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Formula One Licensing BV and  
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**UNITED STATES DISTRICT COURT  
DISTRICT OF NEW JERSEY**

FORMULA ONE LICENSING BV and FORMULA  
ONE WORLD CHAMPIONSHIP LIMITED,

Plaintiffs,

v.

F1 NEW JERSEY, LLC; MBA GROUP, LLC; F1 AIR,  
LLC; F1 AIR GROUP, LLC; F1 AIR GROUP TWO,  
LLC; F1 AIR LOGISTICS, LLC; GRASMERE, LLC;  
KART MANAGEMENT GROUP, LLP; KARTING  
AMERICA LLC; F1 LONG ISLAND, LLC; AND R. J.  
VALENTINE; INDIVIDUALLY AND DOING  
BUSINESS AS F1 BOSTON; F1 OUTDOORS; and F1  
HOSPITALITY,

Defendants.


Civ. Action No. \_\_\_\_\_

**COMPLAINT**

Plaintiffs Formula One Licensing BV, Beursplein 37, 3011 AA, Rotterdam, The Netherlands, and Formula One World Championship Limited, 6 Princes Gate, Knightsbridge, London, SW7 1QJ, England, by their attorneys Kilpatrick Townsend & Stockton LLP, as and for their complaint against F1 New Jersey, LLC, New Jersey Motorsports Park, 47 Warbird Drive, Millville, NJ 08332; MBA Group, LLC, 135 Wood Road, Braintree, MA 02184; F1 Air, LLC,

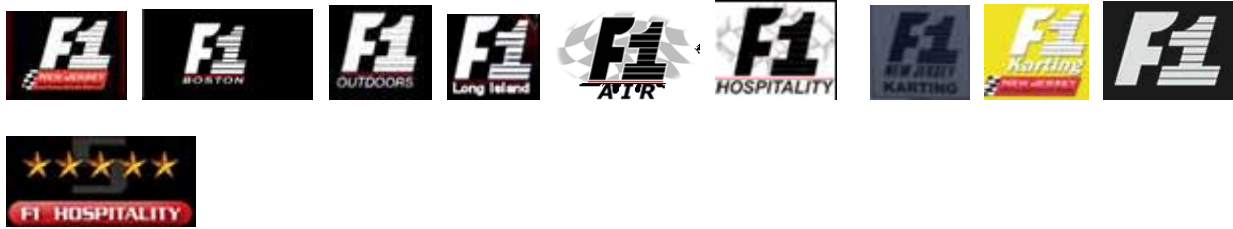
135 Wood Road, Braintree, MA 02184; F1 Air Group, LLC, 135 Wood Road, Braintree, MA 02184; F1 Air Group Two, LLC, 135 Wood Road, Braintree, MA 02184; F1 Air Logistics, LLC, 246 So. Meadow Rd., Plymouth, MA 02360; Grasmere, LLC, 16 Grasmere Court, Livingston, NJ 07029; Kart Management Group, LLP, 135 Wood Road, Braintree, MA 02184; Karting America LLC, 290 Wood Road, Braintree, MA 02184; F1 Long Island, LLC, 449 Edwards Avenue, Calverton, NY 11933; and R. J. Valentine, 135 Wood Road, Braintree, MA 02184; individually and doing business as F1 Boston; F1 Outdoors; and F1 Hospitality (collectively, “Defendants”) allege, based on their knowledge, information and belief formed after a reasonable inquiry pursuant to Rule 11 of the Federal Rules of Civil Procedure, as follows:

### **NATURE OF THE ACTION**

1. For over half a century, the “F1 Brand,” including the F1 and FORMULA 1 trademarks, has been used to identify the world-renowned series of automotive races known as the FIA Formula One World Championship (“F1 Championship”), and related goods and services. The F1 Championship is among the most watched sporting events in the world. The F1 and FORMULA 1 word marks, together with the F1 logo  (the “F1 Design Mark”) (collectively, the “F1 Marks”) are key components of the F1 Brand. Plaintiffs Formula One Licensing BV (“FOL”) and Formula One World Championship Limited (“FOWC”) (collectively “Formula One”) are affiliated companies and both are members of the Formula One group of companies that owns and manages the commercial aspects of the F1 Championship. The F1 Marks are owned by FOL. FOWC has the exclusive right to exploit the commercial rights in and the trademarks pertaining to the F1 Championship.

2. Defendants, an affiliated group of entities and individuals, operate kart racing and other businesses under the name and mark “F1” and variants thereof, including the logos shown

below, (collectively, the “Infringing F1 Marks”), that are identical to and/or confusingly similar to Formula One’s F1 Marks:



3. Defendants’ unauthorized use of the Infringing F1 Marks in connection with their goods and services falsely suggests to their customers that their goods and services originate from or are otherwise sponsored, licensed or authorized by Formula One. Kart racing has become known to motorsports enthusiasts, the press, and the general public as a training ground for future F1 Championship drivers. Defendants exploit this fact by falsely suggesting that their F1 New Jersey, F1 Outdoor, F1 Boston, and F1 Long Island kart racing facilities are sanctioned by Formula One, when, in fact they are not.

4. Defendants intentionally encourage this false belief by, for example, decorating the lobby of their flagship F1 Boston kart racing facility with a replica F1-style racing car and posters, uniforms, helmets, and track photos from historic F1 Championship Grand Prix races (“F1 Grand Prix”) set in museum-like presentations alongside merchandise branded with the Infringing F1 Marks. Defendants also brand a NASCAR race car with one of their Infringing F1 Marks, market their non-kart racing businesses to amateur and non-F1 professional automotive racing enthusiasts, and use Formula One’s F1 Marks and other brand indicia at their kart racing facilities, on their websites, and in marketing materials.

5. Defendants are therefore hijacking Formula One’s famous F1 Marks and falsely suggesting to the public that their goods and services are affiliated with Formula One. Defendants are unlawfully exploiting the enormous goodwill in the F1 Brand. Defendants’

actions are thereby causing harm both to the reputation of the F1 Brand and to the consuming public.

