

No. 13-1211

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**In the Supreme Court of the United States**

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HANA FINANCIAL, INC.,

*Petitioner,*

v.

HANA BANK AND HANA FINANCIAL GROUP,

*Respondents.*

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**On Writ of Certiorari to  
the United States Court of Appeals  
for the Ninth Circuit**

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**BRIEF FOR PETITIONER**

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## **QUESTION PRESENTED**

To own a trademark, one must be the first to use the mark in commerce; the first to use a mark has “priority.” The trademark “tacking” doctrine permits a party to “tack” the use of an older mark onto a new mark for purposes of determining priority, allowing the trademark owner to make slight modifications to a mark over time without losing priority. Trademark tacking is available where the two marks are “legal equivalents.”

The question presented is:

Whether the jury or the court determines whether use of an older mark may be tacked to a newer one?

**CORPORATE DISCLOSURE STATEMENT**

Hana Financial, Inc., has no parent company, and no publicly held company owns 10% or more of petitioner's stock.

## TABLE OF CONTENTS

Question Presented .....	i
Corporate Disclosure Statement.....	ii
Table of Authorities.....	v
Opinions Below.....	1
Jurisdiction.....	1
Statement .....	1
A. Trademark law.....	2
B. Factual background.....	6
C. Proceedings below.....	9
Summary of the Argument .....	13
Argument.....	15
I. Trademark Tacking Is A Question Of Law That Should Be Decided By A Court. ....	16
A. Trademark tacking is a narrow doctrine that applies only when two marks are “legal equivalents.” .....	16
B. The “legal equivalents” standard involves a question of law that a court must resolve.....	20
C. Pragmatic considerations confirm that trademark tacking is an issue of law for a judge.....	25
1. Treating tacking as a matter of law is essential to predictable trademark rights.....	26
2. Resolving tacking as a matter of law aids in efficient dispute resolution. ....	27

**TABLE OF CONTENTS—continued**

D. The potential for subsidiary factual questions—which rarely arise in tacking cases—does not alter the conclusion that tacking is a question for the court. ....	28
II. Courts, Not Juries, Historically Resolved Trademark Tacking. ....	30
A. Courts have always resolved tacking questions. ....	30
B. Tacking is an equitable doctrine. ....	35
III. Respondents’ Trademark Tacking Theory Fails As A Matter Of Law. ....	38
Conclusion .....	43

## TABLE OF AUTHORITIES

	<b>Page(s)</b>
<b>CASES</b>	
<i>Am. Paging, Inc. v. Am. Mobilphone, Inc.</i> , 13 U.S.P.Q.2d 2036 (T.T.A.B. 1989)...	5, 20, 39, 40
<i>Beech-Nut Packing Co. v. P. Lorillard Co.</i> , 299 F. 834 (D.N.J. 1924), aff'd 7 F.2d 967 (3d Cir. 1925), aff'd, 273 U.S. 629 (1927) ....	<i>passim</i>
<i>Bonds v. Smith</i> , 143 F.2d 369 (D.C. Cir. 1944) .....	37
<i>Bose Corp. v. Consumers Union of U.S., Inc.</i> , 466 U.S. 485 (1984) .....	21
<i>Brookfield Commc'ns, Inc. v.</i> <i>W. Coast Entm't Corp.</i> , 174 F.3d 1036 (9th Cir. 1999) .....	<i>passim</i>
<i>Children's Legal Servs. PLLC v. Kresch</i> , 2008 WL 1901245 (E.D. Mich. 2008) .....	22
<i>Clinton E. Worden &amp; Co. v. Cal. Fig Syrup Co.</i> , 187 U.S. 516 (1903) .....	36
<i>Compania Insular Tabacalera, S.A. v.</i> <i>Camacho Cigars, Inc.</i> , 167 U.S.P.Q. 299 (T.T.A.B. 1970) .....	17, 18, 23
<i>Corporate Fitness Programs, Inc. v. Weider</i> <i>Health &amp; Fitness</i> , 2 U.S.P.Q.2d 1682 (T.T.A.B. 1987) .....	40
<i>Dastar Corp. v. Twentieth Century</i> <i>Fox Film Corp.</i> , 539 U.S. 23 (2003) .....	2

**TABLE OF AUTHORITIES—continued**

<i>Data Concepts, Inc. v. Digital Consulting, Inc.</i> , 150 F.3d 620 (6th Cir. 1998).....	<i>passim</i>
<i>Decatur Charcoal Chem. Works v. Moses</i> , 7 So. 637 (Ala. 1890) .....	37
<i>In re Dial-A-Mattress Operating Corp.</i> , 240 F.3d 1341 (Fed. Cir. 2001) .....	5
<i>Dimick v. Schiedt</i> , 293 U.S. 474 (1935).....	21, 24
<i>Downing v. Palmateer</i> , 17 Ky. 64 (1824) .....	37
<i>Drexel Enters., Inc. v. Richardson</i> , 312 F.2d 525 (10th Cir. 1962).....	34
<i>Estate of P.D. Beckwith, Inc. v. Comm’r of Patents</i> , 252 U.S. 538 (1920).....	41
<i>Fitzgerald v. Barnstable Sch. Comm.</i> , 555 U.S. 246 (2009).....	43
<i>Fitzsimmons v. Ogden</i> , 11 U.S. (7 Cranch) 2 (1812) .....	36
<i>George &amp; Co. v. Imagination Entm’t Ltd.</i> , 575 F.3d 383 (4th Cir. 2009).....	<i>passim</i>
<i>H.E. Butt Grocery Co. v. Innovative Foods L.L.C.</i> , 2003 WL 22988721 (T.T.A.B. 2003) .....	23
<i>Hansen Beverage Co. v. Cytosport, Inc.</i> , 2009 WL 5104260 (C.D. Cal. 2009) .....	23

**TABLE OF AUTHORITIES—continued**

<i>Hess’s of Allentown, Inc. v.</i> <i>Nat’l Bellas Hess, Inc.,</i> 169 U.S.P.Q. 673 (T.T.A.B. 1971).....	6
<i>Highmark Inc. v. Allcare Health Mgmt. Sys.,</i> <i>Inc.</i> , 134 S. Ct. 1744 (2014).....	30
<i>Holland v. Florida,</i> 560 U.S. 631 (2010).....	36
<i>Humble Oil &amp; Ref. Co. v. Sekisui Chem. Co.,</i> 165 U.S.P.Q. 597 (T.T.A.B. 1970).....	4, 16
<i>Ilco Corp. v. Ideal Sec. Hardware Corp.,</i> 527 F.2d 1221 (C.C.P.A. 1976).....	16, 41
<i>John Morrell &amp; Co. v. Hauser Packing Co.,</i> 20 F.2d 713 (9th Cir. 1927).....	33
<i>Joseph Schlitz Brewing Co. v.</i> <i>Houston Ice &amp; Brewing Co.,</i> 250 U.S. 28 (1919).....	35
<i>KP Permanent Make-Up, Inc. v. Lasting</i> <i>Impression I, Inc.,</i> 543 U.S. 111 (2004).....	2, 18, 24
<i>La Republique Francaise v.</i> <i>Saratoga Vichy Spring Co.,</i> 191 U.S. 427 (1903).....	36
<i>Lever Bros. Co. v. Hillyard Enters., Inc.,</i> 147 U.S.P.Q. 369 (T.T.A.B. 1965).....	23
<i>Lighting Ballast Control LLC v.</i> <i>Philips Elecs. N. Am. Corp.,</i> 744 F.3d 1272 (Fed. Cir. 2014).....	27, 29

**TABLE OF AUTHORITIES—continued**

<i>Manhattan Med. Co. v. Wood</i> , 108 U.S. 218 (1883).....	36
<i>Markman v. Westview Instruments, Inc.</i> , 517 U.S. 370 (1996).....	<i>passim</i>
<i>McLean v. Fleming</i> , 96 U.S. 245 (1877).....	3
<i>Miami Credit Bureau, Inc. v.</i> <i>Credit Bureau, Inc.</i> , 276 F.2d 565 (5th Cir. 1960).....	34
<i>Miller v. Fenton</i> , 474 U.S. 104 (1985).....	20, 25, 29
<i>Millington v. Fox</i> , 40 E.R. 956 (Ct. Chancery 1838).....	35
<i>Miyano Mach. USA, Inc. v.</i> <i>MiyanoHitec Mach., Inc.</i> , 576 F. Supp. 2d 868 (N.D. Ill. 2008).....	22
<i>Moseley v. V Secret Catalogue, Inc.</i> , 537 U.S. 418 (2003).....	3
<i>One Indus., LLC v. Jim O'Neal Distrib., Inc.</i> , 578 F.3d 1154 (9th Cir. 2009).....	5, 6, 20, 23
<i>Palm Bay Imports, Inc. v. Veuve Clicquot</i> <i>Ponsardin Maison Fondée En 1772</i> , 396 F.3d 1369 (Fed. Cir. 2005).....	42
<i>Park 'N Fly, Inc. v. Dollar Park &amp; Fly, Inc.</i> , 469 U.S. 189 (1985).....	2, 8
<i>Peabody v. Patten</i> , 19 Mass. 517 (1824).....	37

