SUPREME COURT OF THE STATE OF NEW YORK — NEW YORK COUNTY

PRESENT: Fried BERNARD J. FRIED J.S.C. PART 60m
Justice

Metropolitan Transportation

- v -

476 Smith Street Corp

FBEM

INDEX NO. 403518/05

MOTION DATE

MOTION SEQ. NO. 003

MOTION CAL. NO.

The following papers, numbered 1 to _____ were read on this motion to/for _____

	PAPERS NUMBERED
Notice of Motion/ Order to Show Cause — Affidavits — Exhibits ...	
Answering Affidavits — Exhibits	
Replying Affidavits	

Cross-Motion: ☐ Yes ☐ No

Upon the foregoing papers, it is ordered that this motion

this judgment has not been entered by the County Clerk and notice of entry cannot be served based hereon. To obtain entry, counsel or authorized representative must appear in person at the Judgment Clerk's Desk (Room 141B).

FILED
MAY 19 2006
COUNTY CLERK'S OFFICE
NEW YORK

This motion is decided in accordance with the attached memorandum decision.

SO ORDERED

UNFILED JUDGMENT
This judgment has not been entered by the County Clerk and notice of entry cannot be served based hereon. To obtain entry, counsel or authorized representative must appear in person at the Judgment Clerk's Desk (Room 141B).

Dated: 5/18/06

BERNARD J. FRIED J.S.C.
J.S.C.

MOTION/CASE IS RESPECTFULLY REFERRED TO JUSTICE
FOR THE FOLLOWING REASON(S):

Check one: ☐ FINAL DISPOSITION ☒ NON-FINAL DISPOSITION

☐ DO NOT POST

FBEM

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK
----------x

METROPOLITAN TRANSPORTATION AUTHORITY and NEW YORK CITY TRANSIT AUTHORITY,

Plaintiffs,

- against -

476 SMITH STREET CORP. d/b/a. F LINE BAGELS, FARIED ASSAD, FOWAD ASSAD, John Doe 1, John Doe 2, John Doe 3, and John Doe 4,

Defendants.
----------x

Part 60 of the Supreme Court of the State of New York, held in and for New York County, at the County Courthouse on the 8 day of May, 2006
PRESENT:
Hon. B. Fried
Justice of the Supreme Court

Index No. **05-403518**

FRIED, BERNARD J.
Justice of the Supreme Court

ORDER

Plaintiffs, Metropolitan Transportation Authority ("MTA") and New York City Transit Authority ("NYCTA") commenced this action pursuant to New York State General Business Law §§ 133, 349, 350, 360-k, 360-l, 360-m, New York State Arts and Cultural Affairs Law § 33.09, and 15 U.S.C. §§ 1114, 1125, and Section 32 of the Lanham Act, and under common law; for remedies including a judgment permanently enjoining and restraining defendants, and their agents, servants, and employees, from infringing plaintiffs' trademarks.

Parties

Plaintiffs MTA and NYCTA are New York State public authorities engaged in providing regional transportation in the New York City region. Plaintiffs' subway lines carry over 4.5 million passengers on an average weekday, about 1.4 billion passengers a year. Plaintiffs provide the only subway line service in the City of New York and surrounding areas.

Plaintiffs have identified their subway line service with arbitrary letters and numbers such as the "F" and "6" lines, presented in distinctive colors and designed and advertised at significant costs. Through widespread acceptance and favorable recognition, these subway line designations

have become assets of substantial value as symbols identifying plaintiffs, reflecting plaintiffs' quality service and embodying plaintiffs' good will. The unique, distinct Marks of the plaintiffs are readily recognizable to the general public in New York City and its neighboring counties, as well as to visitors from other states and other countries. Plaintiffs' symbols, servicemarks, and trademarks (the "Marks") have Federal and New York State registration rights and common law rights and have been in use by the plaintiffs long before defendants opened their business. Plaintiffs have a successful royalty producing licensing program (the "Program") in connection with the services associated with, and products bearing, the Marks (the "Merchandise"). Accordingly, plaintiffs' subway line symbols and designations have become uniquely associated with and hence identify plaintiffs. *Alexander Ave. Kosher Rest. Corp. v. Dragoon*, 306 A.D.2d 298, 300, 762 N.Y.S.2d 101 (2d Dep't) (extensive advertising and long period of use), *appeal dismissed*, 1 N.Y.3d 546 (2003); *Staten Island Bd. of Realtors, Inc. v. Smith*, 298 A.D.2d 592, 594, 749 N.Y.S.2d 267 (2d Dep't 2002).

