

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MARYLAND**

MIKE’S TRAIN HOUSE, INC.,
7020 Gateway Drive
Columbia, MD 20146

Plaintiff,

v.

Case No. _____

**METROPOLITAN TRANSPORTATION
AUTHORITY**,
347 Madison Avenue
New York, NY 10017

Defendant.

COMPLAINT

Plaintiff Mike’s Train House, Inc. (“MTH”), for its Complaint against Defendant Metropolitan Transportation Authority (“MTA”), alleges as follows:

SUMMARY OF THE ACTION

1. This action arises from a New York government agency’s decision to pursue a trademark claim against a small model train company in Maryland, MTH.

2. MTH, located in Columbia, Maryland, is a small company that sells model trains. Defendant MTA is a New York public benefit corporation whose statutory purpose is to maintain the New York public transportation system. Under MTA’s stewardship, the transportation system has fallen into disrepair. In an effort to remedy the situation, New York just approved \$27 billion dollars in funding for MTA to overhaul the system.

3. Following that approval, MTA decided to rekindle a trademark claim against MTH. MTA threatened to sue MTH for trademark, trade dress and copyright infringement if it does not stop using “Metropolitan Transportation Authority” and “New York City Transit” as well as certain street signs in its model train products. MTA asserted those claims a decade ago, MTH refuted them and MTA dropped them. Thereafter, MTH openly sold the products, including to MTA’s employees, who bought them for personal use.

4. MTH has again denied MTA's claims. But MTA refuses to relent and states that it has the funding and will sue MTH for infringement if MTH does not capitulate.

THE PARTIES

5. MTH is a corporation organized under the laws of Maryland with its principal place of business at 7020 Columbia Gateway Drive, Columbia, Maryland 21046.

6. MTA is a New York public benefit corporation with its principal place of business at 347 Madison Avenue, New York, New York 10017.

JURISDICTION AND VENUE

7. MTH's claims arise under the trademark, trade dress, copyright and unfair competition laws of the United States, 15 U.S.C. § 1051 *et seq.*, 17 U.S.C. § 101 *et seq.* and the laws of Maryland. The Court has subject matter jurisdiction over this action under 28 U.S.C. §§ 1331, 1338, and 1367, and 15 U.S.C. §§ 1119, 1121. MTH seeks a declaratory judgment under the Declaratory Judgment Act, 28 U.S.C. §§ 2201 and 2202.

8. The Court has personal jurisdiction over MTA. MTA sent cease and desist letters to MTH in Columbia, Maryland, alleging that MTH is violating MTA's copyrights, trademarks, and trade dresses of its subway cars and signage.

9. Venue is proper in this judicial district under 28 U.S.C. § 1391 because a substantial part of the events giving rise to the claims alleged herein occurred in this district and because MTH's primary place of business is in this district.

FACTS GIVING RISE TO CLAIMS

MTH and its Model Trains

10. For over 35 years, MTH has been selling model trains and subway cars throughout the United States.

11. Since the turn of the 20th century, manufacturers have sold model trains and subway cars that replicate real life trains and subway cars, including the trade dresses and names of those trains and cars. MTH manufactures high-end model trains and subway cars that are renowned for their realistic and highly-detailed depictions of real life. MTH's advertising

discusses the history of the real-life train or subway car that it is replicating so that consumers understand the significance of the train and its place in American culture. Consumers do not believe that the real-life train owner manufactured the model train.

12. For over a decade, MTH has manufactured, advertised and sold model subway cars that replicate real life subway cars found in New York. *See Ex. 3.*

13. MTH has invested substantial time, money, and resources to manufacture, advertise and sell these products.

Defendant MTA and New York Public Transportation

14. MTA is responsible for the New York public transportation system – the largest metropolitan transportation system in the country. The system is in disrepair. To improve it, New York approved \$27 billion dollars in funding for MTA to overhaul the system.