**TABLE OF AUTHORITIES—continued**

<i>Perfectform Corp. v. Perfect Brassiere Co.</i> , 256 F.2d 736 (3d Cir. 1958) .....	34
<i>Petrella v. Metro-Goldwyn-Mayer, Inc.</i> , 134 S. Ct. 1962 (2014) .....	36
<i>Planetary Motion, Inc. v. Techsplosion, Inc.</i> , 261 F.3d 1188 (11th Cir. 2001) .....	4
<i>Preston v. Crofut</i> , 1 Conn. 527 (1811) .....	37
<i>Pro-Cuts v. Schilz-Price Enters., Inc.</i> , 27 U.S.P.Q.2d 1224 (T.T.A.B. 1993) ...	5, 20, 23, 39
<i>Quiksilver, Inc. v. Kymsta Corp.</i> , 466 F.3d 749 (9th Cir. 2006) .....	20
<i>Railroad Co. v. Stout</i> , 84 U.S. (17 Wall.) 657 (1873) .....	21
<i>In re Reisch Brewing Co.</i> , 39 App. D.C. 445 (1912) .....	18, 33
<i>Ringstad v. Grannis</i> , 171 F.2d 170 (9th Cir. 1948) .....	37
<i>Salem Commodities, Inc. v.</i> <i>Miami Margarine Co.</i> , 244 F.2d 729 (C.C.P.A. 1957) .....	34, 42
<i>San Francisco Arts &amp; Athletics, Inc. v.</i> <i>U.S. Olympic Comm.</i> , 483 U.S. 522 (1987) .....	18, 36
<i>Smith v. World Ins. Co.</i> , 38 F.3d 1456 (8th Cir. 1994) .....	36

**TABLE OF AUTHORITIES—continued**

<i>Specht v. Google Inc.</i> , 758 F. Supp. 2d 570 (N.D. Ill. 2010).....	22
<i>Sterling Bank v. Sterling Bank &amp; Trust, FSB</i> , 928 F. Supp. 1014 (C.D. Cal. 1996) .....	40
<i>Teva Pharm. USA, Inc. v. Sandoz, Inc.</i> , 723 F.3d 1363 (Fed. Cir. 2013) .....	29, 30
<i>Thompson v. Keohane</i> , 516 U.S. 99 (1995).....	27
<i>In re Trade-Mark Cases</i> , 100 U.S. 82 (1879).....	2, 3, 16, 35
<i>Tull v. United States</i> , 481 U.S. 412 (1987).....	21, 30
<i>Two Pesos, Inc. v. Taco Cabana, Inc.</i> , 505 U.S. 763 (1992).....	3
<i>United Barber’s Serv. Co. v. Cannaliato</i> , 12 Trademark Rep. 265 (Comm’r Patents 1922) .....	33
<i>Vacuum-Elecs. Corp. v. Elec. Eng’g Co.</i> , 150 U.S.P.Q. 215 (T.T.A.B. 1966).....	35
<i>Van Dyne-Crotty, Inc. v. Wear-Guard Corp.</i> , 926 F.2d 1156 (Fed. Cir. 1991) .....	<i>passim</i>
<i>Viviane Woodard Corp. v. Roberts</i> , 181 U.S.P.Q. 840 (T.T.A.B. 1974).....	23
<i>Worden v. Cannaliato</i> , 285 F. 988 (D.C. Cir. 1923).....	33

**TABLE OF AUTHORITIES—continued**

**STATUTES AND RULES**

15 U.S.C.	
§ 1072.....	3
§ 1114.....	3, 9
§ 1115.....	36
§ 1125.....	3, 9
§ 1127.....	2, 8
28 U.S.C. § 1254 .....	1
Fed. R. Civ. P. 52(a)(6) .....	30

**OTHER AUTHORITIES**

McCarthy on Trademarks and Unfair Competition (4th ed. 2014).....	3, 28
Callmann on Unfair Competition, Trademarks & Monopolies (4th ed. 2014) .....	6, 26
Dorsey D. Ellis, Jr., <i>Punitive Damages, Due Process, and the Jury</i> , 40 Ala. L. Rev. 975 (1989).....	21
Gilson on Trademarks (2014) .....	4, 5
H.R. Rep. No. 113-279 (2013).....	26
Saul Lefkowitz, <i>Tips from the TTAB</i> , 66 Trademark Rep. 530 (1976).....	17, 20
Joseph Story, <i>Commentaries on Equity Jurisprudence</i> (1855) .....	37, 38
Tacking, <i>Black’s Law Dictionary</i> (9th ed. 2009) .....	38

## **BRIEF FOR PETITIONER**

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### **OPINIONS BELOW**

The opinion of the court of appeals (Pet. App. 1a-20a) is reported at 735 F.3d 1158. The district court's judgment is unreported (Pet. App. 33a).

### **JURISDICTION**

The judgment of the court of appeals was entered on November 22, 2013. This Court granted a timely petition for certiorari on June 23, 2014. This Court's jurisdiction rests on 28 U.S.C. § 1254(1).

### **STATEMENT**

Trademark rights are acquired through use; the first to use a mark has “priority” over all others who wish to use that mark or one that is confusingly similar. This case concerns the trademark tacking doctrine, which permits a party to “tack” the use of an older mark onto a new one for purposes of determining priority, allowing the trademark owner to make slight modifications to a mark over time without losing priority. The tacking doctrine is a very narrow one; to prevent trademark owners from obtaining an unfair, retroactive expansion of the monopoly protections afforded by trademark, tacking is permitted only when the two marks are “legal equivalents.”

The question here is whether a judge or jury should make the determination whether tacking is permissible. The answer should be clear: the determination is appropriately made by a judge. The question posed by tacking—whether two marks are legal equivalents—is, by definition, a legal one. That question is best resolved by reference to legal precedent. It does not present a conventional question of

historical fact, the sort of question traditionally resolved by juries. And the tacking question has, historically, been resolved by courts as a matter of equity. The proof of the matter lies in the circumstances of this case: a court, applying the proper standards in the first instance, would not have reached the perverse result approved by the Ninth Circuit here, which treats as “legal equivalents” the vastly different terms HANA BANK, HANA WORLD CENTER, and HANA OVERSEAS KOREAN CLUB. The decision below should, accordingly, be reversed.

#### A. Trademark law.

1. Trademark law creates “[t]he right to adopt and use a symbol or a device to distinguish the goods or property made or sold by the person whose mark it is, to the exclusion of use by all other persons.” *In re Trade-Mark Cases*, 100 U.S. 82, 92 (1879). This right “has been long recognized by the common law and the chancery courts of England and of this country.” *Ibid.*

The Trademark Act of 1946, known as the Lanham Act, was enacted to “provide national protection for trademarks used in interstate and foreign commerce.” *Park ‘N Fly, Inc. v. Dollar Park & Fly, Inc.*, 469 U.S. 189, 193 (1985). In the main, it “was intended to make ‘actionable the deceptive and misleading use of marks.’” *Dastar Corp. v. Twentieth Century Fox Film Corp.*, 539 U.S. 23, 28 (2003) (quoting 15 U.S.C. § 1127).

The holder of a federally registered mark may bring “a civil action against anyone employing an imitation of it in commerce when ‘such use is likely to cause confusion, or to cause mistake, or to deceive.’” *KP Permanent Make-Up, Inc. v. Lasting Impression*

*I, Inc.*, 543 U.S. 111, 117 (2004) (quoting 15 U.S.C. § 1114(1)(a)).<sup>1</sup> Likewise, the owner of a non-registered (*i.e.*, “common law”) mark may bring an action for infringement when another’s use is “likely to cause confusion about the source of a product or service.” *Moseley v. V Secret Catalogue, Inc.*, 537 U.S. 418, 428 (2003). See 15 U.S.C. § 1125.

A party may infringe the trademark of another by using a *similar* mark where there is a “likelihood of confusion,” regardless of whether the infringer uses a mark that is *identical* to the registered mark. *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 769 (1992). Were the rule otherwise, it “would always enable the wrong-doer to evade responsibility for his wrongful acts.” *McLean v. Fleming*, 96 U.S. 245, 255 (1877).

A necessary requirement for ownership of a mark is “priority” of use. “The basic rule of trademark ownership in the United States is priority of use;” “[f]or inherently distinctive marks, ownership goes to the first entity to use the designation as a mark.”<sup>2</sup> McCarthy on Trademarks and Unfair Competition § 16:1 (4th ed. 2014). Indeed, “[a]t common law the exclusive right to [a mark] grows out of its *use*, and not its mere adoption.” *In re Trade-Mark Cases*, 100 U.S. at 94. Accordingly, when different individuals use confusingly similar marks, the one who first used the mark—*i.e.*, the party who has “priority”—has the right to use the mark.

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<sup>1</sup> Federal registration of a mark provides constructive notice to all others of the registrant’s claim of ownership, which serves to eliminate a good-faith use defense potentially available at common law. See 15 U.S.C. § 1072.

In sum, to prevail on a claim for trademark infringement, a plaintiff generally must prove (1) that it has priority of use with respect to the marks, and (2) that the defendant has used the same mark or one that is confusingly similar. See, e.g., *Planetary Motion, Inc. v. Techsplosion, Inc.*, 261 F.3d 1188, 1193 (11th Cir. 2001).

2. This case concerns the doctrine of trademark tacking. Courts have long recognized that it is both equitable and consistent with trademark policy to permit an owner to make minor changes to his or her marks without losing priority. See 1-3 Gilson on Trademarks § 3.03[2][g] (2014). Tacking allows, for example, modernization of a trademark without risk that the owner will lose the original priority date. In light of this purpose, however, courts have found tacking to be proper only where the two marks are, “in effect, the same” (*Humble Oil & Ref. Co. v. Sekisui Chem. Co.*, 165 U.S.P.Q. 597, 604 (T.T.A.B. 1970))—or, as every court of appeals to consider the issue has put it, when the old mark and the new one are “legal equivalents.” *George & Co. v. Imagination Entm’t Ltd.*, 575 F.3d 383, 402 (4th Cir. 2009); *Brookfield Commc’ns, Inc. v. W. Coast Entm’t Corp.*, 174 F.3d 1036, 1047-1048 (9th Cir. 1999); *Data Concepts, Inc. v. Digital Consulting, Inc.*, 150 F.3d 620, 623 (6th Cir. 1998); *Van Dyne-Crotty, Inc. v. Wear-Guard Corp.*, 926 F.2d 1156, 1158 (Fed. Cir. 1991).

