

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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**REPLY BRIEF FOR PETITIONER**

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**TABLE OF CONTENTS**

Table of Authorities..... ii

Reply Brief for Petitioner.....1

    A. Only a court may decide whether two marks are “legal equivalents.” .....3

        1. Two marks are legal equivalents only if the later mark does not expand the preemptive scope of the earlier mark.....4

        2. Because a jury cannot compare the legal effect of the two marks, treating tacking as a jury question would greatly expand the doctrine. ....8

    B. History demonstrates that tacking is an equitable doctrine and thus properly resolved by a court.....12

    C. Respondents’ tacking theory fails as a matter of law. ....18

        1. Respondents cannot rely on their use of Korean-language advertising.....19

        2. Respondents cannot rely on their use of the word “hana.” .....22

Conclusion .....26

## TABLE OF AUTHORITIES

	<b>Page(s)</b>
<b>CASES</b>	
<i>Agfa Corp. v. Creo Prods. Inc.</i> , 451 F.3d 1366 (Fed. Cir. 2006) .....	14
<i>Beal v. Brooks' Ex'rs</i> , 30 Ky. 232 (1832) .....	16
<i>Beech-Nut Packing Co. v. P. Lorillard Co.</i> , 273 U.S. 629 (1927) .....	14
<i>Beech-Nut Packing Co. v. P. Lorillard Co.</i> , 299 F. 834 (D.N.J. 1924) .....	4, 14, 15
<i>Bose Corp. v. QSC Audio Prods., Inc.</i> , 293 F.3d 1367 (Fed. Cir. 2002) .....	9
<i>City of Monterey v. Del Monte Dunes at Monterey, Ltd.</i> , 526 U.S. 687 (1999) .....	17
<i>Columbia Mill Co. v. Alcorn</i> , 150 U.S. 460 (1893) .....	15
<i>Compania Insular Tabacalera, S.A. v. Camacho Cigars, Inc.</i> , 167 U.S.P.Q. 299 (T.T.A.B. 1970) .....	4
<i>Decatur Charcoal Chem. Works v. Moses</i> , 7 So. 637 (Ala. 1890) .....	16
<i>Downing v. Palmateer</i> , 17 Ky. 64 (1824) .....	16
<i>Enrique Bernat F., S.A. v. Guadalajara, Inc.</i> , 210 F.3d 439 (5th Cir. 2000) .....	20, 23
<i>Estate of P.D. Beckwith, Inc., v. Comm'r of Patents</i> , 252 U.S. 538 (1920) .....	25

**TABLE OF AUTHORITIES—continued**

<i>Forrest v. Forrest</i> , 184 S.W.2d 902 (Ark. 1945) .....	17
<i>George &amp; Co. v. Imagination Entm't Ltd.</i> , 575 F.3d 383 (4th Cir. 2009) .....	7
<i>Holland v. Florida</i> , 560 U.S. 631 (2010) .....	15
<i>John Morrell &amp; Co. v. Hauser Packing Co.</i> , 20 F.2d 713 (9th Cir. 1927) .....	13
<i>Markman v. Westview Instruments, Inc.</i> , 517 U.S. 370 (1996) .....	18
<i>McLean v. Fleming</i> , 96 U.S. 245 (1877) .....	9
<i>Merritt v. Westerman</i> , 131 N.W. 66 (Mich. 1911) .....	17
<i>Moseley v. V Secret Catalogue, Inc.</i> , 537 U.S. 418 (2003) .....	25
<i>Nautilus, Inc. v. Biosig Instruments, Inc.</i> , 134 S. Ct. 2120 (2014) .....	18
<i>Otokoyama Co. v. Wine of Japan Imp., Inc.</i> , 175 F.3d 266 (2d Cir. 1999) .....	23
<i>Palm Bay Imports, Inc. v. Veuve Clicquot Ponsardin Maison Fondee En 1772</i> , 396 F.3d 1369 (Fed. Cir. 2005) .....	22
<i>In re Reisch Brewing Co.</i> , 39 App. D.C. 445 (D.C. Cir. 1912) .....	4, 14
<i>Salem Commodities, Inc. v. Miami Margarine Co.</i> , 244 F.2d 729 (C.C.P.A. 1957) .....	14

**TABLE OF AUTHORITIES—continued**

<i>San Francisco Arts &amp; Athletics, Inc. v. U.S. Olympic Comm.,</i> 483 U.S. 522 (1987) .....	24
<i>Saratoga Vichy Spring Co. v. Lehman,</i> 625 F.2d 1037 (2d Cir. 1980) .....	15
<i>Saxlehner v. Eisner &amp; Mendelson Co.,</i> 179 U.S. 19 (1900) .....	9
<i>Self-Realization Fellowship Church v. Ananda Church of Self-Realization,</i> 59 F.3d 902 (9th Cir. 1995) .....	25
<i>Smith v. World Ins. Co.,</i> 38 F.3d 1456 (8th Cir. 1994) .....	14
<i>Starbucks Corp. v. Wolfe’s Borough Coffee, Inc.,</i> 588 F.3d 97 (2d Cir. 2009) .....	25
<i>Terwilliger v. White,</i> 72 S.E.2d 169 (S.C. 1952) .....	17
<i>In re Thomas,</i> 79 U.S.P.Q.2d 1021 (T.T.A.B. 2006) .....	22
<i>United States v. Gaudin,</i> 515 U.S. 506 (1995) .....	12
<i>Vacuum-Elecs. Corp. v. Elec. Eng’g Co.,</i> 150 U.S.P.Q. 215 (T.T.A.B. 1966) .....	14
<i>Van Dyne-Crotty, Inc. v. Wear-Guard Corp.,</i> 926 F.2d 1156 (Fed. Cir. 1991) .....	4, 25
<i>Wet Seal, Inc. v. FD Mgmt., Inc.,</i> 82 U.S.P.Q.2d 1629 (T.T.A.B. 2007) .....	1