15. Immediately after funding approval, MTA resurrected a dispute with MTH that it had dropped a decade ago. In late May 2016, MTA threatened to sue MTH for trademark, trade dress and copyright infringement over MTH’s advertising of model subway products. MTA sent an email to MTH in Columbia, Maryland, alleging that MTH’s use of “Metropolitan Transportation Authority” and “New York City Transit Authority” in advertising model subway cars infringes MTA’s trademarks. *See Ex. 1.* MTA also alleges that MTH’s advertising of model subway cars violates MTA’s trade dress and that MTH’s model subway entrance signs stating “Flushing-Main Street/Roosevelt Avenue” and “Vernon Boulevard/Jackson Avenue” violate its copyrights. *Id. See also Ex. 3.*

16. MTH denied infringement, *see Exhibit 2*, but this time, MTA refuses to relent and has stated that it has the funding to sue MTH and that it will do so if MTH does not capitulate, *see id.*

17. MTA ignores the facts that (i) in May 2006, MTA sent a very similar letter to MTH, claiming trademark and trade dress violations, (ii) that MTH denied infringement by letter dated May 30, 2006, and (iii) that MTA never pursued the claims.

18. MTA has no excuse for its decade-long silence. MTA never objected to MTH's model subway products during that decade. Rather, MTA led MTH to believe that it did not object. Some of the best customers of MTH's model subway products are MTA employees who purchase the products for personal use.

19. MTH detrimentally relied on MTA's acts and silence following MTH's denial of infringement back in 2006. MTA's decade-long delay has prejudiced MTH and without a judicial declaration that MTA's claims are invalid, MTH will suffer further prejudice and operate under a cloud of uncertainty as to whether its acts are lawful.

COUNT I

DECLARATORY JUDGMENT THAT MTH'S ADVERTISING AND SALE OF MODEL SUBWAY PRODUCTS DOES NOT INFRINGE OR VIOLATE MTA'S ALLEGED TRADEMARKS AND TRADE DRESS

20. MTH re-alleges every allegation in the paragraphs above as if set forth herein.

21. MTA contends that MTH's use of "Metropolitan Transportation Authority," "New York City Transit Authority" and the trade dress of MTA's real life subway cars in MTH's advertising, promotion and sale of certain model subway cars constitutes trademark infringement, trade dress infringement, and unfair competition and that it will sue MTH if it does not stop selling those model subway products.

22. MTA does not own valid trademarks for "Metropolitan Transportation Authority," "New York City Transit" or valid trade dress for its subway cars and MTH's use of those phrases and the trade dresses in the advertising, promotion and sale of MTH's model subway products does not cause a likelihood of confusion, deception or mistake as to MTA or as to MTA's alleged trademarks or trade dresses. Further, MTA's claims are barred by laches, acquiescence, estoppel, waiver, fair use and the First Amendment.

23. There exists between MTH and MTA a controversy of sufficient immediacy and reality to warrant declaratory relief.

24. Pursuant to 28 U.S.C. §§ 2201 and 2202, MTH is entitled to the issuance of a declaratory judgment declaring that MTA's alleged trademarks "Metropolitan Transportation

Authority” and “New York City Transit” and alleged trade dress for its real life subway cars are invalid, that MTH’s uses of “Metropolitan Transportation Authority” and “New York City Transit” and the alleged trade dress of MTA’s real-life subway cars in advertising, promoting and selling model subway products does not cause a likelihood of confusion, mistake or deception and thus does not infringe or otherwise violate MTA’s alleged trademarks or trade dresses.

25. Pursuant to 28 U.S.C. §§ 2201 and 2202, MTH also is entitled to the issuance of a declaratory judgment declaring that MTA’s alleged trademark infringement, trade dress infringement, and unfair competition claims are barred by laches, acquiescence, estoppel, waiver, fair use and the First Amendment.