Under this standard, for one mark to tack to another, they must have nearly identical “visual or aural appearance;” where such similarity is lacking, “no more [is] necessary” to reject tacking. *Van Dyne-Crotty*, 926 F.2d at 1159. Moreover, for one mark to tack to another, the marks must “create[] the same, continuing commercial impression such that the con-

sumer would consider them both the same mark.” *In re Dial-A-Mattress Operating Corp.*, 240 F.3d 1341, 1347 (Fed. Cir. 2001). Given these purposes and the requirement of legal equivalency, courts uniformly have recognized that trademark tacking is available in only “narrow circumstances,” as the test is “exceedingly strict.” *One Indus., LLC v. Jim O’Neal Distrib., Inc.*, 578 F.3d 1154, 1160-1161 (9th Cir. 2009). Tacking “should be sparingly applied and allowed only in ‘rare instances.’” 1-3 Gilson on Trademarks § 3.03[2][g].

Examples illustrate the narrowness of the doctrine, as it consistently has been applied by the courts. Tacking was *disallowed* between the marks:

- AMERICAN MOBILPHONE and AMERICAN MOBILPHONE PAGING with an identical star and stripe design:



*Am. Paging, Inc. v. Am. Mobilphone, Inc.*, 13 U.S.P.Q.2d 2036, 2037-2938 (T.T.A.B. 1989), *aff’d*, 923 F.2d 869 (Fed. Cir. 1990).

- CLOTHES THAT WORK. FOR THE WORK YOU DO and CLOTHES THAT WORK. *Van Dyne-Crotty*, 926 F.2d at 1158-1159.
- PRO-CUTS and PRO-KUT. *Pro-Cuts v. Schilz-Price Enters., Inc.*, 27 U.S.P.Q.2d 1224, 1227 (T.T.A.B. 1993).
- LCR and LEFT CENTER RIGHT. *George & Co.*, 575 F.3d at 402.

In contrast, one of “the few reported cases allowing tacking” (*One Indus.*, 578 F.3d at 1161) permitted a company to tack the use of HESS’S onto HESS. *Hess’s of Allentown, Inc. v. Nat’l Bellas Hess, Inc.*, 169 U.S.P.Q. 673, 674-675 (T.T.A.B. 1971). Compare 3 Callmann on Unfair Competition, Trademarks & Monopolies § 20:66 (4th ed. 2014) (circumstances in which tacking was rejected) with *id.* § 20:67 (circumstances in which tacking was allowed).

As these cases demonstrate, the tacking “standard is considerably higher than the standard for ‘likelihood of confusion.’” *Brookfield*, 174 F.3d at 1048. “Legal equivalence for tacking purposes does not exist simply because the two marks a party seeks to tack are ‘confusingly similar.’” *Data Concepts*, 150 F.3d at 623.

### **B. Factual background.**

The word pronounced as “hana” means, in Korean, “number one,” “first,” “top,” or “unity.” Pet. App. 4a.<sup>2</sup>

Respondent Hana Bank is a Korean financial institution, established in 1971 as the Korea Investment Finance Corporation. Pet. App. 4a. In 1991, it changed its name to Hana Bank (“the Bank”). *Ibid.*<sup>3</sup>

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<sup>2</sup> The ubiquity of the word “hana” is reflected by the numerous registered U.S. trademarks employing the term, including “Hana Health & Fitness Products Corp.,” “Hana Bliss” (a coffee and beverage company), “Hana J’s Original” (coconut syrup), “Hana Fresh,” and “Hana Health.”

<sup>3</sup> Respondent Hana Financial Group is the Bank’s holding company. Pet. App. 4a n.1.

At that time, the Bank had no operations in the United States. *Ibid.*

In May 1994, respondents established the HANA OVERSEAS KOREAN CLUB to provide financial services to U.S. residents. Pet. App. 5a. This entity first began advertising in July 1994. The advertisements, which were placed in Korean-language newspapers, were entirely in Korean, except for the term “HANA Overseas Korean Club.”

**하나은행이 어느 은행보다 높은 금리로, 국내재산을 키워드립니다.**

**HANA Overseas Korean Club**

국내재산 관리, 어떻게 하고 계세요? 「Baromoney」가  
의뢰해 「S3 Best Bank in Korea」로 선정된  
하나은행의 「하나해외이주국민」에 알맞은 최고  
높은 금리로 알차게 키워드립니다. 물론, 내 재산차임 철저  
하게 관리해 드립니다.

■ 이주자선이나 보다 금리가 훨씬 높습니다.

기	비	금리(연율)	비교은행
1개월	4.3%	4.5%	은행보통
3개월	4.5%	4.5%	은행보통
6개월	5.0%	4.5%	은행보통
9개월	5.5%	4.5%	은행보통
1년	6.0%	4.5%	은행보통

■ 외국어 조세환급을 통해 세금감면까지 받을 수 있습니다.

시	비	4대보험	국민연금	연금	연금	연금
1	12	12	12	12	12	12
2	12	12	12	12	12	12
3	12	12	12	12	12	12
4	12	12	12	12	12	12
5	12	12	12	12	12	12

■ 한국에서는 간단한 상환을 제공하고 있어, 원리환율이 반영됩니다.  
■ 하나은행은 IMF에서 「FIC」가 제공유망국, Nomura 증권, Barings  
증권, Goldman Sachs가 「GlobalVantage National Bank」로  
유망한 금융기관들이 주목하고 있어, 높은 신용을 지니고 있습니다.

■ 해외에서 원시 이상설 계획 취득(예금)과, 경영, 경제, 외  
환, MIB 등 공권력 관련자료 제공  
■ 1992년 1월 1일 이후 출생한 자로서 남자에 경우 영구  
거주권 취득  
■ 공적이 대한민국에 한하여 100% 보장되는  
■ 해외에서 국민연금 100% 지급  
■ 해외에서 국민연금 100% 지급  
■ 해외에서 국민연금 100% 지급  
■ 해외에서 국민연금 100% 지급

**해외 환율특혜 지원**

당신이 꿈꾸어오던 미래,  
하나은행과 함께라면 보다 더 가깝습니다.

1. **통신회원**  
■ 해외에서 원시 이상설 계획 취득(예금)과, 경영, 경제, 외  
환, MIB 등 공권력 관련자료 제공

2. **연방보험** 14개 연방보험 - 20% 연금보험 - 30% 연금보험  
(연금보험 환급금에 연방보험 및 국민연금 등)

3. **연방보험** 14개 연방보험 - 20% 연금보험 - 30% 연금보험  
(연금보험 환급금에 연방보험 및 국민연금 등)

4. **서류제출기간** 1994년 7월 30일 - 31일  
(서류제출은 별도 도록에 참조)

5. **서류제출처** 서울시 중구 동교동 11가 101-1 하나은행 인사부  
Tel. (02) 754-2121

**하나은행**

See JA205 (full size image). Additionally, some of the Korean characters in the advertisement translate to “Hana Bank.” Pet. App. 5a. The advertisement also features the Bank’s “dancing man” logo. *Ibid.*<sup>4</sup>

Petitioner Hana Financial, Inc. (“HFI”) was incorporated on August 15, 1994 in California. Pet.

<sup>4</sup> The advertisement that appears at JA206 is a translation that was prepared solely for purposes of this litigation. No English-language version of this advertisement was ever used in commerce.

App. 4a. Prior to incorporation, executives at HFI had discussions with the Bank as to a potential equity investment and strategic alliance, but the deal was never completed. *Id.* at 5a.

On July 16, 1996, HFI obtained a federal service mark<sup>5</sup> registration, U.S. Trademark Registration No. 1,987,227, for a pyramid logo with the words HANA FINANCIAL for use in connection with financial services. Pet. App. 6a. Petitioner's logo appears as:



Pet. App. 26a.

In 2000, respondents changed the name of the HANA OVERSEAS KOREAN CLUB to HANA WORLD CENTER. Pet. App. 7a. In 2001, they attempted to register a HANA BANK service mark but were unable to do so, at least in part, as a result of petitioner's federally registered mark. *Ibid.* In 2002, respondents nonetheless began operating in New York under the name HANA BANK. *Ibid.*

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<sup>5</sup> Under the Lanham Act, a "trademark" technically refers to the mark used for "goods" while a "service mark" is used to identify "services." 15 U.S.C. § 1127. In practice, both are often referred to as "trademarks," and the principles governing both types of mark are indistinguishable for present purposes. See *Park 'N Fly*, 469 U.S. at 191 n.1. Because HFI offers financial services, it registered for a "service mark."

### C. Proceedings below.

Following the Bank's announcement that it was entering the Los Angeles market (JA12), petitioner HFI sued respondents in 2007, asserting that the Bank infringed HFI's HANA FINANCIAL mark. JA7-25. HFI contended that it had used its HANA FINANCIAL mark as early as April 1, 1995 (JA17), and had obtained its federal mark in 1996, whereas the Bank did not begin using HANA BANK in the United States until December 2002 (JA10-11).

HFI asserted five causes of action: trademark infringement in violation of 15 U.S.C. § 1114; trademark infringement in violation of 15 U.S.C. § 1125(a); false designation of origin in violation of 15 U.S.C. § 1125(a); common law trademark infringement; and unfair competition in violation of California law. HFI sought both equitable relief barring the Bank from infringing on its mark and damages. JA22-24.