**TABLE OF AUTHORITIES—continued**

<i>Williamson &amp; Brown Land &amp; Lumber Co. v. Mullins Lumber Co., 249 F. 522 (4th Cir. 1918)</i> .....	17
<i>Worden v. Cannaliato, 285 F. 988 (D.C. Cir. 1923)</i> .....	14
<b>Other Authorities</b>	
2 Richard Holmes Coote & Sydney Edwards Williams, <i>A Treatise on the Law of Mortgages</i> (7th ed. 1904) .....	16
Saul Lefkowitz, <i>Tips from the TTAB</i> , 66 Trademark Rep. 530 (1976).....	5, 10
Thomas McCarthy, McCarthy on Trademarks and Unfair Competition (4th ed. 2014).....	<i>passim</i>
Camille Ryan, U.S. Census Bureau, <i>Language Use in the United States: 2011, American Community Survey Reports</i> (2013) .....	21

## REPLY BRIEF FOR PETITIONER

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Respondents and the government do not come to grips with two principal issues in this case. They misstate the substance and central point of the trademark tacking doctrine. And they do not take account of tacking's origin as an equitable rule.<sup>1</sup>

*First*, although all agree that the question whether two trademarks create the same “continuous commercial impression” bears heavily on the tacking inquiry, that is not the be-all and end-all of the matter. Tacking turns fundamentally on whether the earlier and later marks have the same preemptive scope—that is, whether tacking the later to the earlier mark would expand the monopoly rights of the original.

This inquiry requires a *prospective* determination whether the earlier and the later marks would, going forward, have a substantially identical preemptive effect. This is a legal determination that is beyond the competence of a jury. Respondents and the United States therefore are wrong in contending that the “legal equivalents” requirement is nothing more than a shorthand reference to trademarks that create the same “continuous commercial impression;” courts

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<sup>1</sup> The government's interest in this case is not immediately apparent. The government notes that the PTO's Trademark Trial and Appeal Board (“TTAB”) resolves trademark tacking questions. U.S. Br. 1-2. But the TTAB has taken the position that trademark tacking is a question of law—that is, our position. See, *e.g.*, *Wet Seal, Inc. v. FD Mgmt., Inc.*, 82 U.S.P.Q.2d 1629 (T.T.A.B. 2007) (“Tacking is a question of law.”).

uniformly have used the “legal equivalents” formulation because the controlling test is, in fact, legal in nature.

The “legal equivalents” test, therefore, requires a prospective analysis of the legal effect of both the original and the altered mark. That turns on a judgment as to the range of competing marks that each is likely to (and likely not to) exclude. This judgment ultimately balances two competing interests—the fairness interests due a trademark holder who wishes to “polish up” a mark, measured against the anti-competitive effects of a retroactive enlargement of a trademark. This analysis should be guided by tacking precedent, creating the predictability necessary in this important market for property rights.

This case is a paradigmatic example of the unwarranted results that flow from respondents’ argument. Viewing trademark tacking as a question for a jury, the courts below permitted respondents to rely on the legal fiction that they first used the mark HANA BANK in 1994, by virtue of their use of HANA OVERSEAS KOREAN CLUB, even though their first use of HANA BANK actually occurred in 2001. But there is no denying that these marks create very different monopoly rights: HANA BANK serves to exclude a different and much broader range of marks than does HANA OVERSEAS KOREAN CLUB. The clear effect of respondents’ rule is that a trademark owner may, years after the fact, retroactively alter the original monopoly, unfairly squeezing out intervening users.

*Second*, tacking—both in the specific context of trademark law and in other applications—is an equitable doctrine, designed to mitigate the harsh results



that would follow from mechanical application of a rigid legal rule. Respondents concede that the most analogous historical use of tacking—mortgage lien tacking—was a doctrine of equity for which a jury was not required. For that reason as well, tacking disputes should be resolved by a judge.

**A. Only a court may decide whether two marks are “legal equivalents.”**

The parties’ briefs reveal a fundamental disagreement as to what it means for two marks to qualify as “legal equivalents.” Our view is that this test is satisfied, and that tacking is appropriate, only where the altered mark does not expand the monopoly rights conferred by the initial mark. To be “legal equivalents,” accordingly, the two marks must have a substantially identical preemptive scope; they must have, in other words, the same legal effect. See Pet. Br. 19. This approach is fundamental to the limit courts have consistently imposed on tacking and is compelled by the tacking doctrine’s rationale. If this is the correct understanding of what it means for two marks to be “legal equivalents,” only a judge may resolve the issue.

Respondents and the government, in contrast, view the “test” for “legal equivalents” as asking nothing more than whether the marks create the same continuing commercial impression. Resp. Br. 48. See also *id.* at 49 (characterizing as “overstated” our assertion that the two marks must be “virtually identical”); U.S. Br. 14. On this view, the test is not materially different from the one used to determine trademark infringement.

Respondents’ view, which would unduly broaden the tacking doctrine, is wrong.

