

FILED

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
ALEXANDRIA DIVISION

2010 JUL 15 P 3:43

CLERK US DISTRICT COURT
ALEXANDRIA, VIRGINIA

MYA SARAY, LLC,

43671 Trade Center Place, Unit 114
Sterling, VA 20166

Plaintiff,

v.

AL-AMIR, INC.,

15322 West Warren Avenue
Dearborn, Michigan 48126

&

ALI HAMMOUD,

27120 Kingswood Drive
Dearborn Heights, MI 68127

Defendants.

Civil Action No.

1:10cv789
(AJT/TCB)

JURY TRIAL DEMANDED

**COMPLAINT FOR BREACH OF CONTRACT, UNFAIR COMPETITION,
TRADEMARK INFRINGEMENT, AND PATENT INFRINGEMENT**

Mya Saray, LLC, for its complaint against Al-Amir, Inc. and Ali Hammoud, avers with knowledge as to its own acts and otherwise on information and belief as follows:

THE PARTIES

1. Plaintiff Mya Saray, LLC ("Mya Saray") is a limited liability company organized and existing under the laws of the Commonwealth of Virginia, with its principal place of business at 43671 Trade Center Place, Unit 114; Sterling, VA 20166.

2. Defendant Al-Amir, Inc. (“Al-Amir”) is a corporation organized and existing under the laws of the state of Michigan with its principal place of business at 15322 West Warren Avenue; Dearborn, Michigan 48126.

3. Defendant Ali Hammoud (“Hammoud”) is a natural person, a citizen of Michigan, who resides at 27120 Kingswood Drive; Dearborn Heights, MI 68127.

JURISDICTION AND VENUE

4. This civil action for unfair competition arises under the Patent laws of the United States, including 35 U.S.C. §271, the Unfair Competition laws of the United States, including 15 U.S.C. § 1125; and the Virginia Consumer Protection Act (“VCPA”), Va. Code § 59.1-196 et seq. This court has subject matter jurisdiction pursuant to 28 U.S.C. §§ 1331 and 1338(b), and supplemental jurisdiction for VCPA claims pursuant to 28 U.S.C. § 1367(a). Venue is proper under 28 U.S.C. §§ 1391(b) and 1400(b). Al-Amir and Ali Hammoud (collectively “Defendants”) are subject to personal jurisdiction in this district.

FACTS

5. Mya Saray is a manufacturer and distributor of tobacco products, particularly hookahs and hookah accessories. Mya Saray sells tobacco products nationally under the federally registered trademarks MYA, Reg. No. 3,031,439 (“the ‘439 registration” or the “Mya Word Mark”) and MYA, Reg. No. 3031440 (“the ‘440 registration” or the “Mya Design Mark”). True copies of the ‘439 registration and the ‘440 registration are attached hereto as Exhibit A and Exhibit B, respectively.

6. Mya Saray is the exclusive owner of United States Patent No. 7,404,405 (“the ‘405 patent”) with authority to enforce that patent. A true copy of the ‘405 patent is attached as Exhibit C.

7. Mya Saray manufactures, distributes, advertises, publicizes, sells, and offers to sell the Mya QT hookah (“QT”), depicted in Exhibit D. The QT product design (“QT Hookah”) is distinctive, non-functional, and serves as a trademark. Furthermore, the QT Hookah is composed of a distinctive hookah stem design (“QT Stem”) and a distinctive hookah base (“QT Base”), each separately trademarked and capable of independently acting as an indicator of source. The trade and relevant consumers associate and identify the name QT, the design of the QT in its totality, the design of the QT Stem, and the design of the QT Base with Mya Saray.

8. On or about June 2005, Al-Amir began to purchase tobacco products in substantial quantity from Mya Saray, including hookahs and hookah accessories, for regional distribution throughout the state of Michigan and end-user sales via its retail store. Unacceptable trade practices on the part of Al-Amir caused Mya Saray to refuse to continue to distribute tobacco products to Al-Amir on or about September 2007.

9. On May 14, 2008 Mya Saray sued Al-Amir in the United States District Court for the Eastern District of Virginia for trademark infringement and unfair competition over various trademarks (“First Trademark Infringement Suit”), in Case No. 1:08-cv479. These claims were based, in part, on Al-Amir’s infringement of the Mya QT hookah, as Al-Amir distributed, caused the manufacture of, advertised, publicized, sold, and offered to sell the “Maganda” hookah, which is a close copy of the Mya QT hookah.

10. On November 20, 2008 Mya Saray and Al-Amir settled the First Trademark Infringement Suit by Agreement (“Settlement Agreement”), an executed copy of which is attached hereto as Exhibit E, and a more legible, clean copy is attached hereto as Exhibit F.