1. After an initial district court decision and an appeal that involved issues not material to the question now before the Court,<sup>6</sup> the district court set the

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<sup>6</sup> The district court initially granted summary judgment in favor of the Bank on HFI's infringement claims (JA125-126), finding that the Bank's use of HANA OVERSEAS KOREAN CLUB since July 1994 made it "the senior user of the mark" (JA126). At the same time, the court granted judgment in favor of HFI on the Bank's counterclaim that HFI became aware of the Bank's allegedly superior rights during a meeting in 1995. JA126-130. On cross-appeal, the Ninth Circuit affirmed the district court's judgment in favor of HFI on the Bank's cancellation counterclaim. JA137-138. The court of appeals reversed the district court's decision with respect to priority, finding that the Bank's July 1994 advertising did

matter for trial. Resolution of the case turned substantially on whether the Bank had priority on the theory that it could tack its use of HANA BANK to its prior use of HANA OVERSEAS KOREAN CLUB. Prior to trial, HFI filed a motion in limine to exclude the Bank's introduction of evidence relating to its use in 1994 of the name HANA OVERSEAS KOREAN CLUB (JA141-156); HFI contended that, because the "Bank's alleged use of the composite mark HANA OVERSEAS KOREAN CLUB is legally irrelevant to the issue of seniority" given that "it is entirely different from the mark HANA BANK," the Bank should not be permitted to introduce evidence relating to HANA OVERSEAS KOREAN CLUB for purposes of arguing priority. JA143. The district court denied petitioner's motion. JA159.

At trial, the Bank relied on its use of HANA OVERSEAS KOREAN CLUB in 1994 as a basis to demonstrate that its subsequent mark, HANA BANK, had priority. See, *e.g.*, JA160-163; JA167-170 (the Bank's closing argument: "how do we establish priority? You see here the advertisement that was published in July of 1994."). HFI moved for a directed verdict on the ground that the Bank could not establish priority via tacking, but the court concluded that this was "an evidentiary" issue, rather than a question of law, and it denied the motion. JA166-167.

The court accordingly instructed the jury as to tacking, telling it:

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not, "standing alone, establish 'first use' for purposes of our priority analysis." JA136. The court concluded that "genuine issues of material fact remain" as to trademark priority and remanded the case for resolution of those issues. JA137.

A party may claim priority in a mark based on the first use date of a similar but technically distinct mark where the previously used mark is the legal equivalent of the mark in question or indistinguishable therefrom such that consumers consider both as the same mark. This is called “tacking.” The marks must create the same, continuing commercial impression, and the later mark should not materially differ from or alter the character of the mark attempted to be tacked.

JA173.

Ultimately, the jury returned a verdict in favor of the Bank, finding tacking proper; the jury concluded that the Bank “used its mark in commerce in the United States beginning prior to April 1, 1995, and continuously since that date.” JA174.

Following the verdict, HFI filed a renewed motion for judgment as a matter of law and a motion for a new trial contending, in relevant part, that “HANA BANK and HANA OVERSEAS KOREAN CLUB are materially different as a matter of law and are not ‘virtually identical’ as required for tacking.” JA177. The court rejected HFI’s motion; it considered the issue a dispute of fact and found that there was sufficient factual basis to support the jury’s verdict. JA199-200.<sup>7</sup>

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<sup>7</sup> The district court also ruled in favor of the Bank on its defense of laches and unclean hands. Pet. App. 29a-31a. In doing so, it rejected the jury’s advisory finding in HFI’s favor on the unclean hands question. The court of appeals express-

2. The Ninth Circuit affirmed, applying circuit precedent holding “that tacking presents a question of fact.” Pet. App. 12a n.5. This conclusion drove the standard of review: “As the losing party in a jury trial, HFI must show that its interpretation of the evidence is the *only* reasonable one.” *Id.* at 16a. The court of appeals acknowledged that its “characterization of tacking as a question of fact is arguably dispositive.” *Ibid.*

As an initial matter, the court rejected respondents’ contention that they could rely simply on the word HANA to show priority. Pet. App. 11a. “The fact that a mark contains a portion of an earlier mark is not sufficient to establish tacking,” the court reasoned, because the “analysis must consider the marks ‘*in their entirety.*’” *Ibid.*

Although the court recognized that, “[i]n isolation, the words ‘Hana Overseas Korean Club,’ ‘Hana World Center,’ and ‘Hana Bank’ seem aurally and visually distinguishable” (Pet. App. 15a), it found that the “jury could have reasonably concluded that the ordinary purchasers of the financial services at issue likely had a consistent, continuous commercial impression of the services the Bank offered and their origin.” *Id.* at 17a. This was so, the Ninth Circuit reasoned, because the Bank offered services under the name HANA OVERSEAS KOREAN CLUB and consumers in the Korean-speaking community could have knowledge of Hana Bank. *Id.* at 16a-17a.

Having made this determination, the court acknowledged that “other courts, which consider

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ly declined to rule on these defenses (see *id.* at 20a) and they are not now before this Court.

tacking a question of law, might reach a different conclusion on these facts.” Pet. App. 20a. But the court found itself “bound by [its] decisions holding that tacking is a question of fact.” *Ibid.*

### SUMMARY OF THE ARGUMENT

Trademark tacking is a very narrow doctrine that effectuates two policies of trademark law: it allows the owner of a mark to make minor updates to its mark without losing priority, while precluding the retroactive expansion of a trademark that could greatly extend the mark’s preemptive scope. In light of these policies, tacking is permissible only when the earlier and later marks are “legal equivalents.” A court, and not a jury, should determine whether that is so.

A. The question whether marks are “legal equivalents” is one of law that is suitable for judicial resolution. That is plain on the face of the enquiry, which, after all, asks whether the marks should be treated as *legal* equivalents. This question calls for application of a legal standard, guided by considerations of trademark policy—that is, whether the marks are close enough to justify tacking, in light of the law’s concerns with competition and fairness—rather than a determination of historical fact. And the answer typically comes from consideration of precedent, by comparing the two marks at issue with those addressed in prior tacking cases. This is the sort of analysis that judges are best qualified to undertake.

Juries, in contrast, are not equipped to make this kind of legal determination. A jury considers its case in isolation, lacks the experience to place particular marks in context, and typically has no knowledge of the treatment accorded comparable marks in the

past. What juries *can* do is consider whether two marks are confusingly similar, as a matter of fact. But that is the test for trademark *infringement*, not the narrower standard that governs tacking; and the likelihood that juries will premise their verdicts on something like the broader factual-infringement test means that having juries conduct this inquiry will have the practical effect of expanding the tacking doctrine, with baleful effects on competition.

B. Other practical considerations confirm that trademark tacking issues should be determined by a judge. A court's resolution of the tacking issue through the application of precedent is necessary to provide trademark owners predictable rules, which is essential for owners who consider making modifications to their marks but do not want to lose priority. If tacking is, instead, treated as a question for the jury, this sort of predictability becomes impossible.

C. The conclusion that the tacking determination should be made by a judge draws further support both from historical practice and from tacking's nature as an equitable doctrine. Trademark tacking and predecessor doctrines repeatedly have been applied by courts, without the assistance of juries, for well over a century, both before and after adoption of the Lanham Act; that history shows that judges are, and always have been understood to be, well-equipped to make the tacking determination. And that is only natural, as the doctrine—like other doctrines applicable in the trademark context, such as laches and unclean hands—has its roots in equity.

D. In this case, and viewing the matter as presenting a question of law, respondents' tacking theory should not prevail. Respondents advance a claim

of *double* tacking, seeking to tack HANA OVERSEAS KOREAN CLUB to HANA WORLD CENTER and then to HANA BANK. But these purported marks are aurally and visually distinct from one another; they surely create different consumer impressions (the first suggests a social organization composed of Korean expatriates, the third a general provider of financial services); and the last mark is far broader than the earlier ones, meaning that tacking would lead to a significant retroactive expansion of the mark's preemptive effect. Because the point is not fairly debatable, and because resolution of the matter would provide guidance to the lower courts on application of tacking principles, it would be appropriate for this Court to settle the matter now.

#### ARGUMENT

A judge, not a jury, should decide whether trademark tacking is appropriately applied. On the face of it, the governing question—whether two marks are “legal equivalents”—presents a question of law, of the sort that judges are well equipped to, and typically do, decide. That question is properly resolved by reference to legal policy and precedent, the sort of inquiry that is within a judge's traditional purview. At the same time, this is *not* the sort of question that a jury is well suited to decide, and requiring a jury to resolve such a question inevitably will lead to results that depart from and distort tacking doctrine. The point is confirmed by history, which shows that judges have long been assigned the role of deciding tacking issues as a matter of equity.

In the discussion that follows, we begin by describing the background and purposes of the tacking doctrine, which underlie and define the test that

governs the doctrine’s applicability. We then turn to the set of particular considerations that show this decision to be one properly made by the court.

**I. Trademark Tacking Is A Question Of Law That Should Be Decided By A Court.**

**A. Trademark tacking is a narrow doctrine that applies only when two marks are “legal equivalents.”**

1. The right to use a trademark—and the right to sue another for trademark infringement—turns on priority of use. *In re Trade-Mark Cases*, 100 U.S. at 94. Thus, the first to appropriate a mark has the principal right to use it. In the usual course, the priority date of a new mark is the time the owner first uses it in commerce.

In this setting, the creation of the trademark tacking doctrine was prompted by the view that it would be “unreasonable” if the owner of a mark could “not redecorate or reornament, or, to use a somewhat inelegant phrase, polish it up” without losing priority. *Beech-Nut Packing Co. v. P. Lorillard Co.*, 299 F. 834, 850 (D.N.J. 1924), *aff’d*, 7 F.2d 967 (3d Cir. 1925), *aff’d*, 273 U.S. 629 (1927). For this reason, courts found it appropriate to allow a person to “change the display of a mark at any time” so long as the new mark has the same “trademark impact” and “a single and continuing commercial impression.” *Humble Oil*, 165 U.S.P.Q. at 603. In these circumstances, “where the distinctive character of the mark is not changed, the mark is, in effect, the same and the rights obtained by virtue of the earlier use of the prior form inure to the later form.” *Id.* at 603-604. See also *Ilco Corp. v. Ideal Sec. Hardware Corp.*, 527 F.2d 1221, 1224 (C.C.P.A. 1976) (citing *Humble Oil*).