1. *Two marks are legal equivalents only if the later mark does not expand the preemptive scope of the earlier mark.*

a. It has long been understood that a trademark owner may alter his or her mark to “redecorate,” “reornament,” or to “polish it up.” *Beech-Nut Packing Co. v. P. Lorillard Co.*, 299 F. 834, 850 (D.N.J. 1924). This is the essence of the tacking doctrine, as all parties agree. See, *e.g.*, Resp. Br. 17; U.S. Br. 3.

But courts have consistently recognized a critical limitation on tacking. More than a century ago, the D.C. Circuit identified the fundamental balance inherent in a tacking determination: although an owner may make insubstantial alterations to a mark, the owner “has no right” “to change” his or her mark such 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 (D.C. Cir. 1912). That is to say, an owner may not tack a third-in-time mark to a first-in-time mark, in a way that unfairly squeezes out second-in-time users.

The Federal Circuit likewise has explained that it would “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, Inc. v. Wear-Guard Corp.*, 926 F.2d 1156, 1160 (Fed. Cir. 1991). The TTAB also holds that tacking is available only where no other party would be “damaged” by treating the earlier and later marks as equivalent. *Compania Insular Tabacalera, S.A. v. Camacho Cigars, Inc.*, 167 U.S.P.Q. 299, 303 (T.T.A.B. 1970).

In this setting, Saul Lefkowitz, then the chairman of the TTAB, explained that tacking relies “on the theory” that tacking one mark to another will not “damage[]” another party because the two marks are “the same” or “substantially identical.” Saul Lefkowitz, *Tips from the TTAB*, 66 Trademark Rep. 530, 531-532 (1976). On the other hand, the owner of a mark “should not be permitted by expansion of its operations to extend the use of registration of its marks” when “the result could be a conflict with the prior use and/or registration by another.” *Id.* at 532.

To be sure, squeezing out *some* intervening users is the very purpose of trademark tacking. The doctrine permits the owner of the original mark to make an alteration without fear that an intervening user, who *infringes* the original mark, can exploit the owner’s alteration of the original mark so as to gain priority. But what tacking may not tolerate is the owner of a mark *expanding* his or her rights, tacking it to the first-in-time mark, and thus squeezing out a second-in-time user that did *not* infringe the original mark.

Trademark tacking, accordingly, has a limit: a trademark owner may not use tacking to retroactively expand the monopoly established by the initial mark. See, *e.g.*, Pet. Br. 1, 13, 17-18, 40. Neither the respondents nor the government contest this premise.

b. This limit on tacking informs what it means for two marks to qualify as “legal equivalents.” To qualify as “legal equivalents,” the two marks must have substantially identical preemptive scopes. Pet. Br. 19. Viewed in this light, only a court can make the relevant determination.

To decide whether the altered mark is the “legal equivalent” of the original, a court must identify the preemptive scopes of the old and the new mark, comparing whether they substantially overlap. This requires a prospective judgment as to what the marks are likely to (and are likely not to) exclude. And it further requires a legal judgment as to whether these preemptive scopes differ in any material way. This judgment must balance the competing interests at stake—the owner’s interest in polishing up a mark, weighed against the anticompetitive effects of a retroactive expansion of trademark rights.<sup>2</sup>

Doubtless, in making this determination a court will examine the aural and visual similarities between the marks, as well as the extent to which the marks convey the same consumer perception, as these factors help inform what a mark does or does not preempt. Pet. Br. 19. Thus, where relevant, the “marketplace evidence” that respondents describe may bear on the extent of the exclusive rights conferred by each mark. Resp. Br. 45-47. But these considerations are not the end of the matter—they are inquiries undertaken in service of the ultimate determination whether the two marks have the same *legal effect* in the market.

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<sup>2</sup> Respondents argue that juries, as a general matter, have the ability to make some kinds of comparisons (Resp. Br. 33-35) and that tacking involves a kind of comparison (*id.* at 42-43). Although both points may well be true, respondents’ conclusion does not follow. If, as we contend, the relevant comparison is the preemptive scope of the two marks, viewed in light of the competing policy interests and established case law, the relevant comparison *here* is *legal* rather than factual, and thus one that only a court can conduct.

c. Moreover, as a practical matter, application of this test must be guided by precedent, which creates a framework for assessing whether two marks have sufficiently similar preemptive scopes so as to make tacking appropriate. As we showed, an understanding of tacking that is governed by precedent creates the predictability necessary for trademark owners who are contemplating tweaking or updating their marks. See Pet. Br. 26-27.

Respondents do not deny that only a judge can apply precedent in resolving particular cases. Their response, instead, is to suggest that tacking is nothing more than an “ad hoc” determination (Resp. Br. 41-43) that results in “seemingly varying results” *regardless* “of the arbiter” (*id.* at 49). Their conclusion is, apparently, that any effort at establishing consistency with respect to the application of tacking is a fruitless enterprise, as one case can never establish guidance for the next.<sup>3</sup> But that contention is incorrect. Court after court has, in considering the application of tacking, drawn guidance from past examples. See Pet. Br. 22-23; *George & Co. v. Imagination Entm’t Ltd.*, 575 F.3d 383, 402 (4th Cir. 2009) (“[T]he case law is firmly against the conclusion that LCR and LEFT CENTER RIGHT are legal equivalents for

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<sup>3</sup> The government takes a different tack. See U.S. Br. 21-23. It instead suggests that precedent can establish, through summary judgment, “the outer boundaries of permissible tacking.” *Id.* at 30. But knowing the “outer boundaries” of tacking provides scant comfort to a business considering an alteration to its important mark. Moreover, for reasons we will explain, if tacking is viewed as a question of fact, the summary judgment mechanism asks the wrong question. See *infra*, 10 n.5.

purposes of tacking.”). Although tacking is not reducible to a mathematical formula and will entail a measure of judgment, treating precedent as an instructive framework creates vastly greater predictability than respondents’ jury-by-jury approach.