11. In the Settlement Agreement, Mya Saray agreed to, and did, dismiss the Trademark Infringement Suit with prejudice.

12. In the Settlement Agreement, Al-Amir agreed to refrain from “distributing, selling, marketing, advertising, importing, vending, or purchasing [copies of the QT hookah or copies of the QT] hookah components individually such as hookah bottles/bases and hookah stems.” See Exhibit F, at subsection 1.1.

13. In violation of the Settlement Agreement, Al-Amir is distributing, selling, marketing, advertising, importing, vending, and purchasing copies of the QT hookah and its individual components, including the QT Base and QT Stem.

14. In the Settlement Agreement, Al-Amir agreed to appropriately mark its “Jamila” hookahs by the Jamila trademark or by the manufacturing source, Kassir Co. See Exhibit F, at subsection 1.4.

15. In violation of the Settlement Agreement, Al-Amir is not appropriately marking the source of its Jamila hookahs by the Jamila trademark or by the manufacturing source, Kassir Co.

16. In the Settlement Agreement, Al-Amir agreed to cease permanently all use of specified Mya Saray trademarks terms (“Prohibited Trademark Terms”), including MYA, or any terms misleadingly or deceptively similar thereto. See Exhibit F, at subsection 1.3.

17. In violation of the Settlement Agreement, Al-Amir did and does now use the Prohibited Trademark Terms, including the Mya Word Mark.

18. In the Settlement Agreement, Al-Amir agreed to cease permanently all use of specified Mya Saray packaging (“Prohibited Packaging”). *See e.g.*, Exhibit G and Exhibit F, at subsection 1.2.

19. In violation of the Settlement Agreement, Al-Amir did and does now use the Prohibited Packaging, including the packaging depicted in Exhibit H.

20. Pursuant to the Settlement Agreement, a Virginia Court has exclusive, original jurisdiction over any controversy related to the Settlement Agreement. Al-Amir and Hammoud waived objections to personal jurisdiction and venue in this Court. *See Exhibit F*, at subsection 7.1.

21. Mya Saray distributes, advertises, publicizes, sells, and offers to sell products within a carrying container (the “Mya Closed Top Carrying Cage”), depicted in Exhibit I, which includes distinctive, non-functional, design elements protectable and protected by trademark. The Mya Closed Top Cage is characterized by its distinctive attributes, which include: size, arrangement of sidewall bars, and arrangement of ceiling and floor bars. The overall presentation of the Mya Closed Top Cage serves as a trademark.

22. Al-Amir did, and does now, without permission distribute, cause the manufacture of, advertise, publicize, sell, and offer to sell to merchants and consumers hookah products not originating from Mya Saray in a carrying container confusingly similar to the Mya Closed Top Carrying Cage. Al-Amir’s hookah carrying container is depicted in Exhibit J.

23. Al-Amir did, and does now, without permission distribute, cause the manufacture of, advertise, publicize, sell, and offer to sell to merchants and consumers hookah products not originating from Mya Saray that are confusingly similar to the Mya Saray QT Hookah, as well as the QT Stem and QT Base. The Al-Amir Andile (“Andile”) hookah, depicted here at Exhibit K, is an almost exact copy of the QT hookah, and the primary difference between the Andile and QT hookahs is the inferior quality of the materials and construction methods used for the Andile. A comparison of the Defendants’ Andile hookah and Plaintiff’s QT hookah is shown at Exhibit M.

24. Al-Amir did, and does now, without permission distribute, cause the manufacture of, advertise, publicize, sell, and offer to sell to merchants and consumers hookah products not originating from Al-Amir that are confusingly similar to the hookahs of others, including the Al-Amir Andile Light (“Andile Light”) hookah, depicted at Exhibit L. The Andile Light hookah is identical in size, shape, and body configuration as the Jamila hookah, and, in violation of the Settlement Agreement, has been and continues now to be sold by Al-Amir without being branded with either the Jamila or Kassir Co. marks. *See supra*, paragraph 14.

25. Al-Amir did, and does now, without permission, distribute, cause the manufacture of, advertise, publicize, sell, and offer to sell to merchants and consumers hookah products not originating from Mya Saray under the Mya Word Mark.

26. Al-Amir did, and does now, without permission distribute, cause the manufacture of, advertise, publicize, sell, and offer to sell to merchants and consumers hookah products not originating from Mya Saray under the Mya Design Mark.

27. Al-Amir prominently displays and uses the Mya Word Mark and the Mya Design Mark in connection with hookah products not originating from Mya Saray.

28. Hammoud owns, manages, and controls Al-Amir and, by the terms of the Settlement Agreement, is personally liable for Al-Amir's contractual obligations under the Settlement Agreement, for actions related to the breach of the Settlement Agreement, and for the damages that result therefrom. See Exhibit F, at pg. 5.