Because the rationale for tacking is that the two marks are “the same,” the test for when tacking is appropriate has, from the outset, been “much narrower” than the test used to establishment trademark infringement, which is simply “whether or not the marks are confusingly similar.” Saul Lefkowitz, *Tips from the TTAB*, 66 Trademark Rep. 530, 532 (1976). And it has remained a demanding standard that is “considerably higher” than the infringement test. *Brookfield Commc’ns*, 174 F.3d at 1048 (9th Cir.). See also *George & Co.*, 575 F.3d at 402 (4th Cir.) (“Legal equivalence for tacking purposes does not exist simply because the two marks a party seeks to tack are ‘confusingly similar.’” (quoting *Van Dyne-Crotty*, 926 F.2d at 1159 (Fed. Cir.))); *Data Concepts*, 150 F.3d at 623 (same).

The narrowness of the tacking doctrine stems from a fundamental principle of trademark policy: a party may tack “the same or a substantially identical mark for like or similar goods” based “on the theory” that, because the marks are legally the same, no other party can be “damaged” by according continued priority to the earlier mark. *Compania Insular Tabacalera, S.A. v. Camacho Cigars, Inc.*, 167 U.S.P.Q. 299, 303 (T.T.A.B. 1970). See also Lefkowitz, 66 Trademark Rep. at 531-532 (Tacking turns “on the theory” that it cannot “damage[]” another party because the two marks are “the same” or “substantially identical.”).

If the tacking rule were broader, a party could, years after the fact, retroactively *expand* his or her trademark rights in a way that would be both wholly unpredictable and unfair to competitors. This would skew the balance struck by Congress and the courts between the desirability of protecting trademark

rights on the one hand, and not licensing undue monopolies on the other. See *San Francisco Arts & Athletics, Inc. v. U.S. Olympic Comm.*, 483 U.S. 522, 563 n.23 (1987) (Lanham Act designed to “prevent ‘commercial monopolization’ of descriptive language in the public domain”); *KP Permanent Make-Up*, 543 U.S. at 122.

Accordingly, trademark tacking does not tolerate a retroactive *expansion* of trademark rights. It would, for example, “be clearly contrary to well-established principles of trademark law to sanction the tacking of a mark with a narrow commercial impression onto one with a broader commercial impression.” *Van Dyne-Crotty*, 926 F.2d at 1160. Thus, an owner “has no right” “to change” a mark so “that it will conflict with a mark which was in use at the time of the change, and which did not conflict with the prior registration.” *In re Reisch Brewing Co.*, 39 App. D.C. 445, 447 (1912).

2. Against this background, courts have implemented the statutory and common-law trademark policies incorporated in the tacking doctrine by articulating a very strict test for when the doctrine properly applies. Fundamentally, to determine whether or not a new mark alters the owner’s initial monopoly—and thus whether tacking is allowed—courts consider whether the two marks are “legal equivalent[s].” *Compania Insular Tabacalera*, 167 U.S.P.Q. at 303. This is a point of agreement between the parties to this case; respondents recognize that “[t]wo marks may be tacked where they are ‘legal equivalents.’” Opp. 12. Every court of appeals to consider the issue has endorsed this “legal equivalents” test. See *Van Dyne-Crotty*, 926 F.2d at 1159 (Fed. Cir.); *Brookfield*, 174 F.3d at 1048 (9th Cir.);

*George & Co.*, 575 F.3d at 402 (4th Cir.); *Data Concepts*, 150 F.3d at 623 (6th Cir.).

To guide this inquiry, courts have identified two principal considerations that are derived from the understanding that, if a new mark creates a different right of exclusion than the original, tacking is not allowed. *First*, a virtually identical “visual or aural appearance of the marks themselves” is essential for tacking. *Data Concepts*, 150 F.3d at 623 (quoting *Van Dyne-Crotty*, 926 F.2d at 1159). Two marks are not legal equivalents if, for example, they “do not look alike.” *Id.* at 624. When the aural or visual appearance of two marks differ, “no more [is] necessary” to deny tacking—it is categorically unavailable. *Van Dyne-Crotty*, 926 F.2d at 1159. The rationale for this requirement is plain: if two marks do not look or sound alike, the monopoly those marks create will necessarily differ. And if the zone of exclusion differs, tacking is not allowed.

*Second*, “the marks sought to be tacked must create the same continuing commercial impression.” *George & Co.*, 575 F.3d at 402. Where “two marks are so similar that consumers generally would regard them as essentially the same,” “the new mark serves the same identificatory function as the old mark.” *Brookfield Commc’ns*, 174 F.3d at 1048. But if two marks are not so similar that consumers would regard them as essentially identical, tacking would impermissibly expand the trademark owner’s rights. The rationale for this requirement mirrors the first: even if the marks look and sound alike, they will nonetheless create a different monopoly if they present different commercial impressions. Once again, if the preemptive scope of the marks differ, tacking is impermissible.

Given these requirements, tacking is “narrowly construed” to reach only “those situations” where the two marks are “substantially similar,” in a manner that “leave[s] no room for honest disagreement or dispute.” Lefkowitz, 66 Trademark Rep. at 535. The marks must be “virtually identical” (*One Indus.*, 578 F.3d at 1161) and “indistinguishable” (*Quiksilver, Inc. v. Kymsta Corp.*, 466 F.3d 749, 758 (9th Cir. 2006)).

Experience confirms the narrowness of the doctrine. Thus, to offer only a few of the many possible examples, courts have rejected tacking between AMERICAN MOBILPHONE and AMERICAN MOBILPHONE PAGING (*Am. Paging*, 13 U.S.P.Q.2d at 2039); CLOTHES THAT WORK. FOR THE WORK YOU DO and CLOTHES THAT WORK (*Van Dyne-Crotty*, 926 F.2d at 1158-1159); and PRO-CUTS and PRO-KUT (*Pro-Cuts*, 27 U.S.P.Q.2d at 1227).

**B. The “legal equivalents” standard involves a question of law that a court must resolve.**

1. Against this backdrop, whether tacking is appropriate in a particular case is a matter of law for a court to decide. That is plain on the face of the inquiry, which asks whether marks are “*legal* equivalents.” This is not a simple question of historical fact; it looks, instead, at whether the marks are close enough to be regarded as *legally* “the same,” a question whose answer must turn on determining the extent to which governing trademark policies permit extended monopolies. Answering that question calls for application of a quintessential “legal standard” that is the province of a judge (*Miller v. Fenton*, 474

U.S. 104, 114 (1985)) and that invokes a court’s “power to determine the law” (*Dimick v. Schiedt*, 293 U.S. 474, 486 (1935)).

Indeed, as the Court has noted, “highly discretionary calculations that take into account multiple factors”—the sort of analysis called for here—are the kinds of calculations traditionally performed by judges.” *Tull v. United States*, 481 U.S. 412, 427 (1987). This is the sort of determination that “does not invoke a familiarity of what the Court called in *Railroad Co. v. Stout*[, 84 U.S. (17 Wall.) 657, 664 (1873),] ‘the common affairs of life.’” Dorsey D. Ellis, Jr., *Punitive Damages, Due Process, and the Jury*, 40 Ala. L. Rev. 975, 1006 & n.188 (1989).

Not only is the court the correct judicial actor to resolve this kind of legal question, but only a court can create new law that will guide future tacking disputes. The nature of the governing tacking standard therefore “assigns an especially broad role to the judge in applying it to specific factual situations,” because this is a rule that is “given meaning through the evolutionary process of common-law adjudication.” *Bose Corp. v. Consumers Union of U.S., Inc.*, 466 U.S. 485, 502 (1984).

*Markman v. Westview Instruments, Inc.*, 517 U.S. 370, 388 (1996), offers a compelling analogy to the circumstance here: in that case, the Court held that the task of construing claim terms in a patent was a job for the court, not the jury. The result turned, in part, on the recognition that “[t]he construction of written instruments is one of those things that judges often do and are likely to do better than jurors unburdened by training in exegesis.” *Ibid.* In just the same way, “judges, not juries, are the better suited”

both to determine what marks are close enough to warrant treatment as legal equivalents and to create new law that will control future disputes. *Ibid.*

2. Moreover, as a practical matter, tacking questions are—and have to be—resolved by comparing the two marks against those addressed in other tacking cases, and determining whether the marks at issue more closely resemble circumstances in which tacking was permitted or cases in which it was rejected. Examples are myriad.

The Fourth Circuit, for example, rejected tacking because the “case law [was] firmly against” it. *George & Co.*, 575 F.3d at 402. Comparing the marks LCR and LEFT CENTER RIGHT, the court found that the marks “look and sound different” and that a comparison against precedent showed that they are not “legal equivalents for purposes of tacking.” *Ibid.* The court cited no expert report, no consumer survey, nor any other piece of evidence or historical fact. The Sixth Circuit similarly rejected tacking because “[c]ourts regularly reject efforts to tack the use of two marks that are much more similar.” *Data Concepts*, 150 F.3d at 624.