2. *Because a jury cannot compare the legal effect of the two marks, treating tacking as a jury question would greatly expand the doctrine.*

a. Respondents’ position reveals a very different understanding of what it means for trademarks to be “legal equivalents.” In their view, trademark tacking differs little from the test for trademark infringement—both “compare[] trademarks by assessing their impression upon consumers.” Resp. Br. 24. It “requires,” according to respondents, “a subjective assessment of trademarks’ respective commercial impressions in the eyes of relevant consumers.” *Ibid.*

On this view, assigning the tacking inquiry to a jury makes the question turn on “a consumer perception inquiry, assessing the relative impression two trademarks convey upon average consumers.” Resp. Br. 41. Necessarily, this understanding transforms tacking from the legal question whether the two marks have the same *legal effect* (that is, whether they have substantially identical preemptive scopes) to a factual question as to whether the new mark creates the same “public perception” as the old one. *Id.* at 35-37.

On the face of it, this test makes tacking substantially similar to trademark infringement.<sup>4</sup> But

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<sup>4</sup> Respondents argue, in part, that the relevant test for

trademark infringement was designed to be a broad doctrine. Because a mark serves to exclude beyond its literal terms, the infringement doctrine is designed to prohibit the use of a mark that differs in material ways from an existing mark but nonetheless has the capacity to confuse consumers. Thus, “exact similarity is not required” to show infringement. *McLean v. Fleming*, 96 U.S. 245, 255 (1877). Indeed, “[i]t is not necessary to constitute an infringement that every word of a trademark should be appropriated.” *Saxlehner v. Eisner & Mendelson Co.*, 179 U.S. 19, 33 (1900).

Applying the broad infringement test, a court found that there is “a strong similarity” in the marks WAVE, ACOUSTIC WAVE, and POWERWAVE. *Bose Corp. v. QSC Audio Prods., Inc.*, 293 F.3d 1367, 1378 (Fed. Cir. 2002). The use of PLEDGE for furniture wax was found confusingly similar to PROMISE, the use of MR. PLYWOOD for homebuilding supplies was confusingly similar to MR. PANEL, and FACE TO FACE skin cream was confusingly similar to CHEEK TO CHEEK. See 4 J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* § 23:29 (4th ed. 2014). By design, the infringement test reaches marks that, while confusingly similar, confer very different exclusive rights.

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trademark infringement should bear on the question presented here. See, e.g., Resp. Br. 21-24. We do not agree. Although the issue is not presented here and will not be resolved in this case, we do not quarrel with the proposition that trademark *infringement* could be viewed as a question of fact. But the interests that control the meaning of “legal equivalents,” an inquiry unique to tacking law, compel a different result. So, too, does the equitable nature of the doctrine.

b. Adopting this approach for tacking, accordingly, would result in the expansion of the circumstances in which tacking may be approved. Respondents assert that a jury will decide “whether an altered trademark continues to communicate” the same “data to the public” as the earlier mark. Resp. Br. 43. That means a jury will decide whether the altered mark is *within* the original mark’s scope of preemption. Juries will often find this test satisfied, concluding that the two marks convey the same basic consumer impression, even though the preemptive scope of the later mark differs from the earlier one as a legal matter.

Chairman Lefkowitz warned against precisely such an expanded approach to tacking: the “test” for tacking “is not whether or not the marks are confusingly similar because the criteria for such a determination are broad enough to encompass any situation where the marks involved may be different yet be alike either in sound, appearance or significance.” Lefkowitz, 66 Trademark Rep. at 532.

Under respondents’ framework, the preemptive scope of the *later* mark—and whether it has altered the monopoly of the original mark—is irrelevant.<sup>5</sup> Respondents’ approach therefore has no safeguard

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<sup>5</sup> Respondents’ repeated focus on the mechanism of summary judgment (see, *e.g.*, Resp. Br. 9 n.4, 54-55, 56; see also U.S. Br. 21, 24-25, 30) is thus no answer to this reality. As the briefing has revealed, the parties disagree about what it means for two marks to be “legal equivalents.” If the inquiry is deemed one suitable for a jury, it changes the substance of the test itself, meaning that the summary judgment proceeding will resolve the wrong question.



that prevents a trademark owner from altering a mark, tacking it to the first-in-time mark, and then using the tacked mark to squeeze out intervening users whose second-in-time mark does not infringe the *first*-in-time mark.

One need look no further than this case for such an effect. Here, the jury was instructed that tacking is appropriate where the two marks are “legal equivalent[s].” JA173. Yet it approved tacking among HANA BANK, HANA WORLD CENTER, and HANA OVERSEAS KOREAN CLUB. Respondents do not even attempt to challenge our demonstration that the preemptive scopes of these marks differ drastically from one another. See Pet. Br. 24-25, 38-41. Yet the jury did not consider the legal effects of the three marks because it lacked the capacity to do so.

c. Notwithstanding our focus on the anticompetitive effects of treating tacking as a question of fact (see, e.g., Pet. Br. 14, 17-18, 24-25, 41), respondents’ only response is their assertion that “[c]onsumer perception inherently limits the scope and ownership of trademarks.” Resp. Br. 57. But they do not explain how this is so, nor do they demonstrate how that protects the interests of other market participants. Juries will regularly view two marks as producing the same or similar consumer perception—which is why juries may find non-identical marks to be infringing—but that says nothing about whether the two marks have the same *legal effect*.

