

IN THE UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF PENNSYLVANIA

UNITED STATES SOO BAHK DO
MOO DUK KWAN FEDERATION, INC.,

Plaintiff,

v.

INTERNATIONAL TANG SOO DO
MOO DUK KWAN ASSOCIATION, et al.,

Defendants.

3:12-CV-00669
(JUDGE MARIANI)

FILED
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AUG - 4 2014

MEMORANDUM OPINION

PER

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I. Introduction

Presently before the Court is a Motion for Summary Judgment (Doc. 43) filed by the Plaintiff on certain of the Defendants' counterclaims. For the reasons discussed below, the Court will deny the Motion.

II. Factual Background and Procedural History¹

Plaintiff, United States Soo Bahk Do Moo Duk Kwan Federation is a New Jersey corporation involved in the "practice, teaching, and regulation" of a Korean form of martial arts. (See Pl.'s Statement of Mat. Facts, Doc. 45, at ¶ 4.) The parties agree that "Tang Soo

¹ In their Answer to Plaintiff's Statement of Material Facts (Doc. 53), Defendants do not admit any fact without qualification. Instead, they often engage in lengthy and digressive legal arguments or interpretations of Korean history that repeat points raised in their brief, but which do not directly address the issue asserted as a material fact. (See, e.g., Doc. 53 at ¶¶ 4, 5, 9, 14, 35.) As such, the Court's task in sorting out legitimately disputed and undisputed facts has been rendered much more difficult. Nonetheless, the facts discussed in this section are all ones which the Court finds, based on a neutral reading of the record before it, to not be subject to reasonable dispute.

Do" is the generic term for the type of martial art that Plaintiff practices. (*Id.* at ¶ 7; Defs.' Br. in Opp. to Pl.'s Mot. for Summ. J., Doc. 55, at 2-3.) However, Plaintiff also holds registered trademarks on the related term "Moo Duk Kwan," which translates to "martial virtue institute," and on the symbol for Moo Duk Kwan: a fist surrounded by laurel leaves with words written in a scroll across the bottom. (Doc. 45 at ¶ 1; Doc. 53 at ¶ 1.) Plaintiff argues that the term "Moo Duk Kwan" and its associated logo are properly registrable trademarks because, whereas "the generic name for the martial art taught by the Plaintiff and the Defendants is Tang Soo Do," the term Moo Duk Kwan was independently created by one Hwang Kee in South Korea in 1945 as a mark to designate a type of Tang Soo Do school that he founded. (Doc. 45 at ¶ 5.) In the Plaintiff's words,

Founder Hwang Kee chose the mark Moo Duk Kwan® to suggest the particular services provided by the school, including the style and practices he developed for instruction of martial arts. This is similar to the name of an educational institution, a religious organization, or a grocery store, in that the trademark identifies the nature and quality of the services provided by the owner.

(Doc. 45 at ¶ 6.) Hwang later founded the Plaintiff Moo Duk Kwan Federation, of which his son, H.C. Hwang, is the current president. (See H.C. Hwang Decl., Doc. 45-4, at ¶¶ 1, 3.)

Believing that the Defendants, owners of a Pennsylvania corporation called International Tang Soo Do Moo Duk Kwan Association, were engaged in the unauthorized use of its trademarks, Plaintiff filed this action in federal court on April 10, 2012. (See Compl., Doc. 1, at ¶¶ 4, 16-18.) Plaintiff's most recent Complaint alleges claims for trademark infringement, trademark counterfeiting, and unfair competition under federal and

common law. (See Am. Compl., Doc. 27, at pp. 10, 12, 14.) In response, Defendants asserted a series of counterclaims. (See Answer, Doc. 28, at pp. 8-12.) Plaintiff—but not Defendants—then filed a Motion for Summary Judgment, which is the subject of this Opinion. (See Pl.'s Mot. for Summ. J., Doc. 43.) That Motion seeks judgment on several of Defendants' counterclaims, to wit: claims to cancel Plaintiff's trademark registrations for genericness (Count I), for abandonment (Count III), and as based on fraud (Count IV), as well as a general counterclaim for a declaratory judgment that Plaintiff's trademarks are unenforceable (Count V). (See Pl.'s Mot. for Summ. J., Doc. 43, at 1-2.)