CLAIMS FOR RELIEF

**Count I. Violation of 15 U.S.C. § 1125(a)
Unfair Competition**

29. Mya Saray incorporates herein by reference all other allegations of this Complaint as though fully set forth herein.

30. The conduct of Al-Amir constitutes use in commerce of designations and dress, false designations of origin, false or misleading descriptions of fact, and false or misleading representations of fact likely to confuse and deceive a substantial number of distributors in the trade, relevant consumers, and other purchasers as to the affiliation, connection, or association of Al-Amir with Mya Saray and others, in violation of 15 U.S.C. § 1125(a)(1)(A).

31. The conduct of Al-Amir constitutes use in commerce of designations and dress, false designations of origin, false or misleading descriptions of fact, and false or misleading representations of fact likely to confuse and deceive a substantial number of distributors in the trade, relevant consumers, and other purchasers as to the origin, sponsorship, or approval of Al-Amir's goods and commercial activities as they relate to Mya Saray and others, in violation of 15 U.S.C. § 1125(a)(1)(A).

32. The conduct of Al-Amir constitutes use in commerce of designations and dress, false designations of origin, false or misleading descriptions of fact, and false or misleading representations of fact that in commercial advertising and promotion misrepresent the nature, characteristics, and qualities of Al-Amir's goods and commercial activities in violation of 15 U.S.C. § 1125(a)(1)(B).

33. The conduct of Al-Amir in unfairly competing with Mya Saray is willful and deliberate and done with an intent to misrepresent the nature, characteristics, and qualities of Al-Amir's goods, and confuse, mislead, and deceive a substantial number of distributors in the trade, relevant consumers, and other purchasers, and members of the public as to the origin of Al-Amir's goods and to cause said persons to believe that the goods have been sponsored, approved, authorized, or licensed by Mya Saray.

34. Al-Amir's conduct is causing Mya Saray immediate and irreparable injury and will continue to both damage Mya Saray and deceive the public unless enjoined by this court. Mya Saray has no adequate remedy at law.

**Count II. Violation of 15 U.S.C. § 1114
Registered Trademark Infringement of the '439 Registration**

35. Mya Saray incorporates herein by reference all other allegations of this Complaint as though fully set forth herein.

36. The conduct of Al-Amir in using the Mya Word Mark and colorable imitations thereof in connection with the sale, offering for sale, distribution, and advertising of tobacco products is likely to cause confusion or mistake or to deceive in violation of 15 U.S.C. § 1114(1)(a).

37. The conduct of Al-Amir in reproducing the Mya Word Mark and colorable imitations thereof and applying the reproduction to labels, signs, prints,

packages, wrappers, receptacles or advertisements with the intent to be used in commerce with the sale, offer for sale, distribution, and advertising of tobacco products and such use is likely to cause confusion or mistake or to deceive in violation of 15 U.S.C. § 1114(1)(b).

38. Al-Amir's conduct is causing Mya Saray immediate and irreparable injury and will continue to both damage Mya Saray and deceive the public unless enjoined by this court. Mya Saray has no adequate remedy at law.

**Count III. Violation of 15 U.S.C. § 1114
Registered Trademark Infringement of the '440 Registration**

39. Mya Saray incorporates herein by reference all preceding allegations of this Complaint as though fully set forth herein.

40. The conduct of Al-Amir in using the Mya Design Mark and colorable imitations thereof in connection with the sale, offering for sale, distribution, and advertising of tobacco products is likely to cause confusion or mistake or to deceive in violation of 15 U.S.C. § 1114(1)(a).

41. The conduct of Al-Amir in reproducing the Mya Design Mark and colorable imitations thereof and applying the reproduction to labels, signs, prints, packages, wrappers, receptacles or advertisements with the intent to be used in commerce with the sale, offer for sale, distribution, and advertising of tobacco products and such use is likely to cause confusion or mistake or to deceive in violation of 15 U.S.C. § 1114(1)(b).

42. Al-Amir's conduct is causing Mya Saray immediate and irreparable injury and will continue to both damage Mya Saray and deceive the public unless enjoined by this court. Mya Saray has no adequate remedy at law.

**Count IV. Violation of Va. Code § 59.1-200(A)
The Virginia Consumer Protection Act**

43. Mya Saray incorporates herein by reference all other allegations of this Complaint as though fully set forth herein.

44. Al-Amir is misrepresenting to consumers, and contributing to the ability of other suppliers to misrepresent, that the goods of Al-Amir are the goods of Mya Saray in violation of Va. Code § 59.1-200(A)(1).

45. Al-Amir is misrepresenting to consumers, and contributing to the ability of other suppliers to misrepresent, that the goods of Al-Amir are sponsored by, approved by, or certified by Mya Saray, or that Mya Saray is a source of such goods in violation of Va. Code § 59.1-200(A)(2).

46. Al-Amir is misrepresenting to consumers, and contributing to the ability of other suppliers to misrepresent, that its goods are affiliated, connected, or associated with Mya Saray in violation of Va. Code § 59.1-200(A)(3).