Respondents instead try to draw analogies to other questions that are properly put to a jury. Their examples all, as the government says, involve “the application-of-legal-standard-to-fact sort of question[s].” U.S. Br. 25 (quotation omitted). A jury may,

accordingly, decide whether a specific device infringes a patent (Resp. Br. 35-36), whether certain circumstances qualify as negligent (*id.* at 36-37), whether particular material is obscene (*id.* at 37), or whether a defendant's conduct satisfies the legal elements of a crime (U.S. Br. 25-26, citing *United States v. Gaudin*, 515 U.S. 506 (1995)).

But tacking is not an “application-of-legal-standard-to-fact” kind of question. It instead rests on the legal determination whether the preemptive scopes of the old and new marks—judged in light of the competing policy interests and the case law—are substantially identical. It looks to the *legal effect* of the two marks in *all* cases—not just whether one particular mark infringes another in a *specific* case. This requires a prospective judgment, balanced against case law, that only a court can perform.

**B. History demonstrates that tacking is an equitable doctrine and thus properly resolved by a court.**

This functional consideration is bolstered by the historical reality that application of the trademark tacking doctrine at its inception, and for many years afterward, was seen as a judicial function. Despite the longstanding existence of the tacking doctrine, respondents cannot identify a single historical case in which the tacking question was put to a jury. And that is for good reason: trademark tacking, like other uses of the “tracking” doctrine, is an equitable rule. Tacking is thus no different than other equitable doctrines that are aspects of trademark law, such as laches and unclean hands, all of which are matters decided by a judge, not a jury.

1. Despite acknowledging that trademark tacking has long been a part of the law (Resp. Br. 17-18), respondents cannot point to *any* example from the doctrine's early years suggesting that trademark tacking was viewed a question of fact for the jury. Every case identified, accordingly, supports our showing that trademark tacking was, historically, a function solely for the court. Thus, at its inception and for many subsequent years, application of the tacking doctrine was understood to be suitable for a judge—a history that sheds light on the nature of the doctrine and tends to confirm that it does, in fact, present an issue of law.

Nor can respondents demonstrate a single early example where trademark tacking turned on extrinsic evidence—where, that is, the tacking inquiry turned on consumer surveys, opinion polls, or other disputable questions of fact. In *every* case, the court identified the marks in question, considered the relevant trademark policy implications, sometimes consulted precedent, and arrived at a result. While it is true, as respondents note, that some of these cases arose in equitable suits (Resp. Br. 30), where a jury would not have been available regardless of the presence of a factual question, the important point is that in each case the tacking inquiry was treated as one of law. See Pet Br. 30-35.<sup>6</sup>

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<sup>6</sup> In any event, it is not true that each of these cases arose in equity. In *John Morrell & Co. v. Hauser Packing Co.*, 20 F.2d 713, 713 (9th Cir. 1927), for example, a court dismissed a trademark infringement suit and the Ninth Circuit affirmed—deciding the tacking issue on its own. See Pet. Br. 33. Respondents have no answer.

Thus, for example, in *Beech-Nut Packing Co. v. P. Lorillard Co.*, 273 U.S. 629, 632 (1927), where the Court specifically affirmed “the finding of two courts that the right to use the mark had not been lost”—i.e., that tacking was appropriate. The Court approved the district court’s analysis, which turned on whether the denial of tacking, in a particular case, would be “unreasonable”—a determination it reached as a legal matter, without any role for factual adjudication. *Beech-Nut Packing Co.*, 299 F. at 850.

Nor do respondents challenge that agency determinations involving trademark tacking proceeded using legal modes of analysis, without any resolution of factual disputes. See, e.g., *Salem Commodities, Inc. v. Miami Margarine Co.*, 244 F.2d 729, 731 (C.C.P.A. 1957); *Worden v. Cannaliato*, 285 F. 988, 989 (D.C. Cir. 1923); *In re Reisch Brewing Co.*, 39 App. D.C. at 446-447; *Vacuum-Elecs. Corp. v. Elec. Eng’g Co.*, 150 U.S.P.Q. 215, 216 (T.T.A.B. 1966). Although the agency does not use a jury, the mode of analysis is what matters.

The evidence is, accordingly, entirely one-sided. The only conclusion it supports is that the tacking inquiry historically has been understood to be a task for the court, not the jury.

2. This conclusion follows the fact that tacking is an equitable doctrine, akin to other such doctrines that are elements of trademark law. See *Agfa Corp. v. Creo Prods. Inc.*, 451 F.3d 1366, 1375 (Fed. Cir. 2006) (“This court has consistently treated inequitable conduct as an equitable defense that may be adjudicated by the trial court without a jury.”); *Smith v. World Ins. Co.*, 38 F.3d 1456, 1462 (8th Cir. 1994) (“[T]he determination of equitable defenses and equi-

table remedies is a matter for the court to decide, not the jury.”).

Respondents do not address any aspect of the substance of our contention on this point. They do not dispute that “priority of appropriation” requires that “the claimant of the trade-mark must have been the first to use or employ” it. *Columbia Mill Co. v. Alcorn*, 150 U.S. 460, 464 (1893). Mechanically applied, respondents apparently concede, this rule could lead to “unreasonable” results, as a trademark owner would lose priority simply by “polish[ing] \* \* \* up” a mark. *Beech-Nut Packing Co.*, 299 F. at 850. Nor do respondents contest that trademark tacking performs a quintessential equitable role—it creates a “flexibility” that “avoid[s] mechanical rules.” *Holland v. Florida*, 560 U.S. 631, 650 (2010) (quotation omitted).