6. To prevent Defendants from continuing to create the false and misleading impression that Defendants' kart racing facilities and other businesses are affiliated with or are otherwise sponsored by Formula One, and to stop Defendants' infringement of Formula One's trademarks, Formula One brings this action for federal trademark infringement in violation of Section 32(1) of the Trademark Act of 1946 ("Lanham Act"), 15 U.S.C. § 1114(1); for false designation of origin and unfair competition in violation of Section 43(a) of the Lanham Act, 15 U.S.C. § 1125(a); for dilution of trademark in violation of Section 2(c) of the Trademark Dilution Revision Act of 2006, 15 U.S.C. § 1125(c); for violation of the Anticybersquatting Consumer Protection Act, Section 43(d) of the Lanham Act, 15 U.S.C. § 1125(d); and for violation of New Jersey statutory and common law.

7. Formula One seeks permanent injunctive relief, an accounting of Defendants' profits, an award of actual and/or statutory damages, an order transferring Defendants' domain names incorporating the F1 Marks to Formula One, and an award of attorney's fees and costs.

### **PARTIES**

8. Since 1996, the exclusive rights to commercially exploit the F1 Championship, including the right to use the F1 Marks, have been granted to certain of the companies that form the Formula One group of companies.

9. Plaintiff FOL is a company organized and existing under the laws of the Netherlands, located at Beursplein 37, 3011 AA, Rotterdam, The Netherlands, and is the registered owner of trademarks related to the F1 Championship.

10. Plaintiff FOWC is a company organized and existing under the laws of the United Kingdom, located at 6 Princes Gate, Knightsbridge, London, SW7 1QJ, England, and, since

January 1, 2011, has held the rights to commercially exploit the F1 Championship. FOWC uses and/or licenses the use of the F1 Marks for a broad array of products and services, including but not limited to licensing the F1 Marks to third parties in connection with arranging and organizing the staging and provision of recreation facilities for sporting events, tournaments, and competitions in the field of motorsport. FOWC's wholly-owned subsidiary, Formula One Management Limited ("FOM"), acts as FOWC's agent and business manager and provides services in connection with F1 Grand Prix races, including TV production, data and logistical services.

11. Defendants are a group of interrelated entities and individuals. All the corporate and partnership Defendants are owned and managed by and function as the alter egos of, and their activities are monitored and controlled by, Defendant R.J. Valentine and the venture capital firm Defendant MBA Group, LLC of which Defendant Valentine is chairman and a principal.

12. Defendant MBA Group, LLC ("MBA Group") is a limited liability company organized under the laws of the state of Massachusetts with a business address at 135 Wood Road, Braintree, MA 02184. Defendant MBA Group is a venture capital firm that lists Defendants F1 Hospitality, F1 Boston, F1 Outdoors and F1 Air among its companies.

13. Defendant R.J. Valentine is an individual resident of Massachusetts with a business address of 135 Wood Road, Braintree, MA 02184. Defendant R.J. Valentine is the chairman and a principal of Defendant MBA Group, a principal in all of Defendant MBA Group's companies, and a race car driver.

14. Defendant F1 New Jersey, LLC ("F1 New Jersey") is a limited liability company organized under the laws of the state of New Jersey with a business address at New Jersey Motorsports Park, 47 Warbird Drive, Millville, NJ 08332. F1 New Jersey is owned and

managed, and its activities are monitored and controlled, in whole or in part, by Defendant R. J. Valentine. F1 New Jersey operates a kart racing facility that offers kart rentals, hosts local, regional, and national kart racing competitions, and offers hospitality and restaurant facilities for large groups and corporate functions, all in the state of New Jersey. Defendant Karting America registered and continues to maintain the domain name *f1newjersey.com*, which currently redirects to the “karting” page on the website of F1 New Jersey’s host facility, New Jersey Motorsports Park, *njmp.com*. Both the F1 New Jersey facility and website feature the following logos (“F1 New Jersey Logos”):



15. Defendants F1 Air, LLC; F1 Air Group, LLC; F1 Air Group Two, LLC; F1 Air Logistics, LLC; and Grasmere, LLC (together, “F1 Air Defendants”) are limited liability companies organized under the laws of the state of Delaware and are engaged in the business of private aircraft chartering, maintenance, and management in New Jersey.

16. Defendant F1 Air, LLC is registered to do business in New Jersey with business offices at 135 Wood Road, Braintree, MA 02184 and 3 Becker Farm Road, 3<sup>rd</sup> Floor, Roseland, NJ. F1 Air, LLC is owned and managed by, and its activities are monitored and controlled by, Defendants R.J. Valentine and Grasmere, LLC.

17. Defendant Grasmere, LLC has business offices at 16 Grasmere Court, Livingston, NJ 07029.

18. F1 Air Group, LLC and F1 Air Group Two, LLC are owned and managed by, and their activities are monitored and controlled by, Defendant R.J. Valentine and have offices at 135 Wood Road, Braintree, MA 02184 and 246 South Meadow Road, Plymouth, MA 02360.

19. Defendant F1 Air Logistics, LLC is owned and managed, and its activities are monitored and controlled by, Defendant R.J. Valentine and has a business office at 246 So. Meadow Rd., Plymouth, MA 02360.

20. The F1 Air Defendants host websites at the domain names *flair.com* and *flairlogistics.com*. The F1 Air Defendants' facilities at the above business addresses and website at *flair.com* feature the following logo ("F1 Air Logo"):



21. Defendant Kart Management Group, LLP is a limited liability company organized under the laws of Massachusetts with a business address of 135 Wood Road, Braintree, MA 02184. Defendant R.J. Valentine is one of two partners in Kart Management Group, LLP and he monitors and controls its activities.