And in case after case, courts have resolved questions of tacking in just the same way—by consulting precedent. See, e.g., *Van Dyne-Crotty*, 926 F.2d at 1159; *Specht v. Google Inc.*, 758 F. Supp. 2d 570, 585 (N.D. Ill. 2010); *Miyano Mach. USA, Inc. v. MiyanoHitec Mach., Inc.*, 576 F. Supp. 2d 868, 882 (N.D. Ill. 2008); *Children’s Legal Servs. PLLC v. Kresch*, 2008 WL 1901245, at \*1-2 (E.D. Mich. 2008), *aff’d*, 2009 WL 1868809 (6th Cir. 2009); *H.E. Butt Grocery Co. v. Innovative Foods L.L.C.*, 2003 WL 22988721, at \*3-4 (T.T.A.B. 2003); *Pro-Cuts*, 27

U.S.P.Q.2d at 1225; *Viviane Woodard Corp. v. Roberts*, 181 U.S.P.Q. 840, 841 (T.T.A.B. 1974) (“ALTER EGO’ is clearly not the same mark as ‘EGO’, per se”); *Compania Insular Tabacalera*, 167 U.S.P.Q. at 303; *Lever Bros. Co. v. Hillyard Enters., Inc.*, 147 U.S.P.Q. 369, 369-370 (T.T.A.B. 1965).

Even decisions in the Ninth Circuit, where the standard is putatively a factual one, rarely involve anything more than an application of precedent. In *One Industries*, 578 F.3d at 1161, for example, the court concluded that tacking was unavailable between these two marks:



Instead of looking to any extrinsic evidence, the court of appeals consulted precedent. *Id.* at 1161-1162. It noted that, “[a]lthough both marks consist of a styled O followed by an apostrophe,” the marks were nonetheless too different for tacking. *Id.* at 1161. The “apostrophes are markedly different;” the “lower and upper horizontal lines” are different; and while one mark “is boxy,” the other “looks like the outline of a lemon.” *Ibid.* For these reasons, it found the marks were most similar to cases in which tacking was denied. *Ibid.* Other decisions in that circuit have done likewise. See, e.g., *Hansen Beverage Co. v. Cytosport, Inc.*, 2009 WL 5104260, at \*5 (C.D. Cal. 2009) (“Defendant’s MONSTER MILK cannot ‘tack’ on the rights of MONSTER FOOD.”).

3. A jury, by contrast, is not equipped to make this kind of legal determination. Jurors posed with a tacking inquiry labor under a significant handicap

that derives from the nature of the institution. A jury considers its case in isolation; it lacks the information and experience needed to place the particular marks in context, and it typically has no knowledge of the treatment accorded comparable marks in the past. A jury is therefore far less able than a judge to take account of the relevant trademark policies. Moreover, of course, because it is the role of the jury to make factual findings, not legal determinations, a jury is incapable of creating law that will guide future cases. These are the unique functions of a judge. See *Dimick*, 293 U.S. at 486.

What a jury *can* do, by contrast, is consider whether two marks are confusingly similar, as a matter of fact. But this is the test, not for trademark *tacking*, but for trademark *infringement*. See *KP Permanent Make-Up*, 543 U.S. at 117. Posing the tacking question to the jury therefore is sure to lead to distorted outcomes. At best, a jury will find itself at sea if asked whether two marks are “legal equivalents.” At worst, jury verdicts will inappropriately expand the scope of the tacking doctrine as juries inevitably, and improperly, focus on the likelihood of confusion as the controlling test. Such a broadening of the tacking standard would cause anticompetitive results that are incompatible with the balance this Court has struck between trademark rights and the rights of competitors in the marketplace.

This case highlights the anticompetitive results that often would flow from treating tacking as a question of fact for a jury. Respondents’ essential contention is that its use of HANA OVERSEAS KOREAN CLUB entitles it to priority on its later mark HANA WORLD CENTER, which in turn entitles it to priority for HANA BANK. But neither of the

two earlier marks made mention of banking or financial services. Despite these substantial differences among the marks, respondents maintain that their use of the earlier mark effectively created a monopoly over *all* possible uses of HANA. If accepted, respondents' tacking theory would substantially enlarge their trademark rights, years after the fact, to the detriment of market competitors. That assertion should have been put to the court.

**C. Pragmatic considerations confirm that trademark tacking is an issue of law for a judge.**

In addition to the considerations of institutional suitability addressed above, pragmatic concerns confirm that trademark tacking should be resolved by a judge. When an issue “falls somewhere between a pristine legal standard and a simple historical fact,” the Court will consider, “as a matter of the sound administration of justice,” whether “one judicial actor is better positioned than another to decide the issue in question.” *Miller*, 474 U.S. at 114. That is, “functional considerations also play their part in the choice between judge and jury.” *Markman*, 517 U.S. at 388.

Two such considerations point decisively in favor of the conclusion that trademark tacking is a question of law. *First*, a court's resolution of the tacking issue through application of case law is necessary to provide trademark owners predictable results. *Second*, viewing tacking as a question of law greatly enhances efficiency, thus saving judicial and private resources.

1. *Treating tacking as a matter of law is essential to predictable trademark rights.*

The rules governing intellectual property rights must be predictable. See H.R. Rep. No. 113-279, at 17 (2013) (“A fair, efficient, and reliable patent system will continue to stimulate the investment in innovation that is necessary in today’s technologically complex world.”). Indeed, the Court’s holding in *Markman* was motivated, in part, by the “importance of uniformity in the treatment of a given patent,” as a “zone of uncertainty” would discourage innovation. 517 U.S. at 390.

Those concerns are particularly compelling with respect to trademark tacking. When trademark owners consider making alterations to their valuable marks, they require predictability. And predictability is possible only if existing case law has a binding effect on future decision-makers.

This point is both obvious and fundamental. In deciding whether to change the name of a product or service, a trademark owner may need to determine whether the new mark may link its priority to the old one. If the company owner is, for example, to make an alteration to a significant product line, it will want to have confidence that it can protect the new mark.

If tacking is a question of law, this task is relatively straightforward: the owner will evaluate tacking jurisprudence, find the most analogous cases, and consider the proposed name changes against this case law. (The Callman treatise, for example, helpfully lists several examples where tacking was rejected, 3 Callmann on Unfair Competition § 20:66, and where it was permitted, *id.* § 20:67.) Viewing

this precedent, the owner can make a realistic assessment of whether or not a court would permit tacking for particular proposed names; when a court decides trademark tacking, it can “identify[] recurrent patterns” and “advance uniform outcomes.” *Thompson v. Keohane*, 516 U.S. 99, 113 n.13 (1995). Even in the absence of “a ‘definite rule,’” courts “nonetheless can reduce the area of uncertainty.” *Ibid.* But if, instead, tacking is a question for the jury, this sort of reasonable predictability becomes impossible.

2. *Resolving tacking as a matter of law aids in efficient dispute resolution.*

Treating tacking as a matter of law also ensures efficient dispute resolution. Trademark tacking is often dispositive of an infringement claim; here, for example, the finding of priority served as a full defense to HFI’s claims. When tacking is viewed as a matter of law for the court, a judge can decide the tacking issue whenever most appropriate, including—if warranted—at the outset of a case. Providing a court such flexibility will simplify trademark proceedings, saving both private and judicial resources.

Such efficiency considerations contributed to the Court’s decision in *Markman*; “judicial efficiencies supported allocation of claim construction determinations to the court rather than the jury.” *Lighting Ballast Control LLC v. Philips Elecs. N. Am. Corp.*, 744 F.3d 1272 1304 (Fed. Cir. 2014) (en banc) (O’Malley, J., dissenting). Once again, the *Markman* claim construction process provides a suitable model: a district court may, if it believes most efficient, resolve questions of tacking at an early juncture in the proceeding.

**D. The potential for subsidiary factual questions—which rarely arise in tacking cases—does not alter the conclusion that tacking is a question for the court.**

As we have shown (see *supra*, 22-24), tacking rarely involves *any* disputed question of historical fact. In practice, the vast majority of tacking disputes are resolved simply by the court’s consideration of the two marks and review of precedent.

Pointing to the McCarthy treatise, which suggests that tacking is a question of fact (see 3 McCarthy on Trademarks and Unfair Competition § 17:26 (4th ed. 2014)), respondents nevertheless have argued that tacking may, on occasion, involve subsidiary factual disputes—such as the significance of market surveys or expert reports. See Opp. 23. Such extrinsic evidence, respondents have contended, may inform the aspect of trademark tacking that looks to whether two marks create the same consumer impression. This contention, however, misses the mark.

As an initial matter, very few tacking disputes actually present any such dispute of historical fact. This case is representative: respondents did not present survey or expert evidence as to how consumers would view the differences among the marks HANA OVERSEAS KOREAN CLUB, HANA WORLD CENTER, or HANA BANK. The sole inquiry was the legal relevance of those different marks. And this case is typical, as we have shown (see *supra*, 22-23); courts usually resolve tacking disputes through application of precedent, without resolution of any factual disputes. Although there may be occasional exceptions to the general practice, the approach to

tacking should be controlled by the norm, not the exception.

More importantly, the standard for tacking remains legal in nature, even if resolution of the case does implicate subsidiary questions of disputed fact. As the Court has long recognized, questions often “fall[] somewhere between a pristine legal standard and a simple historical fact.” *Miller*, 474 U.S. at 114. And courts regularly resolve disputed questions of fact in the course of making legal determinations.

Thus, in *Markman*, the Court held that claim construction—that is, construing the meaning of terms in a patent claim as they would be understood by a person of ordinary skill in the relevant art—is a question solely for the judge. The Court reached this conclusion despite its recognition that claim construction is a “mongrel practice” where the court often construes the terms of a patent claim “following receipt of evidence.” *Markman*, 517 U.S. at 378. The Court expressly acknowledged that claim construction frequently requires “credibility determinations” and “choos[ing] between experts” who dispute how one skilled in the art would understand a particular term. *Id.* at 389. But these “evidentiary underpinnings” nevertheless are “subsumed” within the overarching legal determination. *Id.* at 389-390.

