterprises, Inc. is the franchisor of the LITTLE CAESARS System.

12. Plaintiff LC Trademarks, Inc. owns numerous federal registrations for the mark "LITTLE CAESARS" and related marks. Among those registrations are Registration Nos. 2036763, 2028607, 2259637, 3904450, 3925216, and others. Each of these registrations is in full force and effect. 13. Plaintiff Little Caesar Enterprises, Inc. has the exclusive license to use and to license others to use the LITTLE CAESARS marks and trade name and has used them at all times relevant to this action to identify its restaurants and the pizza and other products associated with those restaurants.

14. The trade dress of LITTLE CAESARS restaurants includes the signage, lettering style, color scheme, exterior appearance, floor plans, and décor (including, without limitation, menu boards, display racks, and servers' uniforms) that are featured at the restaurants operated by LITTLE CAESARS franchisees.

15. The LITTLE CAESARS trade dress consists of arbitrary embellishments primarily adopted for the purpose of identification and individuality, and is nonfunctional.

16. The LITTLE CAESARS trademarks and trade dress are utilized in interstate commerce.

The Parties' Rights And Obligations Under The Franchise Agreements

17. Gull 5 was formerly licensed to use the LITTLE CAESARS trademarks, trade name, trade dress, and business system in accordance with the terms of its Franchise Agreements with Little Caesar.

18. Among those terms was the obligation to comply with Little Caesar's recordkeeping and reporting requirements, including but not limited to the obligations to:

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