22. Defendant Karting America, LLC ("Karting America") is a limited liability company organized under the laws of Massachusetts with a business address at 290 Wood Road, Braintree, MA 02184. Defendant Kart Management Group, LLP, is the sole owner and manager of Defendant Karting America and it monitors and controls its activities. Defendant Karting America owns, operates and manages kart racing facilities, including in New Jersey and Massachusetts, and is listed as the registrant for the *f1newjersey.com* and *flair.com* domain names.

23. Defendant Karting America operates kart racing facilities under the trade names F1 Boston and F1 Outdoors and websites at the domain names *flboston.com* and *floutdoors.com*. Karting America advertises and promotes its goods and services in New Jersey, including at the F1 New Jersey facility and the webpage at *njmp.com* to which *f1newjersey.com*,

a domain name that Karting America owns, directs traffic. Karting America features the following logos at its facilities and websites:



24. Defendant F1 Long Island, LLC (“F1 Long Island”) is a limited liability company organized under the laws of New York with business offices at 449 Edwards Avenue, Calverton, NY 11933. F1 Long Island, LLC is in the business of providing an outdoor kart racing facility and is owned and managed by, and its activities are monitored and controlled by, Defendant R.J. Valentine. F1 Long Island does not yet host kart racing, but is operating today as a track for dirt bikes and ATVs. F1 Long Island launched a website at the domain name *f1longisland.com* featuring the following logo (“F1 Long Island Logo”):



25. Defendants R.J. Valentine and MBA Group, LLC do business under the trade name F1 Hospitality under which they provide sporting and corporate event hospitality equipment and services. F1 Hospitality has business offices at 135 Wood Road, Braintree, MA 02184. F1 Hospitality operates a website at *f1executivehospitality.com*, which is registered to Defendant R.J. Valentine. F1 Hospitality features the following logos on its mobile hospitality vehicles and facilities and on its website (“F1 Hospitality Logos”):



## **JURISDICTION AND VENUE**

26. This Court has jurisdiction under Section 39 of the Lanham Act, 15 U.S.C. § 1121, Sections 1338 (a) and (b) and Section 1367 of the Judicial Code, 28 U.S.C. § 1338 (a), §



1338(b) and § 1367(a). Venue properly lies in this District under Section 1391(b) of the Judicial Code, 28 U.S.C. § 1391(b).

27. This Court has personal jurisdiction over the Defendants because, (a) the F1 Air Defendants and Defendants F1 New Jersey; Grasmere, LLC; and R.J. Valentine each maintain business offices within this district, (b) all Defendants have purposefully availed themselves of the privilege of doing business in, and have purposefully directed their activities at, the State of New Jersey, (c) this action arises in substantial part out of the Defendants' activities in the State of New Jersey, and (d) the Defendants own and operate interactive websites that are accessible in the district and offer goods and services to residents of the state.

### **FACTS COMMON TO ALL CLAIMS FOR RELIEF**

#### **The FIA Formula One World Championship**

28. The F1 Championship represents the pinnacle of automotive racing. It is an international motor racing series regulated by the Federation Internationale de L'Automobile ("FIA"). The first F1 Championship was held in 1950 and it has been held every year since. Each year, the F1 Championship tours internationally through motor racing venues around the world, including in Europe, Asia, Australia, South America, and North America. In 2013 the F1 Championship consisted of 19 individual F1 Grand Prix races and 19 are planned for 2014.

29. With respect to the rights and responsibilities related to the staging and broadcasting of the F1 Championship, Plaintiff FOL is the legal owner of the registered and unregistered trademark rights associated with the F1 Championship. Plaintiff FOWC negotiates contracts governing the staging and broadcast of the F1 Grand Prix races that form part of the F1 Championship with individual race promoters and television broadcasters. FOM, as the agent and business manager for its parent FOWC, is responsible for providing to FOWC various different services in connection with the F1 Grand Prix races, including TV production and

broadcast services, data support services, and organization of the freight and logistics activities associated with moving broadcasting equipment and Formula One group personnel from one F1 Grand Prix location to the next.

30. FOWC selects the locations for each F1 Grand Prix race and proposes, each year, the calendar for the F1 Championship, which the FIA then approves. Each F1 Grand Prix race in the F1 Championship is usually held at a different international location, with a practice session typically on Friday, a qualifying race on Saturday, and the F1 Grand Prix race itself on Sunday. Hundreds of thousands of people typically attend each race weekend. F1 Grand Prix races are broadcast to hundreds of millions of television viewers in numerous different countries (currently 187), including the United States.

31. Since it began, there have been 64 rounds of the F1 Championship in the United States, including at race tracks in Sebring, Florida; Riverside, California; Watkins Glen, New York; Las Vegas, Nevada; Detroit, Michigan; Phoenix, Arizona; Indianapolis, Indiana; Dallas, Texas; Long Beach, California; and Austin, Texas. The 2012 and 2013 F1 Grand Prix in the United States were staged in Austin, and another race is scheduled there again for 2014. For the last several years, Formula One has been in negotiations to hold a second F1 Grand Prix race at another location in the United States, including at Port Imperial in Weehawken, New Jersey. These negotiations and the prospect of having an F1 Grand Prix race held in the tri-state area have garnered an enormous amount of local enthusiasm and unsolicited press coverage in and around New Jersey.

### **Formula One's Trademarks & Domain Names**

32. The FIA established use of the FORMULA 1 trademark in 1948 in connection with the F1 Championship, which commenced in 1950 and has been held annually ever since.

Subsequently, F1 has also become a popular nickname for and trademark identifying FORMULA 1 automotive racing conducted under the auspices of the FIA.

33. In the years since 1950, the F1 Marks have been used as source identifiers to designate the F1 Championship and to designate a wide range of goods and services related to the F1 Championship, including broadcasting, promotion, merchandising, travel and accommodation reservations, and hospitality services by the FIA, the Formula One group companies, and/or their various authorized suppliers, partners, sponsors, and licensees. FOL currently owns and maintains a trademark portfolio totalling over 2,600 trademarks in 98 countries.