Of course, in applying tacking as an equitable principle, courts “can and do draw upon decisions made in other similar cases for guidance,” as courts must “exercise judgment in light of prior precedent.” *Holland*, 560 U.S. at 650.<sup>7</sup> But the task here—considering whether the preemptive scope of two marks is substantially identical, guided by precedent—is the kind of equitable analysis designed to mitigate the otherwise harsh results that stem from strict application of the priority doctrine.

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<sup>7</sup> The government’s contention that tacking is controlled by a legal standard is thus irrelevant. U.S. Br. 29. Equitable rules employ standards. Laches, for example, generally requires proof of knowledge, inexcusable delay, and prejudice. *Saratoga Vichy Spring Co. v. Lehman*, 625 F.2d 1037, 1040 (2d Cir. 1980).

The propriety of this approach is confirmed by the equitable nature of tacking in other contexts involving property rights. Respondents acknowledge that “mortgage tacking” “was established at equity in England.” Resp. Br. 40. Exercise of this doctrine was indisputably an equitable power, both as it existed in English chancery courts and while it was applied in this country. Pet. Br. 37. See also 2 Richard Holmes Coote & Sydney Edwards Williams, *A Treatise on the Law of Mortgages* 1240 (7th ed. 1904).

Mortgage tacking is closely analogous to the doctrine of trademark tacking: it permits the holder of a third-in-time lien to “tack” his or her lien with the first-in-time lien, which—if permitted—squeezes out a second-in-time lien. See *Decatur Charcoal Chem. Works v. Moses*, 7 So. 637, 638-639 (Ala. 1890). It thus operates similarly to trademark tacking, where a third-in-time mark may be tacked to a first-in-time mark, squeezing out the second-in-time.

Rather than contest any of this, respondents instead argue that mortgage tacking is a “flawed doctrine” that was “never widely adopted” in the United States. Resp. Br. 40-41. But the doctrine’s ultimate rejection in this country (after a brief period of acceptance, see, e.g., *Downing v. Palmateer*, 17 Ky. 64, 70 (1824)), misses the point. The doctrine was one of equity, and when courts adopted tacking into disputes involving trademark property rights, there is every reason to conclude that the doctrine was similarly equitable in nature.

The same approach is apparent in the tacking of interests for adverse possession. Early such cases typically proceeded in equity in chancery courts. See, e.g., *Beal v. Brooks’ Ex’rs*, 30 Ky. 232, 232 (1832).

And the doctrine was routinely decided by a court, without any role for a jury. See, *e.g.*, *Forrest v. Forrest*, 184 S.W.2d 902, 905 (Ark. 1945); *Williamson & Brown Land & Lumber Co. v. Mullins Lumber Co.*, 249 F. 522, 525 (4th Cir. 1918); *Merritt v. Westerman*, 131 N.W. 66, 67 (Mich. 1911). Respondents' attempted reliance on *Terwilliger v. White*, 72 S.E.2d 169, 173 (S.C. 1952), for example, is misplaced. There, the question was whether the court should instruct the jury whether tacking applied and not whether it properly instructed the jury on the standard to use in making a tacking determination. And that is our point here: when tacking is relevant to a priority determination, a court should instruct the jury as to the proper conclusion.

3. Respondents' Seventh Amendment argument (Resp. Br. 25-28) is not to the contrary.<sup>8</sup> If tacking is properly viewed as an equitable doctrine, it is necessarily outside the jury guaranty of the Seventh Amendment. See *City of Monterey v. Del Monte Dunes at Monterey, Ltd.*, 526 U.S. 687, 708 (1999).

Separately, respondents err in relying on the historical treatment of trademark priority. See Resp. Br. 26-28. Respondents assert that the question of priority has, in a general sense, historically been treated as a question of fact. And that may well be: if two parties, for example, dispute the particular date

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<sup>8</sup> Respondents do not make clear the weight that they place on the Seventh Amendment. It appears that respondents have carefully avoided making any affirmative contention that the Seventh Amendment compels the result they seek. See Resp. Br. 24-28. The government does not mention the Seventh Amendment.

on which one party first used its mark, that question is one of historic fact and thus an issue for a jury to resolve.

But that does not answer the question here. Respondents' argument seems to be that, if a broad question was historically resolved by a jury, any issue that may be characterized as a "subset" of that broad question must also be put to a jury. Resp. Br. 28. *Markman*, however, forecloses this reasoning. As *Markman* explains, a patent infringement claim "requires a finding that the patent claim 'covers the alleged infringer's product or process,'" which "in turn necessitates a determination of 'what the words in the claim mean.'" *Markman v. Westview Instruments, Inc.*, 517 U.S. 370, 374 (1996). Claim construction is done in service of a patent infringement inquiry, and thus is "subset" of that broader issue. The *Markman* Court did not, however, find that the question whether claim construction goes to the judge or the jury is resolved by whether the broader question goes to the judge or the jury. Although there was "no dispute that infringement cases today must be tried to a jury, as their predecessors were more than two centuries ago," that said nothing about whether claim construction was a matter for the judge or jury. *Id.* at 377. The same is true here.