III. Standard of Review

Through summary adjudication, the court may dispose of those claims that do not present a "genuine dispute as to any material fact." Fed. R. Civ. P. 56(a). "As to materiality, . . . [o]nly disputes over facts that might affect the outcome of the suit under the governing law will properly preclude the entry of summary judgment." *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 248, 106 S. Ct. 2505, 2510, 91 L. Ed. 2d 202 (1986). The party moving for summary judgment bears the burden of showing the absence of a genuine issue as to any material fact. *Celotex Corp. v. Catrett*, 477 U.S. 317, 323, 106 S. Ct. 2548, 2552, 91 L. Ed. 265 (1986). Once such a showing has been made, the nonmoving party must offer specific facts contradicting those averred by the movant to establish a genuine issue of material fact. *Lujan v. Nat'l Wildlife Fed'n*, 497 U.S. 871, 888, 110 S. Ct. 3177, 3188, 111 L. Ed. 2d 695 (1990). "Inferences should be drawn in the light most favorable to the non-moving party,

and where the non-moving party's evidence contradicts the movant's, then the non-movant's must be taken as true." *Big Apple BMW, Inc. v. BMW of N. Am., Inc.*, 974 F.2d 1358, 1363 (3d Cir. 1992), *cert. denied* 507 U.S. 912 (1993). Nonetheless, "[t]he mere existence of a scintilla of evidence in support of the [non-movant's] position will be insufficient [to defeat summary judgment]; there must be evidence on which the jury could reasonably find for the [non-movant]." *Anderson*, 477 U.S. at 252.

IV. Analysis

a. Cancellation of a Registered Trademark

"The Lanham Act, 15 U.S.C. § 1051 et seq., provides national protection for trademarks used in interstate and foreign commerce." *Berner Int'l Corp. v. Mars Sales Co.*, 987 F.2d 975, 979 (3d Cir. 1993). Nonetheless, a registered trademark may be cancelled upon petition "by any person who believes that he is or will be damaged," *inter alia*, "[a]t any time if the registered mark becomes the generic name for the goods or services, or a portion thereof, for which it is registered, or is functional, or has been abandoned, or its registration was obtained fraudulently." 15 U.S.C. § 1064(3). Defendants allege counterclaims on several of these grounds. It is to these counterclaims that the Court now turns.

i. Cancellation for Genericness (Count I)

The Lanham Act "provides no protection for generic terms." *E.T. Browne Drug Co. v. Cococare Prods., Inc.*, 538 F.3d 185, 191 (3d Cir. 2008). Generic terms are those "which function as the common descriptive name of a product class." *A.J. Canfield Co. v.*

Honickman, 808 F.2d 291, 296 (3d Cir. 1986). In other words, a “generic term is one that refers to the genus of which the particular product is a species.” *Park ‘N Fly, Inc. v. Dollar Park and Fly, Inc.*, 469 U.S. 189, 194, 105 S. Ct. 658, 661, 83 L. Ed. 2d 582 (1985).

“Generic terms are not registrable, and a registered mark may be canceled at any time on the grounds that it has become generic.” *Id.*

The same principles apply when, as here, the term being challenged for genericness is a term in a foreign language. As the Second Circuit has noted:

It is a bedrock principle of the trademark law that no trader may acquire the exclusive right to the use of a term by which the covered goods or services are designated in the language. Such a term is “generic.” . . .

The same rule applies when the word designates the product in a language other than English. This extension rests on the assumption that there are (or someday will be) customers in the United States who speak that foreign language. Because of the diversity of the population of the United States, coupled with temporary visitors, all of whom are part of the United States marketplace, commerce in the United States utilizes innumerable foreign languages. No merchant may obtain the exclusive right over a trademark designation if that exclusivity would prevent competitors from designating a product as what it is in the foreign language their customers know best. Courts and the USPTO apply this policy, known as the doctrine of “foreign equivalents,” see 2 J. Thomas McCarthy, *McCarthy on Trademarks & Unfair Competition*, § 12:41 at 12–83, 12–84 (1996 ed.), to make generic foreign words ineligible for private ownership as trademarks.

Otokoyama Co., Ltd. v. Wine of Japan Import, Inc., 175 F.3d 266, 270-71 (2d Cir. 1999) (collecting cases).

Defendants argue that the trademarks “Moo Duk Kwan” and the corresponding logo must be cancelled for genericness because “[Defendants’] use of the marks and fist and laurel leaves design pre-date any of the Plaintiff’s registrations by at least 20 years; and that

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