COUNT II

DECLARATORY JUDGMENT THAT DEFENDANTS’ ADVERTISING AND SALE OF MODEL SIGNS FOR USE ON MODEL SUBWAY SETS DOES NOT INFRINGE OR VIOLATE MTA’S ALLEGED COPYRIGHTS

26. MTH re-alleges every allegation in the paragraphs above as if set forth herein.

27. MTA alleges that MTH’s advertising and sale of model subway entrance signs bearing the street names “Flushing-Main Street/Roosevelt Avenue” and “Vernon Boulevard/Jackson Avenue” violate its copyrights to those street names and that it will sue MTH if it does not stop selling the signs.

28. MTA does not own valid copyrights to the street names “Flushing-Main Street/Roosevelt Avenue” and “Vernon Boulevard/Jackson Avenue.”

29. MTH’s advertising and sale of model subway entrance signs bearing the street names “Flushing-Main Street/Roosevelt Avenue” and “Vernon Boulevard/Jackson Avenue” is protected by the doctrines of fair use and the First Amendment. MTA’s copyright infringement claims are further barred by laches, acquiescence, estoppel, and waiver.

30. There exists between MTH and MTA a controversy of sufficient immediacy and reality to warrant declaratory relief.

31. Pursuant to 28 U.S.C. §§ 2201 and 2202, MTH is entitled to the issuance of a declaratory judgment declaring that MTA's alleged copyrights in entrance signs bearing the street names "Flushing-Main Street/Roosevelt Avenue" and "Vernon Boulevard/Jackson Avenue" are invalid and that those copyright claims are further barred by fair use, the First Amendment, laches, acquiescence, estoppel, and waiver.

**COUNT III
TRADEMARK CANCELLATION UNDER THE LANHAM ACT**

32. MTH re-alleges every allegation in the paragraphs above as if set forth herein.

33. MTA's federal trademark registration for NEW YORK CITY TRANSIT for model trains (Reg. No. 4,236,642) should be cancelled because, among other things, it is merely descriptive and has not acquired secondary meaning in the marketplace for model trains. *See* 15 U.S.C. §§ 1064(3), 1092, 1119.

34. MTH has been damaged and is likely to continue to be damaged by Registration No. 4,236,642.

PRAYER FOR RELIEF

WHEREFORE, MTH prays that the Court enter judgment against MTA as follows:

1. Declaring that MTA does not own valid trademarks in "Metropolitan Transportation Authority" or "New York City Transit" or valid trade dresses for its subway cars.

2. Declaring that MTH's use of "Metropolitan Transportation Authority" and "New York City Transit Authority" and the alleged trade dress of MTA's real-life subway cars in advertising, promoting and selling model subway products does not cause a likelihood of confusion, mistake or deception and does not infringe or otherwise violate MTA's alleged trademarks or trade dresses.

3. Declaring that MTA's alleged trademark infringement, trade dress infringement and unfair competition claims and any related claims are barred by laches, acquiescence, estoppel, waiver, fair use and the First Amendment.

4. Declaring that MTA does not own valid copyrights to street signage for “Flushing-Main Street/Roosevelt Avenue” and “Vernon Boulevard/Jackson Avenue.”
5. Declaring that MTH’s advertising and sale of model street entrance signs for “Flushing-Main Street/Roosevelt Avenue” and “Vernon Boulevard/Jackson Avenue” is barred by fair use, the First Amendment, laches, acquiescence, estoppel, and waiver.
6. Ordering the USPTO to cancel Trademark Registration No. 4,236,642 for NEW YORK CITY TRANSIT for model trains.
7. Awarding MTH its reasonable costs and attorney’s fees under the federal Lanham Act and Copyright law in connection with this action.
8. Awarding any additional and further relief the Court deems just and proper.

JURY DEMAND

MTH respectfully demands a trial by jury on all claims and issues so triable.

Respectfully submitted,

McDERMOTT WILL & EMERY LLP

Dated: June 10, 2016

By: /s/ John J. Dabney

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