34. Motorsports enthusiasts, the press, and the general public typically use the word mark F1 to identify the races that count towards the F1 Championship and Formula One's other branded goods and services. Because the trademark F1 has been used widely for decades in connection with the F1 Championship and with Formula One's related goods and services, the F1 word mark serves as a unique identifier of source for Formula One and is also widely acknowledged as a famous mark in numerous territories around the world.

35. A design firm was commissioned to create the F1 Design Mark depicted in paragraph 1 above, which was completed and assigned to Formula One in 1994. Since 1994, Formula One has used and licensed the use of the F1 Design Mark exclusively in connection with the F1 Championship and related goods and services. The F1 Design Mark is a distinctive, world-renowned and famous mark.

36. Formula One owns and actively maintains and enforces the F1 Marks for its goods and services throughout the world, including in the United States. By virtue of its extensive use of the F1 Marks in the United States, Formula One has established strong

trademark rights in the F1 Marks and has, under United States law, the exclusive right to use the F1 Marks in connection with the organizing, hosting and sponsorship of motorsport races and other goods and services it offers, including merchandise, travel and accommodation reservations, and hospitality services.

37. The F1 Marks are strongly associated with Formula One in connection with motorsports and a broad range of other goods and services. The presence of the F1 Marks indicates to consumers that the goods and services bearing or provided under them originate from or are otherwise sponsored, licensed or authorized by Formula One.

38. Formula One exercises close control over the F1 Brand to ensure that only high quality goods and services are offered under the F1 Marks. It does so in order to maintain the prestige and integrity of its brand and brand values.

39. For example, Formula One appoints a “promoter” for each F1 Grand Prix race, which is responsible for providing and preparing the facilities at which the F1 Grand Prix race will be held. Formula One licenses the promoter to use the F1 Marks at the race facility, on promotional materials, tickets, its staff uniforms, and other materials related to the F1 Grand Prix race and obligates the promoter to undertake to comply with all FIA safety regulations to ensure the health and safety of race participants and spectators.

40. FOM itself produces or oversees the production of the international television feed for each round of the F1 Championship, and FOWC contracts with third party broadcasters for the TV footage to be transmitted live and replayed in the United States and around the world. These television broadcasts make extensive use of the F1 Marks. In addition to featuring the F1 Marks that are displayed at the race facility and on some of the participating teams and personnel uniforms, each broadcast prominently displays the F1 Design Mark, which is overlaid onto the

international feed and is visible at all times during any televised session and in the opening sequence and credits to each broadcast.

41. For many years, the majority of races have had a principal sponsor (the “Official Title Sponsor”). In addition, a “Global Partner/Official Supplier Programme” was established in 2002. As part of their Official Title Sponsorship and Global Partner/Official Supplier packages, Formula One permits these parties to use certain F1 Marks to promote their role as Official Title Sponsor, Global Partner, or Official Supplier, respectively, and to associate themselves with the F1 Championship.

42. In addition to the above activities, Formula One also licenses its sponsors, promoters, and other third parties to use the F1 Marks in connection with goods and services related to the F1 Championship such as branded merchandise. Typical merchandise includes clothing, headgear, race programs, season review videos/DVDs, computer games, books, magazines, prints and posters, mobile phone applications and accessories, clothing accessories, watches, umbrellas, bags, wallets, textiles, flags, badges, toiletries, homeware, executive gifts, souvenirs, memorabilia and toys. These products typically are sold at the race facility at designated vending areas and stalls, through Formula One’s online retail store at *flstore.formula1.com*, which ships to countries around the world, including the United States, and by third parties online and/or in retail stores.

43. Formula One owns and maintains an extensive portfolio of over 1000 domain names that incorporate the F1 Marks, including *fl.com*, which redirects traffic to the website *formula1.com*, which acts as Formula One’s official online presence.

44. Millions of unique visitors from the United States alone have visited *formula1.com*. During a race weekend the popularity of the website is such that it has been




ranked within the top 1000 most visited websites in the world by the web traffic tracking and ranking website [www.alexacom](http://www.alexacom).



45. From 2006 to 2013, the website at *formula1.com* included a “Tickets & Travel” page through which fans could purchase tickets to F1 Grand Prix races and arrange travel and accommodation; it served tens of thousands of customers from the United States.

46. Formula One also authorizes the use of F1 Marks in relation to hospitality services. Guests are offered track-side reception, catering, and entertainment services and facilities, and a VIP platform for viewing each race.

47. By ensuring that the F1 Marks are used in connection with high quality and technologically superior goods and services, and by carefully selecting suppliers, sponsors and Global Partners, Formula One has cultivated substantial goodwill and an enviable reputation.







48. Formula One’s rights in the F1 Marks are protected in the United States by dozens of valid and subsisting trademark registrations issued by the United States Patent and Trademark Office (“USPTO”) for a wide variety of goods and services, including the registrations summarized below, which are incontestable.



Mark	U.S. Reg. No.	Summary of Pertinent Goods & Services
FORMULA 1	2,831,397	arranging, organizing and staging sports events, tournaments and competitions in the field of motor sport
	3,014,297	
FORMULA 1	3,016,540	
F1	3,337,611	
	3,014,297	provision of recreation facilities for events, tournaments and competitions in the field of motor sport
FORMULA 1	3,016,540	
	3,014,297	clothing, apparel and accessories
FORMULA 1	3,016,540	

Mark	U.S. Reg. No.	Summary of Pertinent Goods & Services
	2,714,785	retail services for the sale of sport-related goods
	2,633,750	hotel, travel, and accommodation reservation services
FORMULA 1	3,016,540	

49. These incontestable registrations are conclusive evidence of the validity of those marks, of the registration of those marks, of FOL's ownership of those marks, and of FOL's exclusive rights to use those marks in connection with the designated goods and services under Section 33(b) of the Lanham Trademark Act, 15 U.S.C. § 1115(b).