47. Al-Amir is misrepresenting to consumers, and contributing to the ability of other suppliers to misrepresent, that its goods have the characteristics and benefits of the goods of Mya Saray in violation of Va. Code § 59.1-200(A)(5).

48. Al-Amir is misrepresenting to consumers, and contributing to the ability of other suppliers to misrepresent, that its goods are similar to those of Mya Saray in terms of standards, quality, grade, style, or model in violation of Va. Code Ann § 59.1-200(A)(6).

49. Al-Amir is violating Va. Code § 59.1-200(A)(14).

Count V. Breach of Contract

50. Mya Saray incorporates herein by reference all preceding allegations of this Complaint as though fully set forth herein.

51. The Settlement Agreement, attached here as Exhibit E, is duly executed by both Mya Saray and Al-Amir and Ali Hammoud and is enforceable.

52. Mya Saray performed in accordance with the Settlement Agreement.

53. Al-Amir and Ali Hammoud have breached the Settlement Agreement and caused actual damages to Mya Saray that are recoverable under Virginia law.

**Count VI. Patent Infringement
Infringement of the '405 Registration**

54. Mya Saray incorporates herein by reference all preceding allegations of this Complaint as though fully set forth herein.

55. The '405 patent, which was duly and lawfully granted on July 29, 2008, describes and claims a portable hookah system and hookah containment device.

56. Defendants have been and are infringing, inducing infringement of, and contributing to the infringement of the '405 patent by making, using, offering for sale and/or selling, in the United States, or importing into the United States articles, including the Andile (Exhibit J) and Andile Light (Exhibit N), that read on the '405 patent claims, all without the consent of Mya Saray.

57. End users of the Andile hookah line, and other hookah products, have been and are directly infringing the '405 patent by assembling components prepackaged and supplied to them by Defendants.

58. Mya Saray has been and will continue to be damaged by the infringing activities of Defendants and will be irreparably harmed unless those infringing activities are enjoined by this Court.

WHEREFORE, Plaintiff prays for judgment:

A. That Mya Saray is the owner of U.S. Patent No. 7,404,405 and has the right to sue and collect damages for any and all infringements thereof;

B That U.S. Patent No. 7,404,405 remains good and valid in law and has been infringed by Al-Amir and Ali Hammoud;

C. That Al-Amir and Ali Hammoud, and their officers, agents, servants, and employees and those persons in active concert and participation with or controlled by any of them, be preliminarily and permanently enjoined and restrained from infringing, inducing infringement of, and contributing to the infringement of U.S. Patent No. 7,404,405;

D. That Mya Saray is the sole and exclusive owner of the Trademarks referenced in this Complaint, including: the Mya word mark; the Mya design mark (As Stylized); the trade dress for the designs of the QT hookah base, hookah stems, and combination thereof; the Mya Closed Top Carrying Cage; the Mya Open Top Carrying Cage; and that Mya Saray has the right to sue for its damages for any and all infringements thereof and trespasses thereupon;

E. That Al-Amir has unfairly competed with Mya Saray in violation of the unfair competition laws of Virginia and these United States, including 15 U.S.C. § 1125(a) and the Virginia Consumer Protection Act;

F. That this Court order Al-Amir, its agents, associates, employees, attorneys, and any other person in active concert or participation with them, be forthwith preliminarily and permanently enjoined from: using, alone or in combination, the designations Mya and Mya (As Stylized) and hookah products and hookah packaging having a design confusingly similar to that of any protectable Mya Saray trade dress;

G. That Al-Amir be required to account for and to disgorge its profits and that Mya Saray be awarded its damages and that those damages be trebled, together with interest and costs;

H. That Mya Saray be awarded its reasonable attorney's fees and costs in this action;

I. That all infringing articles and all means of making the same be delivered up and destroyed, at the costs of the Defendants;

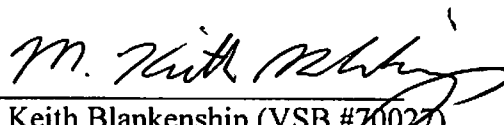
J. That Ali Hammoud be held jointly and severally liable for the actions of Al-Amir pursuant to the Settlement Agreement; and,

K. That Mya Saray be awarded such further relief as this Court may deem just and proper.

JURY DEMAND

Mya Saray demands a trial by jury pursuant to Fed. R. Civ. Pro. 38 as to all issues triable of right to a jury.

DATED: July 15, 2010

By 
M. Keith Blankenship (VSB #70027)
John A. Fraser, III (VSB #19424)
Attorneys for Plaintiff

General Counsel, P.C.
6862 Elm Street
Suite 800
McLean, VA 22101
Phone: (703) 556-0411
Fax: (703) 556-6540
kblankenship@generalcounselaw.com