

To: Our Clients and Friends

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Supreme Court Holds Trademark Tacking is a Question for the Jury

In a unanimous decision, the Supreme Court held this week that whether two trademarks may be “tacked” for purposes of determining priority is a question for the jury. *Hana Financial, Inc. v. Hana Bank, et al.*, No. 13-1211, slip op. (Jan. 21, 2015). The doctrine of tacking is based in the marketplace reality that a trademark may evolve over time. If a trademark owner makes changes to its mark that are sufficiently minor that both the original and modified mark “create the same, continuing commercial impression,” then the marks are considered to be “legal equivalents,” and the trademark owner’s rights in the modified mark date back to its first use of the original mark. Tacking can be a critical issue for both plaintiffs and defendants in a trademark infringement case, as it can determine which party has priority of use and therefore whose rights are superior.

Resolving a circuit split, the Supreme Court held that because whether the modified mark creates the same, continuing commercial impression operates from the perspective of an ordinary consumer, the jury should decide whether tacking is appropriate. A judge may decide a tacking question only on summary judgment, judgment as a matter of law, or where the parties have elected to try their case before a judge.

The tacking question in *Hana* was whether defendant’s prior use of the mark “Hana Overseas Korean Club” (together with the words “Hana Bank” in Korean characters) provided a defense to plaintiff’s charge that defendant’s later use of “Hana Bank” infringed plaintiff’s “Hana Financial” mark. The jury found that defendant’s rights in “Hana Bank” dated back to its use of the original mark. Plaintiff’s arguments that it was improper for the tacking question to have been given to the jury were rejected first by the Ninth Circuit and then by the Supreme Court.

This decision changes the rule in the Sixth and Federal Circuits, where tacking had been evaluated as a matter of law.

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