Indeed, in practice, such secondary factual disputes arise in a substantial number—if not the majority—of cases involving claim construction. See, e.g., *Teva Pharm. USA, Inc. v. Sandoz, Inc.*, 723 F.3d 1363 (Fed. Cir. 2013), cert. granted, 134 S. Ct. 1761 (2014) (No. 13-854); *Lighting Ballast Control*, 744 F.3d at 1283-1286. Yet, because the ultimate inquiry is a question of law, a court resolves these subsidiary

factual questions. In just the same way, trademark tacking is a question of law solely for the court even if, in unusual circumstances, the determination may involve a subsidiary factual dispute.

To be sure, if a district court makes a factual determination in the course of resolving a tacking dispute, that aspect of the decision arguably could be entitled to some degree of deference on appeal. See Fed. R. Civ. P. 52(a)(6); *Teva Pharm. USA*, No. 13-854; *Highmark Inc. v. Allcare Health Mgmt. Sys., Inc.*, 134 S. Ct. 1744, 1747-1748 (2014). But far from undermining our argument, *Teva*, *Highmark*, and related jurisprudence underscore the frequency with which courts *do* resolve factual disputes in the course of deciding legal questions.

## **II. Courts, Not Juries, Historically Resolved Trademark Tacking.**

The conclusion that the tacking determination should be made by a judge draws further support both from historical practice and from tacking's nature as an equitable doctrine. See generally *Tull*, 481 U.S. at 427. This history demonstrates that judges are in fact, and long have been seen as, best suited to resolve tacking issues.

### **A. Courts have always resolved tacking questions.**

Although the term “trademark tacking” is of relatively modern vintage, the doctrine itself has long been an element of trademark law, given the practical reality that trademark owners occasionally make alterations to their marks, often in an effort to modernize. And courts have consistently decided whether tacking is proper without the assistance of a jury.

The *Beech-Nut Packing* case provides a telling early example. In 1897, the Harry Weissinger Tobacco Company began selling chewing tobacco under the mark BEECHNUT:



299 F. at 850. That company's trademark rights were eventually acquired by the P. Lorillard Company, which, in 1915, introduced a chewing tobacco under the name BEECH-NUT that featured different packaging:



*Id.* at 835-840 (image cropped).

Lorillard was sued by the Beech-Nut Packing Company, which sold food products under the name

BEECH-NUT. For example, one of the Packing Company's labels appeared as:



*Id.* at 837.

The plaintiff contended that, in altering the tobacco label from the original, Lorillard had “abandoned” its rights to the earlier mark. *Beech-Nut Packing*, 299 F.3d at 845. But the district court rejected this contention: it would be “unreasonable” “[t]o hold that the rightful owner of an established trade-name may not redecorate or reornament, or, to use a somewhat inelegant phrase, polish it up.” *Id.* at 850. Thus, the addition of a hyphen and the change of surrounding images did not cause Lorillard to lose priority with respect to its first use of BEECHNUT. *Id.* at 851. The court decided the issue itself, without extrinsic evidence, as a question of law.

This Court subsequently affirmed. *Beech-Nut Packing*, 273 U.S. at 632. Although the Harry Weissinger Tobacco Company first began using BEECHNUT in 1897, the plaintiff nonetheless contended that the right to this mark “has been lost by abandonment.” *Id.* at 631. This Court disagreed: that some “adjuncts” of the mark “were changed” did “[n]othing” to make Lorillard’s “position worse.” *Id.*

at 631-632. The Court was able to reach this conclusion on its own, without recourse to extrinsic evidence or the assistance of a jury.

The same year that this Court affirmed in *Beech-Nut Packing*, the Ninth Circuit similarly treated tacking as a question for the court. In *John Morrell & Co. v. Hauser Packing Co.*, 20 F.2d 713, 713 (9th Cir. 1927), the plaintiff had, since about 1880, marketed cured meats under the name “Morrell’s Pride,” among others. In 1907, the defendant began to market meats under the name “Hauser’s Pride.” *Ibid.* The plaintiff subsequently obtained a trademark registration on the word “Pride” alone and then sued defendant for infringement. *Ibid.* The court of appeals rejected the plaintiff’s effort to tack its “Pride” mark to its earlier mark; the plaintiff thus could not show that its “Pride” mark had priority over the defendant’s usage. *Id.* at 714. The court decided this itself, without any role for a jury or disputed question of fact.

Likewise, the D.C. Circuit affirmed the Commissioner of Patent’s application of tacking in 1922. There, a merchant had registered the “X-Ray” trademark for hair tonic, claiming use on handwritten labels since May 1913; his competitors “claim[ed] to have adopted the same mark for a like product in 1915.” *Worden v. Cannaliato*, 285 F. 988, 989 (D.C. Cir. 1923). The Commissioner had found it “immaterial” that, in 1918, the merchant had altered the label to add a “picture of a woman,” as the “X-Ray” word was “the essential feature of the mark.” *United Barber’s Serv. Co. v. Cannaliato*, 12 Trademark Rep. 265, 265 (Comm’r Patents 1922). See also *In re Reisch Brewing Co.*, 39 App. D.C. at 447 (rejecting

tacking as the new mark would have conflicted with a previously adopted mark of a competitor).

Following the adoption of the Lanham Act, courts approached tacking in just the same manner. For example, in *Perfectform Corp. v. Perfect Brassiere Co.*, 256 F.2d 736, 738-739 (3d Cir. 1958), competitors sold brassieres under the trademark PERFECT FORM. The defendant claimed priority based on its earlier use of PERFECT BRA and PERFECT. *Id.* at 739-740. The Third Circuit rejected this theory as a matter of law: the defendant lacked priority because its “prior use of Perfect \* \* \* gave it no rights in Perfectform.” *Id.* at 744.

The Court of Customs and Patent Appeals (the predecessor to the Federal Circuit) also rejected a party’s effort to tack their later use of the mark NU-MAID to the earlier use of NUT MAID. *Salem Commodities, Inc. v. Miami Margarine Co.*, 244 F.2d 729, 731 (C.C.P.A. 1957). Without reference to extrinsic evidence, the court concluded that, although the marks differ “only by one letter and a hyphen, the significance of the two marks is entirely different.” *Ibid.*

In numerous other cases, tacking was decided by the court, without any consideration of extrinsic evidence or role for the jury. See, e.g., *Drexel Enters., Inc. v. Richardson*, 312 F.2d 525, 527 (10th Cir. 1962) (“A mere change in form of a mark is not of itself an abandonment of the previous form or of a trademark.”); *Miami Credit Bureau, Inc. v. Credit Bureau, Inc.*, 276 F.2d 565, 568 (5th Cir. 1960) (owner did not abandon its priority by changing to mark that was “obviously synonymous” if not “grammatical

equivalent”); *Vacuum-Elecs. Corp. v. Elec. Eng’g Co.*, 150 U.S.P.Q. 215, 216 (T.T.A.B. 1966).

That courts, for more than a century, have had no difficulty deciding tacking cases without the assistance of a jury is highly suggestive; it confirms that courts are, and always have regarded themselves as being, well equipped to make this determination.

### **B. Tacking is an equitable doctrine.**

Moreover, the central role of the judge in resolving questions of tacking is only natural, as the doctrine itself stems from equity. It is the role of a court—not the jury—to apply equitable rules. See generally, *e.g.*, *Markman*, 517 U.S. at 376-377. Tacking is thus similar to unclean hands, laches, and other equitable doctrines that have long been important elements of trademark law. In fact, even outside the context of trademark law tacking has always been viewed as a doctrine of equity.

1. Trademark law has substantial roots in the English courts of equity, as a principal objective of a trademark action is to enjoin the infringer. See, *e.g.*, *Millington v. Fox*, 40 E.R. 956 (Ct. Chancery 1838). Law derived from the English chancery courts, as well as the common law, formed the basis of U.S. trademark jurisprudence. See *In re Trade-Mark Cases*, 100 U.S. at 92. Thus, early American trademark cases often proceeded as equity actions. See, *e.g.*, *Joseph Schlitz Brewing Co. v. Houston Ice & Brewing Co.*, 250 U.S. 28, 29 (1919) (“This is a bill in equity brought to restrain the use of a trade-mark.”); *In re Trade-Mark Cases*, 100 U.S. at 92.

As a result, trademark law is characterized by equitable doctrines that are resolved solely by the court. Laches is such a “traditional equitable de-

fense[]” available in trademark actions. *San Francisco Arts & Athletics*, 83 U.S. at 531 n.6. See also *La Republique Francaise v. Saratoga Vichy Spring Co.*, 191 U.S. 427, 437 (1903). Unclean hands is another equitable doctrine. See, e.g., *Clinton E. Worden & Co. v. Cal. Fig Syrup Co.*, 187 U.S. 516, 528 (1903); *Manhattan Med. Co. v. Wood*, 108 U.S. 218, 222 (1883). The Lanham Act itself recognizes “equitable principles” as defenses to infringement actions. 15 U.S.C. § 1115(b)(9). And there is no doubt that questions arising under these equitable doctrines are resolved by a court—not the jury. See *Petrella v. Metro-Goldwyn-Mayer, Inc.*, 134 S. Ct. 1962, 1978 (2014); *Markman*, 517 U.S. at 377; *Saratoga Vichy Spring Co.*, 191 U.S. at 437; *Smith v. World Ins. Co.*, 38 F.3d 1456, 1462 (8th Cir. 1994) (“[T]he determination of equitable defenses and equitable remedies is a matter for the court to decide, not the jury.”).

Trademark tacking is in the same family. It is a doctrine that remedies the otherwise “unreasonable” results that would flow from a strict application of priority principles. *Beech-Nut Packing*, 299 F.3d at 850. Tacking introduces “flexibility,” and thus “avoid[s] ‘mechanical rules’”—hallmarks of an equitable doctrine. *Holland v. Fla.*, 560 U.S. 631, 649-650 (2010). Indeed, tacking is an adjunct to “the well known principle which governs a Court of Chancery, that between merely equitable claimants, each having equal equity with the other, he who hath the precedency in time, has the advantage in right.” *Fitzsimmons v. Ogden*, 11 U.S. (7 Cranch) 2, 18 (1812). And, because tacking sounds in equity, it is for the court—and the court alone—to resolve its application.