### **C. Respondents' tacking theory fails as a matter of law.**

If the Court agrees with us that trademark tacking is a question for the judge, it could remand the case for application of the tacking standard to the specific marks at issue here. See *Nautilus, Inc. v. Biosig Instruments, Inc.*, 134 S. Ct. 2120, 2131 (2014). But we showed in our opening brief that tack-



ing is unavailable here if it is considered a question of law. The preemptive scopes of the three relevant marks differ enormously: for example, while HANA BANK appears to refer to an institution that provides financial services, HANA OVERSEAS KOREAN CLUB indicates a membership organization of Korean expatriates, without any suggestion of financial services whatsoever. Pet. Br. 38-41. HANA BANK and HANA OVERSEAS KOREAN CLUB thus have vastly different preemptive scopes, as does the intermediary mark, HANA WORLD CENTER. Respondents do not seriously contend otherwise. See Resp. Br. 61-62. And the arguments they do offer in defense of the substantive tacking determination made by the jury are flawed.

1. *Respondents cannot rely on their use of Korean-language advertising.*

Respondents contend principally that their advertising, beginning in 1994, included Korean-language characters that translate as “Hana Bank.” Resp. Br. 58. Respondents assert that this was sufficient “to establish priority.” *Ibid.* That contention is incorrect. Indeed, no court of appeals has considered, much less approved, the use of the foreign-language equivalents doctrine in the context of tacking.

The doctrine of foreign language equivalents may, in some circumstances, be available as a theory of trademark infringement, as a competitor may misappropriate the mark of another by translating it to a different language. See Pet. Br. 42. But, as we have explained (see, *supra*, 8-11), very different considerations apply in the context of tacking. The tacking doctrine, if broadened to encompass foreign language translations, would permit unfair, retroactive

expansion of trademark rights. Respondents do not even attempt to answer to our argument on this score, and their generic authority regarding the use of foreign equivalents in other contexts is beside the point. See Resp. Br. 59.<sup>9</sup>

And while foreign-language tacking is insupportable as a general matter, what respondents actually assert here is even more anticompetitive. Respondents' theory is that a party may first use a foreign-language mark in non-Latin characters, translate that mark to English several years later, and then tack the English-language translation to the original foreign-language mark for purposes of priority—thus squeezing out all intervening users.

Respondents attempt to support this theory by arguing that the relevant audience for the initial mark has fluency in the underlying language (here, Korean), and thus would understand the meaning of the mark in multiple languages. Resp. Br. 59-60. But the preemptive effect of tacking in these circumstances would be felt by the entire population, not just those who speak Korean.

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<sup>9</sup> Respondents' authority primarily relates to testing marks written in foreign languages for "genericness" or "descriptiveness"—to test a foreign language mark, it is generally translated to English. *Enrique Bernat F., S.A. v. Guadalajara, Inc.*, 210 F.3d 439, 443 (5th Cir. 2000). This usage, which stems in substantial part from recognition that "U.S. companies would be hamstrung in international trade if foreign countries granted trademark protection to generic English words" (*ibid.*), says nothing about tacking law. But, as we discuss below, this doctrine demonstrates why respondents' alternative argument must fail.

Take, for example, a pickle maker in Brighton Beach that manufactures under a Russian-language label, written in Cyrillic characters, that translates to “Unity Pickles.” Some time later, a pickle maker in Buffalo—who does not speak Russian—markets pickles under the label “Unity Gourmet Pickles,” written in English. Under respondents’ view, the Russian pickle maker could subsequently translate its mark to English, claim priority to its earlier Russian-language mark, and then squeeze out the Buffalo operation, even though the Buffalo manufacturer had no reasonable way to learn of the original Russian-language use.

Respondents’ theory would thus impose significant burdens on those who would develop new trademarks. When one wishes to create a new mark, the first step is to determine whether that mark (or one confusingly similar to it) is currently in use. See 3 McCarthy on Trademarks § 19:6 (“[b]efore a company commits” resources to a potential mark, it would be “well advised to obtain a preliminary determination as to possible conflict[s] with” existing marks). When the new proposed mark is in English, the relevant search is for marks written in English. But if respondents’ theory of foreign-language tacking were permitted, one would have to search *all* languages. Given that some forty languages are routinely spoken in the United States, this task is an impossibility. See Camille Ryan, U.S. Census Bureau, *Language Use in the United States: 2011, American Community Survey Reports 2-3* (2013), <http://goo.gl/ogYtpT>. And the problem is even greater when, as here, the original mark was rendered in a non-Latin character set.

Moreover, even assuming that the foreign-language equivalents doctrine ever could play a role in trademark tacking, it would necessarily be limited to circumstances where “it is likely that the *ordinary American purchaser* would stop and translate the word into its English equivalent.” *Palm Bay Imports, Inc. v. Veuve Clicquot Ponsardin Maison Fondée En 1772*, 396 F.3d 1369, 1377 (Fed. Cir. 2005) (emphasis added; quotation & alteration omitted). If a translation could ever permit tacking, it would have to be a substantially well known term understood by American consumers *not* fluent in the foreign language.

Respondents, by contrast, assert that the relevant audience for this analysis is Korean-speaking American purchasers. But the authority they cite deals with *infringement*. See Resp. Br. 59-60 (citing *In re Thomas*, 79 U.S.P.Q.2d 1021 (T.T.A.B. 2006); 4 McCarthy, *supra*, § 23:36). While it may make sense when considering whether a foreign-language translation *infringes* a mark to consider the population to whom that translation is directed, that says nothing about trademark tacking in light of the anticompetitive effects we have described.