50. Moreover, the following registrations are *prima facie* evidence of the same facts under Section 33(a) of the Lanham Trademark Act, 15 U.S.C. § 1115(c).

Mark	U.S. Reg. No.	Summary of Pertinent Goods & Services
F1	4,124,041	provision of recreational facilities for sporting events
FORMULA 1	4,124,042	
	4,130,540	
	3,587,198	clothing, apparel and accessories
	4,111,024	
F1	4,124,038	
FORMULA 1	4,166,520	
	3,587,198	restaurant, catering and accommodation services
	4,111,028	
FORMULA 1	4,130,538	
F1	4,137,640	
	3,587,198	transportation and travel reservations

Mark	U.S. Reg. No.	Summary of Pertinent Goods & Services
F1	4,124,040	
FORMULA 1	4,127,688	
	4,130,539	
	3,587,198	training and education in the field of auto racing

51. Formula One owns strong common law and federally registered rights in the F1 Marks in the United States.

52. Formula One vigorously and actively protects its F1 Marks around the world and prevents third parties from using and registering identical or similar trademarks and domain names through various opposition and cancellation proceedings and other enforcement measures.

#### **Formula One's Involvement in Training and Educational Activities**

53. Kart racing is a type of motorsport that features small, four-wheeled vehicles called karts that are raced on a track. Kart racing is the most accessible form of motorsport to the public. While kart racing has traditionally been an amateur sport, in recent years it has increasingly served as a training ground for future drivers who compete in the F1 Grand Prix races. However, because kart racing often does not reflect the prestige and professionalism inherent in F1 Championship racing, Formula One has been extremely selective in affiliating itself with kart racing. For example, FOM supports Formula Kart Stars, or "FKS," a kart racing championship series that sponsors kart races in the United Kingdom but does not permit FKS to identify itself as "F1 kart racing."

54. Formula One has, however, officially licensed another training program. Formula One licenses and supports the worldwide F1 IN SCHOOLS program, a multi-disciplinary challenge in which teams of students aged 7 to 19 use Computer Aided Design and Manufacture



(CAD/CAM) software to collaborate, design, analyze, manufacture, test, and then race miniature gas powered balsa wood racing cars. Millions of students from schools in numerous countries (currently 36), including the United States, participate in the challenge each year. Indeed a United States team, Team Unitas Racing, won the 2010 world finals.

### **Defendants' Kart Racing Businesses**

55. Defendants operate three kart racing facilities that rent karts and related equipment to the public and provide race tracks for kart racing: F1 New Jersey, F1 Outdoors and F1 Boston. Defendants are planning a fourth facility in Calverton, New York, to be called "F1 Long Island." In addition to providing "arrive and drive" rental kart racing for the general public, each facility also hosts local, national, and international kart league competitions and races for which drivers bring their own karts.

56. Each facility also features restaurant and catering services, conference rooms, meeting areas, and onsite retail souvenir, clothing, accessories, and merchandise stores. Each facility is marketed to the general public, to competitive race organizations, and to private and corporate event planners in New Jersey and throughout the United States.

### **Defendants' Other Businesses**

57. In addition to kart racing, Defendants offer mobile hospitality facilities under the name F1 Hospitality. These facilities are transported to and installed at sporting and other events and include dining and bar areas, reception areas, conference rooms, offices, dance floors, and elevated viewing decks from which races and other events can be viewed. Defendants offer catering and entertainment services at these facilities. On the website at the *flexecutivehospitality.com* domain name, Defendants display photographs of their F1-branded hospitality facilities being used track-side at NASCAR, NHRA, Grand Am, Super Chevy, Le

Mans, CKI/WSK karting, and other automotive racing events in New Jersey and other locations throughout the United States.

58. Defendants also offer personal aircraft chartering, maintenance, and management services under the name and mark “F1 Air.” Through Defendants’ F1 Air business, customers can arrange for private air transportation or manage their own private aircraft. Defendants F1 Air and Karting America co-sponsored a “Drive-to-Fly” fundraising event that took place at Defendants’ F1 Boston facility.

**Defendants’ Bad Faith Use of the Infringing F1 Marks**

59. Defendants operate their kart racing facilities, mobile hospitality, and private aircraft charter and maintenance businesses in New Jersey and Massachusetts under the Infringing F1 Marks, including the logos depicted below (the “Infringing F1 Logos”), that incorporate Formula One’s entire F1 mark and are identical to or confusingly similar to Formula One’s F1 Design Mark:



60. As described more fully in paragraphs 28 to 54 above, Formula One offers identical and/or similar goods and services under the F1 Marks.

61. Defendants’ first “F1” businesses, F1 Boston and F1 Outdoors, began as small regional kart racing tracks in rural Massachusetts. Defendants have since progressively encroached upon Formula One’s trademark rights in the F1 Marks by opening new kart racing facilities, by starting new lines of business, by expanding geographically, and by encouraging the public to associate their goods and services with Formula One, thus diluting and tarnishing

Formula One's prestigious F1 Marks. Defendants opened their F1 New Jersey kart racing facility in New Jersey in 2008 and have announced plans to open another kart racing facility under the mark F1 Long Island in Calverton, New York.

62. Defendants intentionally selected and adopted the Infringing F1 Marks to give their goods and services the credibility and prestige symbolized by Formula One's F1 Marks, and to trade on and profit unfairly from the significant good will that attaches to the F1 Marks.

63. Indeed, as shown in the examples annexed at **Exhibit A**, at both their physical locations and on their websites and social media accounts, Defendants even refer to their various businesses and goods and services as "F1" or "Formula 1" without more, and often brand them with the following unadorned "F1" logo that also serves as the common element of the other Infringing F1 Logos:



64. Defendants actively encourage their customers to draw a connection between their businesses and Formula One. For example, as noted above, kart racing has traditionally been an amateur sport, but increasingly it has become a training ground for future Formula 1 drivers. Defendants exploit this fact in promoting their goods and services, stating, "many NASCAR and F1 racers started their careers driving in karts, and continue to drive karts to stay sharp and focused" and "[t]his is serious racing and has been a stepping stone into a professional racing career for many Nascar and F1 drivers," as shown on the webpages annexed as **Exhibits B**.