In connection with plaintiffs' regional transportation service, and reflective of it, Merchandise and food items are regularly available from mail order, internet, and two New York Transit Museum Store retail outlets affiliated with plaintiffs, including one museum in Brooklyn. Plaintiffs also generate revenue from leasing space to establishments that serve food, and from the service of food at the museum locations surrounded by transit-oriented decor and designations that reflect plaintiffs' identity.

Defendant 476 Smith Street Corp., doing business as "F Line Bagels", is a domestic corporation formed in 2004, and with other defendants own and operate a retail delicatessen business located at 476 Smith Street, Brooklyn, New York, near a station of NYCTA's F Line subway. Without plaintiffs' permission, defendants named this business after plaintiffs' subway

line, dressed their store in plaintiffs' subway decorations, and used plaintiffs' registered subway-related trademarks. Plaintiffs in March 2005 demanded that the defendants stop infringing on plaintiff's Marks, and again in June 2005, after defendants failed to execute a licensing agreement which had already been negotiated. This litigation followed.

Litigation

On October 20, 2005, plaintiffs served and filed this action against defendants and requested a Temporary Restraining Order ("TRO"), Preliminary and Permanent Injunctions, an accounting, damages, and costs.

Plaintiffs' registration of their subway line Marks are prima facie evidence of the validity of plaintiffs' registered Marks. New York State General Business Law § 360-d; 15 U.S.C. § 1057(b). Unauthorized use of a valid mark is an infringement. *Lykens Hosiery Mills, Inc. v. Elder Hosiery Mill, Inc.*, 9 N.Y.2d 1002, 1004, 176 N.E.2d 518, 218 N.Y.S.2d 71 (1961) (injunction proper because of similarity in script and design).

Even if plaintiffs' Marks had not been registered (and here plaintiffs' Marks were registered before defendants' began defendants' business), plaintiffs' Marks have protected "secondary meaning". "Secondary meaning" for a mark is such that the mark is so associated in the mind of the public that the public identifies goods so marked with the Mark's owner, distinguishing goods marked otherwise. *Alexander Ave. Kosher Rest. Corp. v. Dragoon*, 306 A.D.2d 298, 300, 762 N.Y.S.2d 101 (2d Dep't) (secondary meaning established by history of extensive advertising, long exclusive use of the Marks for the market area, and substantial sales success), *appeal dismissed*, 1 N.Y.3d 546 (2003); *Wyndham Co. v. Wyndham Hotel Co.*, 176 Misc.2d 116, 118, 670 N.Y.S.2d 995 (New York County Sup. Ct. 1997) (traditional factors of secondary meaning include: advertising expenditures, consumer surveys, sales success,

unsolicited media coverage, attempts to plagiarize the mark, and length and exclusivity of use).

In the present case, plaintiffs have expended substantial advertising, with long exclusive, successful use of the Marks, all long prior to the defendants even organizing for business. Accordingly, plaintiffs' Marks have secondary meaning and, especially when accompanied by a "likelihood of confusion" with defendants' marks, conclusively established plaintiffs' trademark infringement claim. *Wyndham Co. v. Wyndham Hotel Corp.*, 261 A.D.2d 242, 243, 691 N.Y.S.2d 34 (1st Dep't) (injunction proper when plaintiff had long period of successful use of name), *appeal denied*, 93 N.Y.2d 812 (1999); *Staten Island Bd. of Realtors, Inc. v. Smith*, 298 A.D.2d 592, 594, 749 N.Y.S.2d 267 (2d Dep't 2002) (injunction proper when plaintiff's mark has extensive advertising and long period of use); *Adirondack Appliance Repair, Inc. v. Adirondack Appliance Parts, Inc.*, 148 A.D.2d 796, 798, 538 N.Y.S.2d 118 (3d Dep't 1989) (injunction proper when defendant capitalized on and diluted the reputation of plaintiff); *Attorney's Process & Research Serv. v. American Process & Research Corp.*, 177 Misc.2d 292, 293, 676 N.Y.S.2d 419 (Albany County Sup. Ct. 1998) (injunction proper where plaintiff used protected four-letter name first and defendant's use would cause confusion). See also, *Playland Holding Corp. v. Playland Center, Inc.*, 1 N.Y.2d 300, 302-04, 135 N.E.2d 202, 152 N.Y.S.2d 462 (1956) (infringer was five miles away strategically located on a major road to plaintiff).

Defendants initially used prominent displays of identical copies of plaintiff's registered trademark to name and market defendants' business. Defendants also used similar trade dress and a location near plaintiffs which increased defendants' reference to plaintiffs' business. Accordingly, on October 21, 2005, this Court found likelihood of infringement and granted a TRO to enjoin defendants from their conduct. *Glenn Miller Productions, Inc. v. De Rosa*, 167 A.D.2d 281, 281, 561 N.Y.S.2d 783 (1st Dep't 1990); *Adirondack Appliance Repair, Inc. v.*

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