2. It therefore is no surprise that, outside the specific context of trademark law, “tacking” is broadly recognized as an equitable doctrine. For example, through the nineteenth century, and even prior to the adoption of the Constitution, courts recognized “tacking” as an equitable principle in the context of priority for mortgages on estates, where a junior lien holder could tack his or her lien to a senior mortgagee to gain priority over intermediary lien holders. See, e.g., *Decatur Charcoal Chem. Works v. Moses*, 7 So. 637, 638 (Ala. 1890) (Tacking “is an equitable principle, and, if not agreed to by the senior mortgagee, can only be enforced in equity.”); *Peabody v. Patten*, 19 Mass. 517, 552 (1824); *Preston v. Crofut*, 1 Conn. 527, 535 (1811) (the “tacking” principle is “admitted in equity”). This “doctrine of tacking \* \* \* was well established in the English chancery” as well as “in the anterevolutionary cases.” *Downing v. Palmateer*, 17 Ky. 64, 70 (1824). As Justice Story remarked, “whatever may be thought as to the foundation of the doctrine of tacking in Court of Equity, it is now firmly established.” Joseph Story, *Commentaries on Equity Jurisprudence* § 421 (1855).<sup>8</sup>

Additionally, tacking may exist for purposes of adverse possession between “successive, uninterrupted possessions by persons between whom privity exists.” *Bonds v. Smith*, 143 F.2d 369, 370 (D.C. Cir. 1944). See also *Ringstad v. Grannis*, 171 F.2d 170,

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<sup>8</sup> Although the use of tacking in this context waned in the post-revolutionary period as U.S. states shifted to a registry of deeds to determine mortgage priority (see, e.g., *Peabody*, 19 Mass. at 552), tacking was regarded as an equitable doctrine.

174 (9th Cir. 1948); Tacking, *Black's Law Dictionary* (9th ed. 2009) (“The joining of consecutive periods of possession by different persons to treat the periods as one continuous period.”).

This history strongly suggests that the resolution of tacking issues, in trademark as well as other contexts, involves equitable considerations that are properly left to the court.

### **III. Respondents’ Trademark Tacking Theory Fails As A Matter Of Law.**

In this case, the district court’s submission of the trademark tacking question to the jury, to be resolved as a question of fact, led to the wrong result. Even the court of appeals seems to have acknowledged that, were tacking viewed a question of law, petitioner would prevail. Pet. App. 20a. Because that point is beyond reasonable dispute, and because resolution of the question by this Court would provide considerable guidance to the lower courts on proper application of tacking doctrine, we urge the Court to hold not only that the tacking issue is one for a court, but also that tacking is inapplicable in this case.

1. If tacking is a question of law for a judge, to be adjudicated against the background of case law, it is apparent that respondents’ *double* tacking theory cannot prevail. HANA OVERSEAS KOREAN CLUB cannot properly be tacked to HANA WORLD CENTER. Nor can HANA WORLD CENTER be tacked to HANA BANK. Respondents’ central contention in this matter—that their use of HANA BANK in 2001 was the legal equivalent of their use of HANA OVERSEAS KOREAN CLUB in 1995—is therefore wholly insupportable; it is like saying that “Beechnut

Chewing Gum” is the legal equivalent of “Beechnut Roller Derby.”

*First*, as the court of appeals itself acknowledged, the marks are “aurally and visually distinguishable.” Pet. App. 15a. That conclusion—undoubtedly correct—should foreclose respondents’ tacking theory. Once it is established that the marks “do not look alike” (*Data Concepts*, 150 F.3d at 624), “no more [is] necessary” to deny tacking (*Van Dyne-Crotty*, 926 F.2d at 1159).

A comparison to established case law confirms that these marks are too different to allow tacking. They are far more disparate than were the marks in many circumstances where tacking was denied, such as those involving CLOTHES THAT WORK. FOR THE WORK YOU DO and CLOTHES THAT WORK, (*Van Dyne-Crotty*, 926 F.2d at 1158-1159), or PRO-CUTS and PRO-KUT (*Pro-Cuts*, 27 U.S.P.Q.2d at 1227).

*Second*, tacking should be unavailable here because the marks create different consumer impressions. HANA OVERSEAS KOREAN CLUB suggests a social club or membership organization that is specifically targeted to Korean expatriates. HANA WORLD CENTER, by contrast, has no definite or specific meaning. And HANA BANK suggests, unlike the other marks, the provision of financial services. Ultimately, there is no basis to conclude that HANA OVERSEAS KOREAN CLUB provides a nearly identical consumer impression to HANA BANK.

Viewing this as a question of law, there is little doubt that a court would reject tacking on this basis, too. Thus, in *American Paging Inc.*, 13 U.S.P.Q.2d at 2039, the TTAB noted that the marks AMERICAN

MOBILPHONE and AMERICAN MOBILPHONE PAGING, using a nearly identical graphic, were “visually \* \* \* quite similar.” But tacking was nonetheless denied because they offered a different “connotation” as the second mark was “more informative and hence legally different” than the first. *Ibid.*

Likewise, in *Sterling Bank v. Sterling Bank & Trust, FSB*, 928 F. Supp. 1014, 1021 (C.D. Cal. 1996), a district court held that STERLING SAVINGS BANK and STERLING BANK AND TRUST were not legal equivalents for purposes of tacking. The second “mark imparts more information to the consumer than the registered mark” and thus does not create the “same commercial impression.” *Id.* at 1021-1022.

In just the same way, HANA BANK provides information that is quite different from either HANA OVERSEAS KOREAN CLUB or HANA WORLD CENTER, as it makes clear that the entity actually offers financial services. It thus creates a different, non-identical consumer impression.

*Third*, tacking is unavailable because respondents’ last mark—HANA BANK—is a broader, more general mark than their earlier ones. To avoid the danger that trademark owners will retroactively expand the preemptive scope of their marks, courts generally reject tacking claims when the later mark has “a broader commercial impression” than the earlier one. *Van Dyne-Crotty*, 926 F.2d at 1160. See also, *e.g.*, *Corporate Fitness Programs, Inc. v. Weider Health & Fitness, Inc.*, 2 U.S.P.Q.2d 1682, 1690-1691 (T.T.A.B. 1987) (rejecting effort to tack earlier mark SHAPE UP to later, broader mark SHAPE).

Here, HANA BANK—which suggests a financial institution—has a significantly broader commercial impression than the earlier marks. HANA OVERSEAS KOREAN CLUB, again, suggests a social organization that is made up of expatriate Koreans. It is thus a substantially more limited mark. Likewise, HANA WORLD CENTER, whatever it means, does not in any way indicate the provision of financial services. If respondents could obtain priority for the broad HANA BANK mark based on use of these earlier, more narrow marks, it would cause the precise anticompetitive problems we have identified. See *supra*, 17-18.

2. In opposing certiorari, respondents made additional arguments concerning the application of tacking to this case. They contended that the relevant mark was simply HANA, and thus that they could prevail without using a trademark tacking theory at all. The court of appeals properly rejected this argument, concluding that “a tacking analysis must consider the marks *in their entirety* to determine whether each conveys the same commercial impression’ such that they ‘possess the same connotation in context.” Pet. App. 11a (quoting *Van Dyne-Crotty*, 926 F.2d at 1160). Indeed, in other settings, this Court has long explained that “[t]he commercial impression of a trade-mark is derived from it as a whole, not from its elements separated and considered in detail.” *Estate of P.D. Beckwith, Inc. v. Comm’r of Patents*, 252 U.S. 538, 545-546 (1920). Given that marks may not be so segregated even for purposes of infringement analysis, it is certainly error, in the context of tacking, to “evaluate[] the overall commercial impression on the basis of only a portion of the two expressions.” *Ilco Corp.*, 527 F.2d at

1225. The whole marks, not deconstructed portions, are at issue.<sup>9</sup>

Respondents would get no further in contending that they may establish tacking by virtue of their use of a Korean language version of HANA BANK in their advertising. Opp. 29-30. The court of appeals expressly did not reach this issue. Pet. App. 17a. In any event, although respondents rely on the doctrine of foreign equivalents, that theory relates to trademark *infringement*, not trademark tacking. See *Palm Bay Imports, Inc. v. Veuve Clicquot Ponsardin Maison Fondee En 1772*, 396 F.3d 1369, 1376-1377 (Fed. Cir. 2005). Given that tacking calls for application of a substantially stricter standard than does infringement, there is no basis to permit tacking on the basis of foreign equivalents, as it would create a broad, anticompetitive tacking doctrine. And even if the doctrine applied, it is limited to circumstances in which “it is likely that the ordinary American purchaser would ‘stop and translate [the word] into its English equivalent.’” *Id.* at 1377. The average American consumer would not translate Korean characters into English.

Additionally, in opposing certiorari, respondents offered alternative grounds on which they could prevail, unrelated to trademark tacking, including unclean hands and laches. See Opp. 29-30. But the court of appeals expressly did “not reach” these al-

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<sup>9</sup> For similar reasons, any contention by respondents that they have consistently used their “dancing man” logo (see Opp. 27) would be misplaced. Consistent use of an image is not relevant to whether two different marks may be tacked together. See *Salem Commodities*, 244 F.2d at 731.

ternative arguments. Pet. App. 20a. Such issues, accordingly, are questions for remand. See *Fitzgerald v. Barnstable Sch. Comm.*, 555 U.S. 246, 260 (2009).

**CONCLUSION**

The judgment of the court of appeals should be reversed.

Respectfully submitted.

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