65. Mr. Valentine also has publicly encouraged this association, such as in the article attached as **Exhibit C**, where he is quoted as saying, "Last July, 100 young drivers tested their mettle at F1 Outdoors, competing to reach their dreams of becoming a Formula 1 race car

driver....The goal of this program is to find and cultivate American drivers, field the first ever All American Formula 1 team – and ultimately help crown an American F1 Champion.”

66. Defendants also feature an actual F1-style racing car in the lobby of their F1 Boston kart racing facility, shown in the photograph annexed as **Exhibit D**.

67. The F1 Boston lobby also features museum-like displays of posters, helmets, uniforms, track maps, and other information from historic F1 Grand Prix alongside merchandise branded with the Infringing F1 Marks, as shown in **Exhibits E, F, and G**. As shown in the detail from **Exhibit G** reproduced below, in one display a hat branded with the infringing F1 Boston logo is placed between a uniform and helmet purportedly worn by a driver at the F1 Italian Grand Prix race, with records, photos, track map, and other details about the F1 Italian Grand Prix displayed behind it. This juxtaposition of memorabilia from actual F1 Grand Prix with merchandise branded with the Infringing F1 Marks further encourages the public to make a false association between the Defendants and their businesses and Formula One.



68. Mr. Valentine also has competed in public automobile races driving a NASCAR car branded with the Infringing F1 Logo for Defendant F1 Air. (NASCAR is a competitor of

Formula One, with a completely different brand image.) This F1-branded race car also is displayed in the lobby of the F1 Boston facility as show on the *flboston.com* homepage, annexed as **Exhibit H**.

69. Defendants promote their corporate events with the tagline “The Complete Event: All the Thrill of a FORMULA 1 Race Day,” as shown on the webpage annexed as **Exhibit I**.

70. Defendants also use other indicia associated with Formula One to encourage a false association between their businesses and Formula One. For example, the restaurant at Defendant’s F1 Boston location is named “Ascari,” presumably after Alberto and Antonio Ascari, the famous father and son champion F1 drivers, and, as shown in **Exhibit J**, features a menu design (on the bottom) that mimics the sweeping curves from the official *Formula1.com* website (on the top).

71. Exploiting the public’s understanding of kart racing as a training ground for F1 racers, Defendants are attempting to pass off its kart racing goods and services as official F1-sponsored or endorsed training grounds or ‘minor leagues’ in the way the Reading “Phillies” is the AAA Minor League Baseball affiliate of the Major League Baseball Philadelphia “Phillies.”

#### **Defendants’ Notice of Their Infringement of Formula One’s Rights**

72. On February 24, 2006, the USPTO rejected Karting America’s trademark applications for the “F/1” and “F/1 Boston” marks due to the likelihood of confusion with Formula One’s F1 Design Mark registered under U.S. Reg. Nos. 2,893,656 and 3,014,297.

73. Over Karting America’s written objections, the USPTO reaffirmed its rejection on September 27, 2006, finding that the F/1 and F/1 Boston marks create the same visual impression as Formula One’s F1 Design Mark and that Karting America’s services were not only similar to Formula One’s services, but that kart racing and F1 racing were inherently connected because

kart racing serves as a training ground for aspiring F1 drivers. Defendant Karting America thereafter abandoned its applications altogether.

74. Formula One contacted Defendants by letter dated February 10, 2009 and demanded that they cease all infringing activities. At that time Formula One was not aware of Defendants' activities in New Jersey and New York or the full nature and scope of their uses of the Infringing F1 Marks.

75. Although Defendants have had actual notice that Formula One objected to their activities since on or about February 10, 2009, Defendants have progressively expanded their infringing activities under the F1 Marks and the likelihood of confusion now looms large.

**Defendants' Violations of Formula One's Trademark Rights**

76. Formula One has not, at any time, authorized any of the Defendants' activities or uses of the F1 Marks and Formula One has no ability to control the quality and safety of Defendants' goods and services.

77. Defendants unlawfully seek to capitalize on the incalculable and enormous popularity and renown of the F1 Marks and to pass off their goods and services as being goods and services authorized or endorsed by Formula One when, in fact, they are not.

78. Defendants intentionally adopted the names and logos for their businesses with full knowledge of Formula One's long and extensive use of and exclusive rights in the F1 Marks, and the fame and reputation thereof. Defendants did so for the calculated purpose of misappropriating and trading upon the goodwill, reputation and recognition Formula One has built up in the F1 Marks. Defendants have willfully infringed Formula One's trademarks by progressively expanding their use of the Infringing F1 Marks even after the USPTO rejected Defendant Karting America's application to register the F/1 and F/1 Boston marks due to the

likelihood of confusion with the F1 Marks and even after Formula One gave them actual notice of its objections.

79. The F1 Design Mark had achieved distinction and fame before Defendants first adopted the Infringing F1 Marks and began using them in commerce. Defendants' use of the Infringing F1 Marks dilutes and impairs the distinctiveness of the F1 Design Mark by blurring and weakening the connection between it and Formula One, and by tarnishing that mark by associating it with an unauthorized supplier of amateur kart racing services.

**Formula One Has and Will Continue to Be Irreparably Harmed by Defendants' Conduct**

80. Formula One has been and, without court intervention, will continue to be irreparably harmed by Defendants' attempts to pass off their goods and services as Formula One's goods and services. Defendants take unfair advantage of Formula One's investment in building the enormous goodwill associated with the world's most popular motorsports events. Their infringing activities threaten Formula One's carefully developed image and reputation cultivated over more than 50 years.

81. Defendants' use of the F1 Marks defrauds the public. Defendants' conduct also jeopardizes the public health and welfare. There is a strong likelihood that the public will assume Defendants' kart racing activities are conducted under exacting safety policies and regulations akin to those that govern the F1 Championship, but, of course, they are not.