2. *Respondents cannot rely on their use of the word “hana.”*

Respondents also assert throughout their brief that “[i]t is unclear whether the jury, in construing Hana Bank’s trademark priority, applied tacking at all.” Resp. Br. 58. See also *id.* at 3, 10-11; U.S. Br. 8 n.2. Respondents’ argument is that, because they consistently used the word “hana,” the jury could have concluded that respondents have priority on that basis, without any use of tacking. See Resp. Br. 60-61. Similarly, respondents contend that, because

“‘HANA’ is the key element of” the phrase “HANA Overseas Korean Club,” their subsequent uses of “HANA”—HANA WORLD CENTER and HANA BANK—are appropriately tacked. *Ibid.* They argue that tacking may be allowed when a mark owner “[d]iscontinu[ed] use of non-essential words.” *Id.* at 61. The court below properly rejected this argument (Pet. App. 11a), as it fails for two reasons.

Respondents’ argument is based on the mistaken premise that HANA is, by itself, a protectable mark. The doctrine of foreign equivalents, which respondents expressly embrace (see Resp. Br. 59), “requires courts to translate foreign words into English to test them for genericness or descriptiveness.” *Enrique Bernat F., S.A. v. Guadalajana, Inc.*, 210 F.3d 439, 443 (5th Cir. 2000). It “make[s] generic foreign words ineligible for private ownership as trademarks.” *Otokoyama Co. v. Wine of Japan Imp., Inc.*, 175 F.3d 266, 271 (2d Cir. 1999). Largely for reasons of international comity, the United States “refuses trademark protection to generic foreign words.” *Enrique Bernat F.*, 210 F.3d at 443. The Fifth Circuit held, for example, that the mark CHUPA CHUPS is not protectable because “chupa” is Spanish slang for a lollipop, and thus “‘chupa’ functions as a common word, not a trademark.” *Id.* at 444.

Respondents do not dispute that the word “hana” translates to “‘number one,’ ‘first,’ ‘top,’ or ‘unity.’” Pet. App. 4a. Thus, in arguing that HANA is, by itself, a protectable mark, respondents effectively assert that they could establish a trademark interest in the unadorned use of the terms NUMBER ONE, FIRST, TOP, or UNITY—and then exclude *all* use of those words in *all* contexts. That is plainly wrong; because there is nothing remotely distinctive about

these terms standing alone, these adjectives are outside the protection of trademark law. See *San Francisco Arts & Athletics, Inc. v. U.S. Olympic Comm.*, 483 U.S. 522, 531 n.7 (1987) (a “generic” term, which fails to “*distinguish*,” is not protectable as a mark).<sup>10</sup>

Because of the foreign-equivalents doctrine, respondents’ argument is no different than the contention that, among the three marks UNITY OVERSEAS KOREAN CLUB, UNITY WORLD CENTER, and UNITY BANK, the trademark interest resides solely in the word “unity.” Because the word “hana” is itself no more protectable than the word “unity,” the words to which “hana” is joined are *essential* to create a protectable trademark interest. Respondents are thus wrong to contend (Resp. Br. 61) that “Overseas Korean Club,” “World Center,” and “Bank” are “non-essential” words that may be dropped or added to the word “hana” without effect. Respondents have no trademark interest in the isolated word “hana.”

Respondents’ argument fails for the separate reason, identified by the court below, that tacking must consider the entire mark, not components of it. Pet. App. 10a. When a mark is a “composite,” which these marks are as they contain multiple words, “the anti-dissection rule” provides that the “mark is tested for its validity and distinctiveness by looking at it as a whole, rather than dissecting it into its component parts.” 2 McCarthy, *supra*, § 11:27. This Court has directed that a mark must be considered “as a

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<sup>10</sup> This is borne out by the several registered trademarks that use, in varying contexts, the word “hana.” See Pet. Br. 6 n.2.

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, 546 (1920). Thus, for example, it was error to consider the validity of the marks “Self-Realization Fellowship” and “Self-Realization Fellowship Church” by focusing on the component element “Self-Realization.” *Self-Realization Fellowship Church v. Ananda Church of Self-Realization*, 59 F.3d 902, 912 (9th Cir. 1995).

The doctrine applies in the context of tacking, too. Like the court below, the Federal Circuit has recognized that the tacking “inquiry must focus on both marks *in their entirety*.” *Van Dyne-Crotty*, 926 F.2d at 1160. This follows from the essential limitation on tacking (see, *infra*, 4-5)—the tacking doctrine may not expand, retroactively, the preemptive scope of a mark. To determine whether a new mark enlarges the rights conferred by an old mark, the focus must be on the *marks*, which necessarily contain all elements, and not on an individual component of the marks. If that were not so, use of the mark “Beechnut Chewing Tobacco” would later let the trademark holder claim, retroactively, “Beechnut Chewing Gum,” and then even later, “Beechnut Roller Derby”—unfairly squeezing out all intervening users.<sup>11</sup>

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<sup>11</sup> A “famous” mark may yield a different result. The famous-mark doctrine permits “very well-known and strong marks [to] apply for the extraordinary scope of exclusivity given by antidilution laws.” 4 McCarthy, *supra*, § 24:104. See also *Moseley v. V Secret Catalogue, Inc.*, 537 U.S. 418, 428-431 (2003). Because the mark STARBUCKS is famous (see *Starbucks Corp. v. Wolfe’s Borough Coffee, Inc.*, 588 F.3d 97, 109 (2d Cir. 2009)), the Starbucks coffee company could bring an antidilution claim for another’s use of the mark STAR-

Tacking does not permit such anticompetitive results.

**CONCLUSION**

The judgment of the court of appeals should be reversed.

Respectfully submitted.

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BUCKS CHEWING GUM, even if the company uses the STARBUCKS mark principally with respect to coffee. Respondents do not contend that their use of “hana” meets the exceptionally demanding standard for a “famous” mark.