82. Defendants' conduct is causing irreparable injury to Formula One and will continue both to damage Formula One and deceive the public unless enjoined by this Court. Formula One has no adequate remedy at law.

**FIRST CLAIM FOR RELIEF FOR  
FEDERAL TRADEMARK INFRINGEMENT (15 U.S.C. § 1114)**

83. Formula One repeats and re-alleges each and every allegation set forth in the preceding paragraphs and incorporates them herein by reference.

84. Defendants' unauthorized use in commerce of identical and/or confusingly similar imitations of Formula One's registered F1 Marks in connection with Defendants' kart racing operations and other goods and services is causing and is likely to cause confusion, deception, and mistake by creating the false and misleading impression that Defendants are affiliated, connected or associated with Formula One and that Defendants' goods, services and commercial activities originate from, are sponsored by, or are approved by Formula One, in violation of Section 32(1) of the Lanham Trademark Act, 15 U.S.C. § 1114(1).

85. Defendants' unauthorized use of identical and/or confusingly similar imitations of Formula One's registered F1 Marks notwithstanding Defendants' knowledge of Formula One's prior rights demonstrates an intentional, willful, and bad faith intent to trade on the goodwill of the registered F1 Marks and to cause confusion, deception, and mistake in the minds of Formula One customers and potential customers by implying a non-existent affiliation or relationship between Defendants and Formula One to the great and irreparable injury of Formula One, and Defendants have been unjustly enriched thereby.

86. Defendants' infringing conduct is causing and is likely to cause substantial injury to the public and to Formula One. Formula One is entitled to injunctive relief, to recover its damages and Defendants' profits, together trebled, and Formula One's costs and reasonable attorneys' fees pursuant to 15 U.S.C. § 1117.



**SECOND CLAIM FOR RELIEF FOR FEDERAL UNFAIR COMPETITION, FALSE DESCRIPTION AND FALSE DESIGNATION OF ORIGIN (15 U.S.C. § 1125(A))**

87. Formula One repeats and re-alleges each and every allegation set forth in the preceding paragraphs and incorporates them herein by reference.

88. Defendants' unauthorized use in commerce of the Infringing F1 Marks in connection with their kart racing, hospitality facilities, private aircraft charter and maintenance businesses, and related goods and services is causing and is likely to cause confusion, deception, and mistake by creating the false and misleading impression that Defendants are affiliated, connected, or associated with Formula One and that Defendants' goods, services and commercial activities originate from, are sponsored by, or are approved by Formula One, all in violation of 15 U.S.C. § 1125(a).

89. Defendant's unauthorized use of trade and domain names incorporating confusingly similar imitations of the F1 Marks such as *flboston.com*, *floutdoors.com*, *flongisland.com*, *flair.com*, *flexecutivehospitality.com* and *flnewjersey.com* (together, "Infringing Domain Names") in connection with their kart racing, and operations and other goods and services is causing and is likely to cause confusion, deception, and mistake by creating the false and misleading impression that Defendants are affiliated, connected, or associated with Formula One and that Defendants' goods, services, and commercial activities originate from, are sponsored by, or are approved by Formula One, all in violation of 15 U.S.C. § 1125(a).

90. Defendants' actions demonstrate intentional, willful, and bad faith intent to trade on Formula One's goodwill and to cause confusion, deception, and mistake in the minds of Formula One's customers and potential customers by implying a nonexistent affiliation or

relationship between Defendants and Formula One to the great and irreparable injury of Formula One.

**THIRD CLAIM FOR RELIEF FOR  
DILUTION OF FAMOUS TRADEMARK (15 U.S.C. § 1125(C))**

91. Formula One repeats and re-alleges each and every allegation set forth in the preceding paragraphs and incorporates them herein by reference.

92. Through Formula One's extensive and continuous use and promotion of the F1 Design Mark since 1994 as described above, the F1 Design Mark became a distinctive, strong and famous symbol of Formula One's goods and services well before Defendants sold and offered for sale goods and services in commerce under the confusingly similar Infringing F1 Marks.

93. Defendants' activities are likely to dilute and are diluting the distinctive quality of the F1 Design Mark. Defendants' conduct erodes the public's exclusive identification of the F1 Design Mark with Formula One and tarnishes and degrades the positive associations and prestigious connotations of the F1 Design Mark.

94. Defendants have acted willfully and with intent to trade off Formula One's reputation, to the great and irreparable injury of Formula One.

95. Defendants have caused and will continue to cause irreparable injury to Formula One's goodwill and business reputation and dilution of the distinctiveness and value of the famous F1 Design Mark in violation of 15 U.S.C. § 1125(c), and Formula One is therefore entitled to injunctive relief and to recover actual damages, profits, enhanced profits and damages, costs, and reasonable attorneys' fees under 15 U.S.C. §§1125(c), 1116 and 1117.

**FOURTH CLAIM FOR RELIEF FOR VIOLATION OF THE  
ANTICYBERSQUATTING CONSUMER PROTECTION ACT (15 U.S.C. § 1125(D))**

96. Formula One repeats and re-alleges each and every allegation set forth in the preceding paragraphs and incorporates them herein by reference.

97. Defendants have registered and used domain names including the Infringing Domain Names that are confusingly similar to Formula One's registered F1 Marks, its domain name *F1.com*, and its other domain names.

98. Defendants have registered and used the Infringing Domain Names with the bad faith intent of profiting unlawfully from Formula One's registered F1 Marks and common law trademark rights.

99. Defendants' actions are intentional, willful, and taken in bad faith.

100. Defendants' actions constitute cybersquatting in violation of 15 U.S.C. § 1125(d).

**SIXTH CLAIM FOR RELIEF FOR COMMON LAW  
TRADEMARK INFRINGEMENT AND UNFAIR COMPETITION**

101. Formula One repeats and re-alleges each and every allegation set forth in the preceding paragraphs and incorporates them herein by reference.

102. Defendants have used identical and/or confusingly similar imitations of the F1 Marks with full knowledge of Formula One's rights to those marks and with the willful and calculated purpose of trading upon Formula One's established goodwill and business reputation and in a manner calculated to imply false association or affiliation with, or sponsorship of, or approval by, Formula One, for the purpose of misleading and deceiving the public.

103. Defendants have used confusingly similar imitations of Formula One's *f1.com* domain name with full knowledge of Formula One's rights to that domain name and with the willful and calculated purpose of trading upon Formula One's established goodwill and business reputation and in a manner calculated to imply false association or affiliation with, or

sponsorship of, or approval by, Formula One, for the purpose of misleading and deceiving the public.

104. Defendants' conduct constitutes infringement of Formula One's common law rights to the F1 Marks and Formula One's domain names and has damaged and will continue to damage irreparably Formula One's goodwill and reputation unless restrained by this Court.

105. In addition, Defendants have engaged in unfair competition under the common law of New Jersey through their deliberate efforts to poach upon Formula One's goodwill. Formula One has no adequate remedy at law for remedying Defendants' conduct.

**SEVENTH CLAIM FOR RELIEF FOR UNFAIR COMPETITION IN VIOLATION OF THE NEW JERSEY FAIR TRADE ACT, N.J.S.A. 56:4-1 AND 2**

106. Formula One repeats and re-alleges each and every allegation set forth in the preceding paragraphs and incorporates them herein by reference.

107. Defendants' use of the Infringing F1 Marks and Infringing Domain Names is likely to deceive and confuse the public into believing that they are purchasing goods and services sponsored or approved by Formula One. Moreover, in engaging in the conduct set forth above, Defendants have misappropriated for their own the trademarks, reputation, and goodwill of Formula One.

108. Defendants' acts constitute unfair competition in violation of the New Jersey Fair Trade Act, N.J.S.A. 56:4-1 and 2.

**EIGHTH CLAIM FOR RELIEF FOR UNFAIR AND DECEPTIVE TRADE PRACTICES IN VIOLATION OF N.J. STAT. ANN. § 56:8-2**

109. Formula One repeats and re-alleges each and every allegation set forth in the preceding paragraphs and incorporates them herein by reference.

110. By reason of the acts set forth above, Defendants have been and are engaged in deceptive acts or practices in the conduct of a business, trade or commerce in violation of New Jersey statute N.J. STAT. ANN. § 56:8-2.

111. The public is likely to be damaged as a result of Defendants' deceptive trade practices or acts.

**WHEREFORE**, Formula One demands judgment in its favor and against Defendants as follows:

1. Preliminarily and permanently enjoining Defendants, their officers, partners, principals, agents, and employees, and all persons and entities in active concert or participation with Defendants from:

- (a) using any trademark, service mark, or trade name including the elements "FORMULA ONE," "FORMULA 1," "F1," the F1 Design Mark, or any other trademark, service mark, or trade name that incorporates or is confusingly similar to any of the F1 Marks in connection with their businesses or products or services;
- (b) using, registering, owning, leasing, selling or trafficking in any business name or domain name that incorporates in whole or part or is otherwise confusingly similar to any of the F1 Marks or any other mark owned by Formula One;
- (c) expressly or impliedly representing themselves, their businesses, or their goods or services as affiliated, connected, or associated with, or authorized, sponsored, or approved by, Formula One;
- (d) passing off to the public that their businesses or goods or services are those of or authorized by Formula One;

(e) engaging in any other conduct that will cause, or is likely to cause, confusion, mistake, deception or misunderstanding as to the affiliation, connection, or association or origin, sponsorship, or approval of their businesses, goods, or services with or by Formula One or that is likely to dilute the connection between Formula One and the F1 Marks; and

(f) otherwise infringing upon the F1 Marks or unfairly competing with Formula One in any manner.

2. Directing that Defendants transfer to Formula One the *flboston.com*, *floutdoors.com*, *flongisland.com*, *flair.com*, *flexecutivehospitality.com* and *flnewjersey.com* domain names and any other domain names that incorporate any of the F1 Marks that are owned by or registered to any Defendant or any of Defendants' officers, partners, principals, agents, and employees, and all persons and entities acting in concert or participation with Defendants.

3. Directing that Defendants deliver up for destruction all merchandise, advertising and promotional materials, labels, cartons, brochures, business stationery, calling cards, information sheets, posters, signs, and any and all other printed or graphic materials of any type, including the plates, molds or other means of producing the materials, which bear any confusingly similar imitation of any of the F1 Marks or any name or mark that includes the elements "FORMULA 1," "FORMULA ONE," "F1," or any confusingly similar term.

4. Directing that Defendants file with the Court and serve on Formula One, within thirty (30) days after entry of a final injunction, a report in writing under oath setting forth in detail the manner and form in which Defendants have complied with the injunction.

5. Requiring Defendants to account for the profits they have realized by carrying out their infringements and dilution of the F1 Marks and other acts of unfair competition.

6. Awarding Formula One its actual damages arising out of Defendant's acts of trademark infringement, unfair competition and trademark dilution, in addition to Defendants' profits, all trebled pursuant to 15 U.S.C. § 1117(a) and (b).

7. Awarding to Formula One interest, including pre-judgment interest, on the foregoing sums.

8. Finding this to be an exceptional case under 15 U.S.C. § 1117(a).


9. Awarding to Formula One its costs in this civil action, including reasonable attorneys' fees and expenses, pursuant to 15 U.S.C. § 1117(a).

10. Awarding to the Formula One exemplary and punitive damages to deter any future willful infringement as the Court finds appropriate.

11. Directing such other action as the Court may deem appropriate to prevent the trade and public from deriving the erroneous impression that any goods or services offered, advertised or promoted by or on behalf of Defendants are authorized by Formula One or related in any way to Formula One's products or services.

Dated: New York, New York  
September 18, 2014

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